

# OPPRS

# ADMINISTRATIVE RULES

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The following is an unofficial copy of the administrative rules promulgated by the Oklahoma Police Pension and Retirement Board under the provisions of the Administrative Procedures Act, 75 O.S., Sections 250 et seq. The Board's administrative rules are for the administration of the System and for the transaction of its business consistent with law.

## TITLE 550. OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

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## CHAPTER 1. ADMINISTRATIVE OPERATIONS

### Subchapter Section

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[Authority: 11 O.S., §§ 50-105.2(A) and (B) and 50-106(3)]

[Source: Codified 6-4-91]

## SUBCHAPTER 1. GENERAL PROVISIONS

### Section

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### **550:1-1-1 Purpose**

The rules of this Chapter are adopted for the purpose of simplifying procedures, avoiding unnecessary delays, saving expenses, and facilitating the administration of the Oklahoma Police Pension and Retirement System.

[Source: Amended at 22 OK Reg 979, eff 6-1-05]

### **550:1-1-2 Definitions [REVOKED]**

[Source: Revoked at 14 Ok Reg 1987, eff 5-27-97]

### **550:1-1-3 Principal office; hours**

(a) The principal office of the Oklahoma Police Pension and Retirement Board is located in Oklahoma City, Oklahoma.

(b) Office hours shall be from 8:00 A.M. to 4:30 P.M., unless otherwise designated by the Executive Director. Office hours will be Monday through Friday inclusive, except legal holidays established by statutes or proclamations of the Governor.

### **550:1-1-4 Communications to Board; Board records**

(a) Written communications shall be addressed to the Chairman or the Executive Director of the Board at the principal office, unless otherwise directed by the Board.

(b) All rules and other written documentation adopted or used by the Board shall be available at the principal office during regular business hours.

(c) Copies of all official records of the Board not privileged from disclosure by law shall be available for inspection at the principal office during regular office hours. Copies of such records, certified by the Executive Director of the Board, may be made, and the expense of such copies shall be paid by the person requesting the same.

[Source: Amended at 18 Ok Reg 2759, eff 7-1-01]

### **550:1-1-5 Fair and impartial consideration**

The rules of this Title shall be given fair and impartial consideration.

### **550:1-1-6. Status changes required in writing**

Request for change of address and change of tax status must be made in writing. A participating municipality may request a change of address for an active member. A request for change of address submitted by a participating municipality must be submitted on the System's Notice of Change of Address form or the municipality's form which has been approved by the System and must be signed by the member or an authorized employee of the municipality.

[Source: Added at 12 Ok Reg 133, eff 9-30-94 (emergency); Added at 12 Ok Reg 2899, eff 7-13-95; Amended at 20 Ok Reg 1338, eff 6-1-03]

### **550:1-1-7 Inspection, copy and/or reproduction fees**

Access to Oklahoma Police Pension and Retirement System records shall be subject to the System's fee schedule. A reasonable search fee may be charged to recover the cost of document searches if the request

is solely for commercial purposes or clearly would cause excessive disruption of the System's essential functions.

- (1) document search/inspection (minimum one hour) - \$20.00 per hour
- (2) document copying (per sheet) - \$.25
- (3) certified document copying - \$1.00
- (4) mechanical reproduction - Actual Cost
- (5) magnetic tapes - Actual Cost
- (6) CPU access time - Actual Cost

[Source: Added at 12 Ok Reg 133, eff 9-30-94 (emergency); Added at 12 Ok Reg 2899, eff 7-13-95; Amended at 18 Ok Reg 2759, eff 7-1-01]

### **550:1-1-8 Municipality membership Effective Date**

An eligible employer shall join the System pursuant to 11 O.S. § 50-106.3 on the first day of the month following State Board approval of the Application for Affiliation.

[Source: Amended at 28 Ok Reg 2061, eff 7-11-11]

## **SUBCHAPTER 3. ORGANIZATION OF BOARD**

### **Section**

550:1-3-1 Powers of the Board

550:1-3-2 Board meetings

550:1-3-3 Nomination of Board members

550:1-3-4 Election of Board members

550:1-3-5 Filling Board vacancies

### **550:1-3-1 Powers of the Board**

(a) The Oklahoma Police Pension and Retirement Board shall exercise all powers expressly granted or implied by statute.

(b) The Oklahoma Police Pension and Retirement Board shall have the power to negotiate and enter into agreements with local, state, and federal governments, agencies or instrumentalities as may be authorized by statute as necessary for the performance of its duties.

(c) The Board may exercise official powers at any location in the State of Oklahoma.

(d) Effective June 26, 2013, the rules governing the Oklahoma Police Pension and Retirement System shall be construed in accordance with federal tax law, including I.R.S. Revenue Ruling 2013-17 and I.R.S. Notice 2014-19 and subsequent federal tax regulations and rulings, but only to the extent required to maintain qualification of the Oklahoma Police Pension and Retirement System and trust under Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended, for a governmental plan, as defined in Section 414(d) of the Internal Revenue Code of 1986, as amended.

[Source: Amended at 18 Ok Reg 2759, eff 7-1-01; Amended at 32 OK Reg 1266, eff 8-27-15]

### **550:1-3-2 Board meetings**

(a) Location. The Board may convene at any location or institution within the jurisdiction of the Board, or at such other location as the Board may specify.

(b) Agenda. The agenda of the Board's regular meeting shall be determined by the Chairman and Executive Director and a copy thereof provided to each Board member at least two days before the meeting.

[Source: Amended at 14 Ok Reg 1987, eff 5-27-97; Amended at 18 Ok Reg 2759, eff 7-1-01; Amended at 21 Ok Reg 1423, eff 6-1-04; Amended at 32 OK Reg 1266, eff 8-27-15]

### **550:1-3-3 Nomination of Board members**

(a) Nomination procedures. The following procedures shall govern the nomination of Board members:

(1) Each member in the district under election will be sent a letter from the Executive Director ("Director's Letter") briefly describing the reason for the nomination/election, the general procedures to elect a Board member and the responsibilities of a Board member. The Director's Letter will also state how a member can obtain a copy of a nomination petition.

(2) The nomination petition for districts 1, 2, 3, and 4 will include a list of participating municipalities whose active members are eligible to be nominated. To be placed on the ballot for districts 1, 2, 3, and 4, nominees must receive signatures from 5% of the active members in their respective district and the petition must include at least one signature from five different participating municipalities. To be placed on the ballot for districts 5 and 6, nominees must receive signatures from 5% of the active members in their respective district. To be placed on the ballot for district 7, nominees must receive signatures from 25 retired members of the district with at least one signature being from retirees of five different municipalities. Members of the district under election; their mailing addresses; and, for districts 1, 2, 3, 4, 5, and 6, the number of signatures required to be placed on the ballot, will be determined at least one week prior to the date the Director's Letter is to be mailed.

(3) The Director's Letter will be placed in individual envelopes addressed to each active member separately in care of their mailing address on file with the System. The envelopes will be mailed First Class to the member. Mailings to retired members will be made to the address used to mail year-end tax notices (1099R). The Director's Letter will be mailed at least six weeks prior to the date the election ballot is to be mailed. The System shall make no attempt to forward/resend any mailing returned by the United States Postal Service as undeliverable unless it is found that the mailing was sent to an incorrect address due to an administrative error on the part of the System.

(4) A copy of the Director's Letter and a copy of the nomination petition will be posted on the agency's website. Upon request, a copy of the nomination petition will be emailed or mailed First Class to members.

(5) Nomination petitions must be returned by certified mail with return receipt or delivered in person to the certified public accounting firm supervising the election or to the System. The Director's Letter will specify the date by which the nomination petition must be received by the certified public accounting firm or by the System. The nominee must also provide a 25 words or less biographical sketch to be included in the election ballot. The names of the nominees will be posted in the System's office for public view for not less than seven days.

(6) Should only one member be nominated for any district, that member will automatically become the Board member for that district.

(7) If no nominations are received by the deadline, a second Director's Letter will be sent and handled in accordance with the normal procedures. The time frame for the mailing of the second Director's

Letter and the deadlines established therein shall be set by the Board.

(8) The Executive Director or the Executive Director's designee will verify that each nominee is eligible to be elected to the Board.

(b) Certified public accounting firm procedures. A certified public accounting firm shall:

(1) Meet with the Executive Director or the Executive Director's designee and determine the timing of the mailing of the Director's Letter to each member in the districts electing a board member.

(2) Obtain from the Executive Director or the Executive Director's designee a copy of a list of municipalities included in each district holding an election.

(3) Obtain from the Executive Director or the Executive Director's designee a copy of the Director's Letter to be sent outlining the duties of a Board member, nomination and election process, critical dates, etc.

(4) Review a mailing list obtained from the Oklahoma Police Pension and Retirement System which contains the name and mailing address of each member in each district conducting an election who will be mailed the Director's Letter.

(5) Obtain from the Executive Director or the Executive Director's designee a copy of the nomination petition and determine if any changes to the form are required.

(6) Judgmatically select members listed on the mailing list and verify that they are to receive the Director's Letter. Judgmatically select envelopes containing the Director's Letter and verify that members to which the envelopes are being mailed are listed on correct district mailing list.

(7) Accumulate nomination responses and determine that each petition has the proper number of signatures from the appropriate municipalities.

(8) Require the Executive Director or the Executive Director's designee to verify that each nominee is eligible to be elected to the Board.

(c) Oklahoma Police Pension and Retirement System procedures. The Oklahoma Police Pension and Retirement System shall:

(1) Obtain a mailing list for each district conducting an election. The mailing list should contain the name and mailing address of each member in the district.

(2) Prepare the nomination petition.

(3) Prepare mailing of the Director's Letter for review by certified public accounting firm.

(4) Post copy of the Director's Letter and copy of nomination petition for each district conducting an election on agency's website.

[Source: Amended at 14 Ok Reg 1987, eff 5-27-97; Amended at 18 Ok Reg 2759, eff 7-1-01; Amended at 19 Ok Reg 1471, eff 7-1-02; Amended at 20 Ok Reg 1338, eff 6-1-03; Amended at 22 Ok Reg 40, eff 8-11-04 (emergency); Amended at 22 Ok Reg 979, eff 6-1-05; Amended at 25 Ok Reg 1985, eff 7-1-08; Amended at 27 Ok Reg 1901, eff 7-1-10]

### **550:1-3-4 Election of Board members**

(a) Voting procedures for active members. The following procedures shall govern voting for the election of Board members by the active members:

(1) Active members eligible to vote will be notified via email of an upcoming election at least one week prior to the date the election period will begin.

(2) On the date the election period begins, an active member, upon logging on to the System's website, will be directed to a separate electronic member services voting application until the member has voted. The voting application shall include a list of eligible nominees for the Board and instructions on how to vote and submit the vote.

(3) Active members will have three weeks from the date the election period begins to submit a vote. Weekly email reminders shall be sent by the System to the active members during the election period.

(b) Voting procedures for retired members. The following procedures shall govern voting for the election of Board members by the retired members:

(1) Eligible nominees will be placed on the election ballot.

(2) Retired members eligible to receive election ballots and their mailing addresses will be determined at least one week prior to the date the election ballot is to be mailed.

(3) The ballot will be mailed at least three weeks prior to the date the completed ballot must be received by the System's certified public accounting firm. This ballot will instruct voters to return their ballot directly to the certified public accounting firm and will specify the date by which the certified public accounting firm must receive the ballot in order for it to be counted. Self-addressed, postage-paid envelopes will be enclosed to return the ballots. The ballot and return envelope will be placed in individual envelopes addressed to each retired member separately in care of their mailing address on file with the System. The envelopes will be mailed First Class to the retired member. Mailings to retired members will be made to the address used to mail year-end tax notices (1099R). The System shall make no attempt to forward/resend any mailing returned by the United States Postal Service as undeliverable unless it is found that the mailing was sent to an incorrect address due to an administrative error on the part of the System.

(4) Ballots will be pre-numbered and require the individual signature of the voter to be counted. Ballots will be printed on the certified public accounting firm letterhead or watermarked paper.

(5) Votes cast for members other than the nominees contained on the ballot will not be counted.

(6) Ballots returned to the Oklahoma Police Pension and Retirement System or some location other than the certified public accounting firm's office will not be counted.

(7) Ballots received after the deadline will not be counted.

(8) Ballots with more than one vote will not be counted.

(9) Ballots which are not signed will not be counted.

(c) Certified public accounting firm procedures for voting by retired members. The certified public accounting firm shall:

(1) Review ballots before mailing. Judgmentally select members listed on the district mailing list and verify that they are to receive a ballot. Judgmentally select ballots and verify that members are listed on correct district mailing list.

(2) Accumulate responses and total results.

(3) Exclude any ballots not received by the certified public accounting firm by the cut-off date, or other spoiled ballots.

(4) Provide the total number of votes cast for each nominee and total available votes to the Oklahoma Police Pension and Retirement Board.

(d) Electronic member services voting application procedures for active members. The electronic member services voting application shall:

(1) Provide a list of eligible nominees and instructions on how to vote and submit the vote.

(2) Accumulate the voting responses based on one vote for each active member.

(3) Close the voting process at the end of the three week election period so that no further votes may be submitted.

(4) Provide a report with the total number of votes cast for each nominee to the Oklahoma Police Pension and Retirement Board.

(e) Oklahoma Police Pension and Retirement System procedures.

(1) For active members, the Oklahoma Police Pension and Retirement System shall:

(A) Create and maintain an electronic member services voting application for the election process.

(B) Send an email notice to each active member regarding the upcoming election at least one week prior to the date the election period begins.

(C) Send weekly email reminders to each active member to vote during the election period.

(2) For retired members, the Oklahoma Police Pension and Retirement System shall:

(A) Prepare the ballot for each district holding an election. Include each nominee's biographical sketch. Photocopy and/or print the ballot on the certified public accounting firm letterhead or watermarked paper.

(B) Post a copy of the ballot in the office of the Oklahoma Police Pension and Retirement System for public view during regular office hours not less than seven business days before the ballot is to be mailed.

(C) Pre-Number each ballot sequentially.

(D) Obtain mailing list for each district conducting an election. The mailing list should contain the name and mailing address of each retired member in the district eligible to receive an election ballot.

(E) Apply the name and mailing address of each retired member on district mailing list on a ballot and place the ballot and a self-addressed return envelope in window envelopes.

(F) After certified public accounting firm has audited the ballots, mail a package to each retired member on district mailing list.

(f) Results of vote.

(1) The System shall combine results provided by the certified public accounting firm and the electronic member services voting application and send notification of election results to nominees via certified mail.

(2) The nominee receiving the highest number of votes, even if this constitutes less than 50% of the total votes cast, will be elected to serve on the Board.

(g) Tie votes. Should two nominees tie for the most votes received, the election will be conducted again between the two nominees.

(h) Election challenge. A nominee has 10 days from the date the nominee receives notice of the election results to provide the System with written notice of challenge to the results.

(1) Should the election results be timely challenged by a nominee, procedures for determining the winning nominee will be established by the Oklahoma Police Pension and Retirement Board and could include but are not limited to:

(A) Verification of a sample or all of the signatures on the ballots or certification of data collected through the electronic member services voting application.

(B) Re-perform the election with notarized ballots and electronic votes.

(2) The Board may order a new election if the Board, in its discretion, finds that the previous election and/or result was affected by some material impropriety. The new election will be conducted in the same manner as provided by rules with the exception that the Board may establish a revised time frame for the new election.

[Source: Amended at 14 Ok Reg 1987, eff 5-27-97; Amended at 18 Ok Reg 2759, eff 7-1-01; Amended at 20 Ok Reg 1338, eff 6-1-03; Amended at 21 Ok Reg 1423, eff 6-1-04; Amended at 22 Ok Reg 979, eff 6-1-05; Amended at 25 Ok Reg 1985, eff 7-1-08 ]

### **550:1-3-5 Filling Board vacancies**

(a) A vacancy occurring within six months of the normal three year election cycle shall not be filled until the regular election.

(b) A vacancy occurring other than above shall be filled by a special election conducted in the same manner as the normal nomination/election process. However, the Board in its discretion may establish a time frame for the special election different from that of the normal nomination/election process.

[Source: Amended at 14 Ok Reg 1987, eff 5-27-97; Amended at 20 Ok Reg 1338, eff 6-1-03]

## **SUBCHAPTER 5. PETITION PROCEDURES**

### **Section**

550:1-5-1 Emergency hearings

550:1-5-2 Individual hearings

550:1-5-3 Appeals of the Board's orders [REVOKED]

550:1-5-4 Requests for declaratory rulings

550:1-5-5 Qualified domestic relations orders

550:1-5-6 Child/children educational benefit

550:1-5-7 Common Law Beneficiary Requirements

### **550:1-5-1 Emergency hearings**

The Board may designate a person to serve as a hearing officer in a particular proceeding or may designate a group of persons to serve as an advisory council to act as a hearing body in any proceeding. The officer or body so designated shall have full authority to conduct all aspects of the hearing.

### **550:1-5-2 Individual hearings**

(a) Application/written request for right to relief. In each individual proceeding, there shall be filed with the Oklahoma Police Pension and Retirement Board an application/written request stating a brief summary of facts giving rise to the request for relief.



(b) Notice of receipt. The Chairman of the Board, or other person designated by the Chairman, shall notify the party requesting the individual hearing of the acceptance of the application/written request for individual hearing by the Oklahoma Police Pension and Retirement Board or a hearing officer and shall specify the date, time, and place for the hearing. The notice shall comply with the requirements of 75 O.S., Section 309 and laws amendatory thereto, and may incorporate by reference material alleged in the application/written request.

(c) Service of notices. All notices or other papers requiring service in an individual proceeding shall, unless otherwise provided by statute, be served in one of the following manners:

(1) Personal service by a person appointed by the Board to make such service in the manner authorized by the laws of this state for the service of summons or other process in the state courts; or

(2) By certified mail forwarded by the Board or its designee, at the exact location that the person can be served such notice.

(3) If the personal service or if service by mail cannot be made after the exercise of all due diligence in attempting to learn the whereabouts or mailing address of any person to be served, then by publication in such newspapers as is determined by the Board.

(d) Completed service of notice. Service of notice shall be complete upon receipt of certified mail by the addressee or upon the first posting of publication notice.

(e) Setting of hearing. The time set for a hearing as specified in the notice shall not be less than ten (10) days after date of mailing of notice, unless otherwise agreed upon by the parties. Motions for extension of time or for a continuance of the hearing shall be made in writing and shall be filed with the Board or a person designated by the Board. Any such motion shall be for a time certain and any such motion for an extension or continuance shall state the reasons for the request and specify the length of time. Each party to a hearing shall be allowed to move for one (1) continuance wherein the Board or the person designated by the Board shall act upon such motion promptly and grant or deny such request in the exercise of sound discretion. If the motion is denied, the party may renew his or her request at the hearing.

(f) Subpoenas. Subpoenas for the attendance of witnesses, for the furnishing of information required by the Board or hearing officer and for the production of evidence shall be issued by the Board or their designee upon written request.

(1) Subpoenas shall be served and a return made in the same manner as provided for in state court proceedings.

(2) If a person fails to obey a subpoena, refuses to be sworn or make an affirmation at a hearing, or refuses to answer a question put to him or her in the course of a hearing, the Board or hearing officer may institute appropriate judicial proceedings to compel compliance with the subpoena or the giving of testimony. The hearing shall proceed as long as practical despite any such refusal but the Board or hearing officer may, at its discretion, at any time, continue the proceedings for such time as may be necessary to secure a court ruling.

(3) Any person who fails to appear as directed, after receipt of notice as provided by these rules, may be determined to have waived the right to appear and present a defense to the allegations contained in the notice and/or request for relief. A final order in such a proceeding may be issued by the Chairman.

(g) Order of procedure. The order of procedure in all individual proceedings for members of the Police Pension and Retirement System shall generally follow that which applies in civil proceedings at law. Each party shall be afforded an opportunity to make a brief opening statement, to present witnesses, documents,

and exhibits on its behalf, to cross examine adverse witnesses, and to rebut and to make closing arguments. The rules of evidence applicable to such hearing shall be those specified by the Administrative Procedures Act. At the discretion of the Board or hearing officer, any party may reopen his or her case in chief even after the adverse party has rested. Parties may enter into stipulations on any lawful matter.

(h) Objections. The Board or hearing officer shall rule on the admissibility of evidence and objections to evidence and shall rule on motions or objections raised in the course of such hearings. In the exercise of this function the Board or hearing officer may rely on the advice of counsel present and serving in such advisory capacity. Any party may object to a ruling which the party considers erroneous and an exception to such ruling shall be noted on the record. Failure to timely object to any alleged error or irregularity shall be deemed a waiver of such objection.

(i) Findings of Fact / Conclusions of Law. The Board or hearing officer shall hear all evidence and arguments applicable in a case and shall prepare Findings of Fact and Conclusions of Law which shall be submitted to the Chairman of the Board and mailed to parties to the action. The Board or hearing officer may request the parties to submit proposed Findings of Fact and Conclusions of Law before making a ruling on the matter at issue.

(j) Record of hearing. A record of the hearing, in the form of a digital recording, will be made of all hearings conducted by the Board or a hearing officer.

(k) Issuance of Board's order. At the conclusion of the proceedings, the Board shall issue an order reflecting the Findings of Fact made, and the Conclusions of Law specifying the action taken. The order shall be signed by the Chairman. Parties shall be notified by mail of the issuance of an order and a copy of the order shall be provided to the party or his/her attorney.

(l) Record on file. The record of a proceeding and the file containing the pleadings in such a proceeding will be maintained at the Oklahoma Police Pension and Retirement System.

(m) Petition of rehearing. Any person may petition for a rehearing, reopening or reconsideration of any decision in an individual proceeding. Such petition must be filed within ten (10) days of the date on which the order was issued and shall state the grounds for requesting such action. The grounds for such action are set forth in 75 O.S., Section 317 and are the only grounds for rehearing, reopening or reconsidering such action. Hearings pursuant to such a request, when granted by the Board, shall be limited to the issues upon which the reconsideration, reopening or rehearing was granted.

[Source: Amended at 14 Ok Reg 1987, eff 5-27-97; Amended at 18 Ok Reg 2759, eff 7-1-01; Amended at 19 Ok Reg 1471, eff 7-1-02; Amended at 22 Ok Reg 979, eff 6-1-05; Amended at 27 Ok Reg 1901, eff 7-1-10; Amended at 29 Ok Reg 1359, eff 7-1-12]

### **550:1-5-3 Appeals of the Board's orders [REVOKED]**

[Source: Revoked at 18 Ok Reg 2759, eff 7-1-01]

### **550:1-5-4 Requests for declaratory rulings**

(a) All requests for declaratory rulings as to the applicability of any rule or order of the Board shall be made by filing a petition with the Board requesting such ruling.

(b) The petition shall identify the rule or order questioned, the date on which such rule or order became effective and shall set forth the contents of the rule or order. The petition shall include a brief statement of the issue or issues raised by the rule or order which caused such request to be made and a statement as to the petitioner's personal interest in the ruling of the Board and how a ruling by the Board will affect those

interests.

(c) Upon receipt of a petition requesting such declaratory ruling, the Board shall consider the petition and respond to the request at the next scheduled Board Meeting subsequent to the filing of petition.

(d) The Board may entertain oral presentation or argument on the request of the petitioner and may on its own motion request such argument or presentation.

(e) On considering the petition the Board may, in its sound discretion, refuse to issue a declaratory ruling or may decide the issues and determine the validity or applicability to the petitioner of the rule or order.

(f) Appeals from declaratory rulings of the Board may be taken in the manner provided by the Administrative Procedures Act.

[Source: Amended at 14 Ok Reg 1987, eff 5-27-97; Amended at 21 Ok Reg 1423, eff 6-1-04]

### **550:1-5-5 Qualified domestic relations orders**

(a) The Oklahoma Police Pension and Retirement System shall submit only that information which reflects the member's contribution history and/or benefit amount.

(b) Said information shall not be furnished to any person unless prior written consent of the member is obtained or an order is issued by a court of competent jurisdiction.

(c) When a qualified domestic relations order is issued by a court of competent jurisdiction prior to the member entering the Deferred Option Plan and the qualified domestic relations order does not specifically address the division of the member's Deferred Option Plan account, the following shall apply:

(1) At the time of the issuance of the qualified domestic relations order, if the member has not entered the Deferred Option Plan but subsequently does so, the alternate payee's monthly pension amount is deposited into the Deferred Option account for the alternate payee's benefit and draws interest at the same rate as that of the member. When the member terminates the Deferred Option Plan, the alternate payee has the same options and rights as the member has relating to the payment of the Deferred Option Plan account.

(2) At the time of the issuance of the qualified domestic relations order, if the member has entered the Deferred Option Plan, the alternate payee's monthly pension amount is deposited in the Deferred Option Plan account for the alternate payee's benefit, draws interest at the same rate as that of the member, and the alternate payee receives a share of the municipality's contributions to the Deferred Option Plan account commensurate with the alternate payee's proportion of the total monthly pension amount.

(d) Provided the qualified domestic relations order does not state otherwise, whenever a member requests a refund of contributions, the alternate payee is entitled to a refund of contributions commensurate with the alternate payee's proportion of the total monthly pension amount.

(e) Provided the qualified domestic relations order does not state otherwise, whenever a retired member receives a cost of living adjustment, the alternate payee is entitled to a cost of living adjustment commensurate with the alternate payee's proportion of the total monthly pension amount.

(f) The rules in the preceding subsections (c), (d), and (e) shall only apply to a qualified domestic relations order that meets the requirements of 11 O.S. § 50-124 prior to January 1, 2020

[Source: Added at 12 Ok Reg 133, eff 9-30-94 (emergency); Added at 12 Ok Reg 2899, eff 7-13-95; Amended at 16 Ok Reg 2553, eff 7-1-99; Amended at 18 Ok Reg 2759, eff 7-1-01; Amended at 22 Ok Reg 979, eff 6-1-05; Amended at 36 Ok Reg 1175, eff 8-11-19]

## **550:1-5-6 Child/children educational benefit**

(a) Public or private school. Payment of benefit for beneficiary continues until the eighteenth (18th) birthday, at which time if the beneficiary is enrolled in a public or private school the payment of benefit continues directly to the beneficiary through the month in which the beneficiary graduates. Verification of enrollment must be submitted to the Oklahoma Police Pension and Retirement System at the beginning of each semester in attendance as well as a copy of grades received at the end of each semester. Any monies received by an ineligible recipient must be repaid to the system immediately. Benefits terminate the last day of the month in which the beneficiary becomes twenty-two (22) years of age.

(b) Institution of higher education. Full-time enrollment in an institution of higher education entitles the beneficiary to receive benefits. Verification of enrollment must be submitted to the Oklahoma Police Pension and Retirement System at the beginning of each semester in attendance as well as a copy of grades received at the end of each semester. If the beneficiary drops classes and becomes a part-time student or withdraws from the institution of higher education, then benefits cease the last day of the month in which the beneficiary becomes a part-time student or withdraws from the institution of higher education. It is the responsibility of the beneficiary to notify the Oklahoma Police Pension and Retirement System of any change in student status. Any monies received by an ineligible recipient must be repaid to the system immediately. Benefits terminate the last day of the month in which the beneficiary becomes twenty-two (22) years of age.

[Source: Added at 12 Ok Reg 133, eff 9-30-94 (emergency); Added at 12 Ok Reg 2899, eff 7-13-95; Amended at 16 Ok Reg 2553, eff 7-1-99]

## **550:1-5-7 Common Law Beneficiary Requirements**

(a) In order for the Oklahoma Police Pension & Retirement Board to find in an individual proceeding that an applicant is a beneficiary based upon a common law marriage, the applicant asserting a common law marriage must prove by clear and convincing evidence the following elements;

- (1) An actual mutual agreement between the spouses to be husband and wife;
- (2) A permanent relationship;
- (3) An exclusive relationship, proved by cohabitation as husband and wife; and
- (4) The parties to the marriage must hold themselves out publicly as husband and wife

(b) Documentation accepted by the board as evidence of the existence of a common law marriage shall be; joint tax returns; joint bank account titled as husband and wife; real property deeds titled as husband and wife; and/or titles to vehicles and machinery held as husband and wife.

[Source: Amended at 28 Ok Reg 2061, eff 7-11-11, Amended at 34 Ok Reg 1888, eff 9-11-17]

## **SUBCHAPTER 7. COLLECTIONS AND DISBURSEMENTS**

### **Section**

550:1-7-1 Refund vouchers

550:1-7-2 Pension vouchers

550:1-7-2.1 Reemployment by participating municipality

550:1-7-3 All vouchers

550:1-7-4 Vouchers payable to an estate

550:1-7-5 Direct rollovers

550:1-7-6 Return of contributions made under mistake of fact

### **550:1-7-1 Refund vouchers**

(a) Conditions upon receiving refunds. The following conditions must be met before contributions are refunded:

(1) All contributions made through the last day of employment must be received by the Oklahoma Police Pension and Retirement System.

(2) Member must have ceased employment with the participating municipality before any application for refund of contributions will be considered by the Oklahoma Police Pension and Retirement Board.

(b) Payment. The refund of contributions shall be mailed or directly deposited by the Oklahoma Police Pension and Retirement System no earlier than the last business day of the month following Board approval.

[Source: Added at 12 Ok Reg 133, eff 9-30-94 (emergency); Added at 12 Ok Reg 2899, eff 7-13-95; Amended at 14 Ok Reg 1987, eff 5-27-97; Amended at 21 Ok Reg 1423, eff 6-1-04; Amended at 27 Ok Reg 1901, eff 7-1-10; Amended at 31 Ok Reg 2162, eff 9-12-14]

### **550:1-7-2 Pension vouchers**

(a) The monthly pension voucher, payable to members, eligible beneficiaries, alternate payees, or the member's estate shall be directly deposited on the last business day of the month. The monthly pension benefit will not be paid by the System until a personal depository agent is identified for direct deposit of the benefit.

(b) Upon the death of a member or eligible beneficiary, the monthly pension benefit shall be payable as follows:

(1) If the member dies during the month but not on the last day of the month and there is a beneficiary, the full monthly pension benefit for the month of the member's death shall be paid to the member's beneficiary upon proper application and approval by the Board.

(2) If the member dies during the month but not on the last day of the month and there is not a beneficiary, the full monthly pension benefit for the month of the member's death shall be paid to the member's estate.

(3) If the eligible beneficiary dies during the month but not on the last day of the month and there is another eligible beneficiary, the full monthly pension benefit for the month of the eligible beneficiary's death shall be paid to the other eligible beneficiary upon proper application and approval by the Board.

(4) If the eligible beneficiary dies during the month and there is not another eligible beneficiary, the full monthly pension benefit for the month of the eligible beneficiary's death shall be paid to the eligible beneficiary's estate.

(c) The deferred option voucher shall be mailed first class or transferred electronically through a System approved method as directed by the member, eligible beneficiaries, alternate payees, or member's estate.

[Source: Added at 12 Ok Reg 133, eff 9-30-94 (emergency); Added at 12 Ok Reg 2899, eff 7-13-95; Amended at 14 Ok Reg 1987, eff 5-27-97; Amended at 16 Ok Reg 2553, eff 7-1-99; Amended at 22 Ok Reg 979, eff 6-1-05; Amended at 23 Ok Reg 2798, eff 7-1-06; Amended at 26 Ok Reg 1318, eff 07-01-09; Amended at 32 OK Reg 1266, eff 8-27-15]

### **550:1-7-2.1 Reemployment by participating municipality**

(a) Retirement pursuant to 11 O.S. Section 50-112 has at all times included reemployment of a member by a participating municipality in a position not covered by the Oklahoma Police Pension and Retirement System. Thus, in-service distributions from the Oklahoma Police Pension and Retirement System to such a member are permitted. In-service distributions to a reemployed police chief are also permitted.

(b) A member who has terminated employment with a participating municipality must submit an application for refund prior to reemployment with a participating municipality in order to receive a refund of member contributions.

[Source: Added at 20 Ok Reg 1341, eff 6-1-03; Amended at 29 Ok Reg 1359, eff 7-1-12]

### **550:1-7-3 All vouchers**

The Oklahoma Police Pension and Retirement System shall issue a replacement voucher in lieu of any voucher that has been lost or destroyed provided that 5 (five) business days have transpired after the date of mailing, and no replacement voucher shall be issued until an original affidavit or a facsimile of the original affidavit setting forth the facts as to the loss or destruction of said original voucher is received by the Oklahoma Police Pension and Retirement System. If a facsimile affidavit is provided, the executed original affidavit must be mailed to the Oklahoma Police Pension and Retirement System. After original or facsimile affidavit is received and reviewed, the State Treasurer's Office will be requested to put a stop payment on the original voucher.

[Source: Added at 12 Ok Reg 2899, eff 7-13-95; Amended at 14 Ok Reg 1987, eff 5-27-97; Amended at 18 Ok Reg 2759, eff 7-1-01]

### **550:1-7-4 Vouchers payable to an estate, including a successor in interest of a decedent**

(a) Conditions for obtaining voucher payable to an estate including a successor in interest of a decedent. The Oklahoma Police Pension and Retirement System will issue a voucher to an estate or other successor in interest of a decedent upon the following conditions being met:

(1) For estates of any amount, a voucher will be issued to the estate if the personal representative (or other interested party) of the estate of the deceased has filed a probate action in a court of competent jurisdiction, and the personal representative has been issued either letters testamentary or letters of administration and has furnished the Oklahoma Police Pension and Retirement System with such letters testamentary or letters of administration and the employer identification number assigned to the estate by the Internal Revenue Service.

(2) For estates whose fair market value of property located in this state owned by the decedent and subject to disposition by will or intestate succession at the time of the decedent's death, less liens and encumbrances, does not exceed the dollar limit stated in 58 O.S. Section 393 (Fifty Thousand Dollars (\$50,000.00) in 2018), the provisions of 58 O.S. Sections 393 and 394 shall apply. A voucher will be issued to each successor in interest to the decedent upon presentation to the Oklahoma Police Pension and Retirement System of an affidavit made by or on behalf of the successor in interest that complies with 58 O.S. Section 393 and the Social Security Number or the employer identification number assigned to the successor in interest by the Internal Revenue Service.

(b) Payment. Vouchers payable to an estate or a successor in interest shall be mailed or directly deposited by the Oklahoma Police Pension and Retirement System no earlier than the last business day of the month following Board approval.

[Source: Amended at 18 Ok Reg 2759, eff 7-1-01; Amended at 20 Ok Reg 1338, eff 6-1-03; Amended at 21 Ok Reg 1423, eff 6-1-04; Amended at 25 Ok Reg 2619, eff 6-10-08 through 7-14-09 (emergency); Amended at 26 Ok Reg 1319, eff 07-01-09; Amended at 31 Ok Reg 2162, eff 9-12-14; Amended at 36 Ok Reg 1175, eff 8-11-19]

### **550:1-7-5 Direct rollovers**

(a) A Distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

(b) For purposes of this section, the definitions as stated in 11 O.S. Section 50-114.2(B) and the provisions of 11 O.S. Section 50-114.3 shall apply.

(c) At least thirty (30) days and not more than one-hundred eighty (180) days before the date of distribution, the Distributee must be provided with the IRS Notice regarding rollover options and tax effects. The distribution may be paid less than thirty (30) days after the notice is given, provided that:

(1) The Board clearly informs the Distributee that the Distributee has a right to a period of at least thirty (30) days after receiving the notice to consider the decision of whether or not to elect a distribution; and

(2) The Distributee, after receiving the notice, affirmatively elects a distribution.

(d) An Eligible Retirement Plan which is selected by the Distributee shall be the result of the Distributee's own research and investigation. The Oklahoma Police Deferred Option Plan and/or the Oklahoma Police Pension and Retirement

System shall not be subject to any fees or charges from the Eligible Retirement Plan.

[Source: Added at 20 Ok Reg 1341, eff 6-1-03; Amended at 21 Ok Reg 1423, eff 6-1-04; Amended at 30 Ok Reg 1848, eff 07-15-13]

### **550:1-7-6 Return of contributions made under mistake of fact**

Notwithstanding Section 550:1-7-1(a), should a contribution be made through a mistake of fact that is more than the correct amount of participating municipality or member contributions to be paid to the Oklahoma Police Pension and Retirement System by a participating municipality, the Oklahoma Police Pension and Retirement System may refund the mistaken portion of the contribution to the participating municipality within one year of the date on which the mistaken portion of the contribution was made. The Oklahoma Police Pension and Retirement System shall not pay the participating municipality earnings attributable to the mistaken portion of the contribution but shall reduce the amount returned to the participating municipality pursuant to this subsection by the amount of losses attributable to the mistaken portion of the contribution.

[Source: Added at 31 Ok Reg 2162, eff 9-12-14]

## **SUBCHAPTER 9. TAX QUALIFICATION COMPLIANCE [EXPIRED]**

### **Section**

550:1-9-1 Determination of gross salary [EXPIRED]

550:1-9-2 Minimum distribution requirements [EXPIRED]

### **550:1-9-1 Determination of gross salary [EXPIRED]**

[Source: Added at 19 Ok Reg 2782, eff 6-21-02 through 7-14-03 (emergency)]

EDITOR'S NOTE: 1This emergency action expired without being superseded by a permanent action. Upon expiration of an emergency action enacting a new Section, the Section is no longer effective. Therefore, on 7-15-03 (after the 7-14-03 expiration of the emergency action), Section 550:1-9-1 was no longer effective. For the official text of the emergency rule that was in effect from 6-21-02 through 7-14-03, see 19 Ok Reg 2782.

## **550:1-9-2 Minimum distribution requirements [EXPIRED]**

[Source: Added at 19 Ok Reg 2782, eff 6-21-02 through 7-14-03 (emergency)]

EDITOR'S NOTE: 1This emergency action expired without being superseded by a permanent action. Upon expiration of an emergency action enacting a new Section, the Section is no longer effective. Therefore, on 7-15-03 (after the 7-14-03 expiration of the emergency action), Section 550:1-9-2 was no longer effective. For the official text of the emergency rule that was in effect from 6-21-02 through 7-14-03, see 19 Ok Reg 2782.

## **CHAPTER 10. RETIREMENT AND PENSION BENEFIT PROGRAM**

### **Section**

550:10-1-1 Purpose

550:10-1-2 Physical-medical examination requirements

550:10-1-3 Re-entering the system [REVOKED]

550:10-1-4 Job description of a police officer [REVOKED]

550:10-1-5 Application for disability benefit

550:10-1-6 Impairment Guidelines

550:10-1-7 Physician Certificate of Disability

Appendix A. Height and Weight Chart [REVOKED]

Appendix B. Skinfold Chart [REVOKED]

Appendix C. Skinfold Chart [REVOKED]

[Authority: 11 O.S., §§ 50-101(6), 50-105.2(A) and (B), 50-106(3), and 50-112]

[Source: Codified 6-4-91]

### **550:10-1-1 Purpose**

The purpose of this chapter is to establish physical-medical examination requirements in order to identify pre-existing medical conditions and to establish policies related to the administration of disability benefits.

[Source: Amended at 21 Ok Reg 1425, eff 6-1-04]

### **550:10-1-2 Physical-medical examination requirements**

(a) The Oklahoma Police Pension and Retirement System shall supply the physical-medical examination form which shall be completed by the applicant and the examining medical professional and submitted to the Oklahoma Police Pension and Retirement System prior to employment with a participating municipality. The physical-medical examination form shall include a release for medical/psychological information.

(b) The completed physical-medical examination form shall be provided to the Oklahoma Police Pension and Retirement System for submission to the Board's reviewing physician or medical professional to identify any preexisting medical/psychological conditions.

(c) The physical-medical examination shall cover, but is not limited to, the following medical conditions:

(1) Head and Neck.

(A) Head:



- (i) Deformities of the skull such as depressions or exostoses.
  - (ii) Deformities of the skull associated with evidence of disease of the brain, spinal cord, or peripheral nerves.
  - (iii) Loss or congenital absence of the bony substance of the skull.
- (B) Neck:
- (i) Thoracic outlet syndrome.
  - (ii) Congenital cysts, chronic draining fistulas, or similar lesion.
  - (iii) Contracture of neck muscles.
- (C) Eyes and vision:
- (i) Far visual acuity in each eye.
  - (ii) Peripheral vision.
  - (iii) Diseases of the eye such as retinal detachment, progressive retinopathy, or optic neuritis.
  - (iv) Ophthalmological procedures such as radial keratotomy or repair of retinal detachment.
- (D) Ears and hearing:
- (i) Auditory canal -- atresia, severe stenosis, or tumor.
  - (ii) Severe external otitis.
  - (iii) Auricle -- severe agenesis or traumatic deformity.
  - (iv) Mastoid -- severe mastoiditis or surgical deformity.
  - (v) Meniere's syndrome or labyrinthitis.
  - (vi) Otitis media.
  - (vii) Hearing deficit in the pure tone thresholds, with or without aids in both ears, in the following frequencies: 500 Hz, 1000 Hz, 2000 Hz, 3000 Hz, 4000 Hz, and 6000 Hz.
- (E) Dental:
- (i) Diseases of the jaws or associated tissues.
  - (ii) Orthodontic appliances.
  - (iii) Oral tissues, extensive loss.
- (F) Nose, oropharynx, trachea, esophagus, and larynx:
- (i) Tracheostomy.
  - (ii) Aphonia.
  - (iii) Congenital or acquired deformity.
  - (iv) Allergic respiratory disorder.
  - (v) Sinusitis, recurrent.

(vi) Dysphonia.

(2) Heart and vascular system.

(A) Heart:

(i) Current angina pectoris.

(ii) Myocardial insufficiency.

(iii) Acute pericarditis, endocarditis, or myocarditis. Chronic pericarditis, endocarditis with resultant significant valvular lesions, or myocarditis leading to myocardial insufficiency or excludable arrhythmias.

(iv) History of myocardial infarction, coronary artery bypass, or coronary angioplasty.

(v) Cardiac pacemaker.

(vi) Recurrent syncope.

(vii) Significant valvular lesions of the heart including prosthetic valves.

(viii) Coronary artery disease.

(ix) Atrial tachycardia, flutter, or fibrillation.

(x) Third degree atrio-ventricular block.

(xi) Ventricular tachycardia.

(xii) Hypertrophy of the heart.

(xiii) Recurrent paroxysmal tachycardia.

(xiv) History of a congenital abnormality.

(B) Vascular system:

(i) Congenital or acquired lesions of the aorta and major vessels.

(ii) Marked circulatory instability as indicated by orthostatic hypotension, persistent tachycardia, and severe peripheral vasomotor disturbances.

(iii) Aneurysm of the heart or major vessels, congenital or acquired.

(iv) Hypertension.

(v) Peripheral vascular disease such as Raynaud's phenomenon.

(vi) Recurrent thrombophlebitis.

(vii) Chronic lymphedema due to lymphopathy or severe venous valvular incompetency.

(3) Lungs, abdomen, spine and joint.

(A) Lungs and chest wall:

(i) Suppurative disease of lung or pleural space.

(ii) Lobectomy.

(iii) Bronchial asthma.

(iv) History of bronchiectasis, bronchitis, fibrous pleuritis, fibrosis, cystic disease, tuberculosis, or mycotic disease of the lung.

(v) Pneumothorax.

(vi) Restrictive or obstructive lung disease.

(B) Abdominal organs and gastrointestinal system:

(i) Cholecystectomy or cholecystitis.

(ii) Gastritis.

(iii) Hemorrhoids.

(iv) Acute hepatitis.

(v) Hepatitis B.

(vi) Hepatitis C.

(vii) Hernia.

(viii) Inflammatory bowel disease.

(ix) Intestinal obstruction.

(x) Pancreatitis.

(xi) Resection, bowel.

(xii) Ulcer, gastrointestinal.

(xiii) Cirrhosis, hepatic or biliary.

(C) Spine, scapula, ribs, and sacroiliac joints:

(i) Arthritis.

(ii) Structural abnormality, fracture, or dislocation.

(iii) Nucleus pulposus, herniation of or history of laminectomy.

(D) Extremities:

(i) Limitation of motion of a joint.

(ii) Amputation or deformity of a joint or limb.

(iii) Dislocation of a joint.

(iv) Joint reconstruction, ligamentous instability, or joint replacement.

(v) Chronic osteoarthritis or traumatic arthritis.

(vi) Inflammatory arthritis.

(4) Genitourinary system.

(A) Reproductive:

(i) Pregnancy.

(ii) Dysmenorrhea.

(iii) Endometriosis, ovarian cysts, or other gynecologic conditions.

(iv) Testicular or epididymal mass.

(B) Urinary system:

(i) Diseases of the kidney.

(ii) Diseases of the ureters, bladder, or prostate.

(5) Other conditions.

(A) Neurological disorders:

(i) Ataxias of heredo-degenerative type.

(ii) Cerebral arteriosclerosis as evidenced by documented episodes of neurological impairment.

(iii) Multiple sclerosis with activity or evidence of progression within previous three years.

(iv) Progressive muscular dystrophy or atrophy.

(v) Any form of seizure disorder [simple partial, complex, generalized, psychomotor or absence (petit mal)].

(vi) Narcolepsy.

(vii) Congenital malformations.

(viii) Migraine.

(ix) Clinical disorders with paresis, paralysis, dyscoordination, deformity, abnormal motor activity, abnormality of sensation, or complaint of pain.

(x) Subarachnoid or intracerebral hemorrhage.

(xi) Abnormalities from recent head injury such as severe cerebral contusion or concussion.

(B) Skin:

(i) Acne or inflammatory skin disease.

(ii) Eczema.

(C) Blood and blood-forming organs:

(i) Hemorrhagic states requiring replacement therapy.

(ii) Sickle cell disease (homozygous).

(iii) Anemia.

(iv) Leukopenia.

(v) Polycythemia vera.

(vi) Splenomegaly.

(vii) History of thromboembolic disease.

(D) Endocrine and metabolic disorders:

(i) Diseases of the adrenal gland, pituitary gland, parathyroid gland, or thyroid gland of clinical significance.

(ii) Nutritional deficiency disease or metabolic disorder.

(iii) Diabetes mellitus.

(E) Systemic diseases and miscellaneous conditions:

(i) Connective tissue disease, such as dermatomyositis, lupus erythematosus, scleroderma and rheumatoid arthritis.

(ii) Residuals from past thermal injury.

(iii) Documented evidence of a predisposition to heat stress with recurrent episodes or resulting residual injury.

(F) Tumors and malignant diseases.

(G) Psychiatric conditions:

(i) History of psychiatric condition.

(ii) Substance abuse problems.

(H) Chemicals, drugs, and medications:

(i) Anticoagulant agents.

(ii) Cardiovascular agents.

(iii) Narcotics.

(iv) Sedative-hypnotics.

(v) Stimulants.

(vi) Psychoactive agents.

(vii) Steroids.

(I) Immunologic deficiency diseases:

(i) Acquired immunodeficiency syndrome (Aids).

(ii) HIV positive without evidence of HIV infection.

(d) Medical examination results are valid for no more than six (6) months after date of examination.

(e) A medical examination is required for all persons who have ceased employment from a participating municipality as a police officer for more than 90 days.

[Source: Amended at 8 Ok Reg 2361, eff 7-1-91; Amended at 9 Ok Reg 1155, eff 1-24-92 (emergency); Amended at 9 Ok Reg 2535, eff 7-1-92; Amended at 14 Ok Reg 1992, eff 5-27-97; Amended at 16 Ok Reg 2554, eff 7-1-99; Amended at 20 Ok Reg 1342, eff 6-1-03]

### **550:10-1-3 Re-entering the system [REVOKED]**

[Source: Reserved at 9 Ok Reg 2543, eff 7-1-92; Added at 16 Ok Reg 2554, eff 7-1-99; Revoked at 18 Ok Reg 2764, eff 7-1-01]

## **550:10-1-4 Job description of a police officer [REVOKED]**

[Source: Added at 9 Ok Reg 1163, eff 2-18-92 (emergency); Added at 9 Ok Reg 2543, eff 7-1-92; Amended at 14 Ok Reg 1992, eff 5-27-97; Amended at 18 OK Reg 2764, eff 7-1-01; Amended at 20 Ok Reg 1342, eff 6-1-03; Revoked at 21 Ok Reg 1425, eff 6-1-04]

## **550:10-1-5 Application for disability benefit**

(a) Member application for disability benefit. A member applying for a disability benefit based on a permanent in-line disability must submit evidence of injury in the line of duty and/or evidence of exposure to hazardous chemicals in the line of duty. The Board may require that such evidence be in the form of a copy of an Official Oklahoma Traffic Collision Report, a copy of the official Injury Report/Incident Report filed with the Police Department, or a copy of an Order issued by the Worker's Compensation Court. If an official Injury Report/Incident Report is submitted which is not signed by the Chief of Police or by the member's Supervisor, the Board may require that an Affidavit of Authenticity be executed by the Chief of Police or the member's Supervisor certifying that such report is the official report of the Police Department with regard to the injury/incident related to the member's disability.

(b) Municipality application for disability benefit. A municipality applying for a disability benefit must submit a fitness for duty physical completed by physician licensed to practice medicine in the State of Oklahoma.

[Source: Added at 21 Ok Reg 1425, eff 6-1-04, Amended at 26 Ok Reg 1320, eff 07-01-09]

## **550:10-1-6 Impairment Guidelines**

The computations of the percentage of impairment to the whole person or a member who is awarded a disability benefit are based upon and are in substantial accordance with the American Medical Association's Guides to the Evaluation of Permanent Impairment. The Fifth Edition is utilized for injuries occurring after June 28, 2001. The Third Edition, Revised is utilized for injuries occurring from January 1, 1989 to October 31, 1993. The Second Edition is utilized for injuries occurring from November 1, 1984 to December 31, 1988. The First Edition is utilized for injuries occurring July 1, 1978 to October 31, 1984.

[Source: Added at 34 Ok, Reg 1889, eff 9-11-17]

## **550:10-1-7 Physician Certificate of Disability**

(a) The State Board shall select a physician as an Independent Medical Evaluator (IME) to evaluate an applicant who has applied for a disability benefit. Said IME shall issue a report to the State Board prior to the State Board making a finding as to the disability of the member applicant.

(b) At the sole discretion of the State Board, other evidence of disability may be required.

[Source: Added at 34 Ok Reg 1889, eff 9-11-17]

## **APPENDIX A. HEIGHT AND WEIGHT CHART [REVOKED]**

[Source: Revoked and reenacted at 8 Ok Reg 3337, eff 8-10-91; Revoked at 9 Ok Reg 1155, eff 1-24-92 (emergency); Revoked at 9 Ok Reg 2535, eff 7-1-92]

## **APPENDIX B. SKINFOLD CHART [REVOKED]**

[Source: Revoked and reenacted at 8 Ok Reg 3337, eff 8-10-91; Revoked at 9 Ok Reg 1155, eff 1-24-92 (emergency); Revoked at 9 Ok Reg 2535, eff 7-1-92]

## **APPENDIX C. SKINFOLD CHART [REVOKED]**

## **CHAPTER 15. OKLAHOMA POLICE DEFERRED OPTION PLAN**

### **Section**

550:15-1-1 Purpose

550:15-1-2 Forward drop

550:15-1-3 Back drop

[Authority: 11 O.S., §§ 50-105.2(A) and (B), 50-106(3), and 50-111.3]

[Source: Codified 6-13-91]

### **550:15-1-1 Purpose**

The plan allows an active participating member who has not less than twenty (20) years of creditable service, who is eligible to receive a service retirement pension, an election to participate in the Oklahoma Police Deferred Option Plan. The member may elect to participate under the provisions of subsections A, B, C, D, E and F of Section 50-111.3 of Title 11 of the Oklahoma Statutes, which for purposes of this chapter is referred to as an election for forward drop; or, the member may elect to participate under the provisions of subsection H of Section 50-111.3 of Title 11 of the Oklahoma Statutes, which for purposes of this chapter is referred to as an election for back drop.

[Source: Added at 8 Ok Reg 2365, eff 6-13-91; Amended at 21 Ok Reg 1426, eff 6-1-04]

### **550:15-1-2 Forward drop**

(a) Application.

(1) The applicant must have twenty (20) years or more of credited service with the Oklahoma Police Pension and Retirement System to be eligible.

(2) The applicant must submit his/her completed application for participation in the Oklahoma Police Deferred Option Plan. Forms will be provided by the Oklahoma Police Pension and Retirement System.

(3) The effective date of membership will be the first day of the month.

(4) Once the Board has approved a member's application and the member's option account has been credited with the first contribution or benefit, the member's participation in the Oklahoma Police Deferred Option Plan is irrevocable as long as the member remains employed.

(b) Contributions.

(1) The final member contribution made to the Oklahoma Police Pension and Retirement System shall be for the last pay period prior to the first of the month in which the member becomes a participant in the Oklahoma Police Deferred Option Plan.

(2) The employer's contribution will continue to the Oklahoma Police Pension and Retirement System.

(3) The member's option account shall be credited fifty percent (50%) of the employer's contribution received for the member and the Oklahoma Police Pension and Retirement System shall be credited fifty percent (50%). The credit to the member's option account shall be made the next work day after receipt of the employer's contribution.

(4) Only the member's portion of the employer's contribution will be credited to the member's option account. No other contributions will be accepted.

(5) When a member has participated in the Oklahoma Police Deferred Option Plan for five (5) years or if the member terminates employment prior to the end of five (5) years, contributions will no longer be credited to the member's option account.

(c) Benefits.

(1) The monthly retirement benefit that would have been payable had the member elected to cease employment and receive a service retirement shall be credited into the member's option account.

(2) The member's service retirement benefit is frozen and at no time will he/she be allowed to increase his/her pension benefit due to additional years of service.

(3) The monthly retirement benefit will be credited to the member's option account the last day of the month.

(4) A member who participates in this plan shall be eligible to receive cost of living increases.

(d) Interest.

(1) Subject to paragraph (6) of this subsection, the member's option account shall earn interest at a rate of two percent (2%) below the rate of return of the total investment portfolio of the System, but no less than the actuarial assumed interest rate established at the beginning of the fiscal year as certified by the actuary and approved by the Board in the yearly evaluation report of the actuary. This report is on a fiscal year basis ending on June 30.

(2) The Fund's annual rate of return shall be calculated and certified by the Board's financial consultant. The annual rate of return shall be for the fiscal year ending June 30.

(3) The interest shall be credited to the member's option account on an annual basis which is defined as fiscal year ending June 30. The amount of the interest credited shall be calculated at simple interest. The formula for calculating the interest shall be the amount of the deposit times the certified annual rate of return, less two percent (2%), divided by 365 days times the number of days the deposit was credited to the member's option account for the fiscal year.

(4) Each member shall receive an itemized statement at least on an annual basis beginning with interest credited at June 30, 1991.

(5) Upon completion of the five year term in the Oklahoma Police Deferred Option Plan or earlier termination of employment by the member, annual interest calculated through the last day of the month employed and certified by the Board's financial consultant will be credited to the member's option account provided the annual rate of return is greater than the actuarial assumed interest rate. If the rate of return is less than the actuarial assumed rate then the member's option account will be credited at the assumed interest rate of the last actuarial report.

(6) When a member has participated in the Oklahoma Police Deferred Option Plan for five (5) years or if the member terminates employment prior to the end of the five (5) years, the member's option account if left in the Plan, ceases to earn interest unless the member made a timely election pursuant to the Deferred Option Payout Provision Policy. Effective July 1, 2006, pursuant to the Deferred Option Payout Provision Policy, a retired member who has completed participation in the Oklahoma Police Deferred Option Plan under the Forward Drop or the Back Drop provisions may elect within thirty (30) days following termination of employment with a participation municipality to leave his or her Deferred Option Payout



Account balance in the Plan. Under the Deferred Option Payout Provision Policy, the retired member's Deferred Option Payout Account balance will be commingled and invested with the total pension fund and as such the retired member will not be able to direct his or her investments.

(7) At the conclusion of a member's participation in the Oklahoma Police Deferred Option Plan, the member must terminate employment and start receiving the member's accrued monthly retirement benefit from the System. Such termination has at all times included reemployment of a member by a participating municipality but only in a position not covered under the System or as a police chief. Thus, such a member would receive in-service distributions of such member's accrued monthly retirement benefit from the System.

(e) Payment.

(1) The member shall make application to terminate participation in the Oklahoma Police Deferred Option Plan a minimum of ninety (90) days prior to termination of employment with the participating municipality. The Oklahoma Police Pension and Retirement System shall have a minimum of ninety (90) days from the date of receipt of members' application to terminate participation in the Oklahoma Police Deferred Option Plan in which to process said application and make payment, unless the member has made an affirmative election to participate in the Deferred Option Payout Provision.

(2) The member should make payment selection a minimum of thirty (30) days prior to the distribution date. The form on which payment selection must be submitted will be provided by the System.

(3) The member may select a lump sum payment, equal to the member's option account, which will be paid directly to the member by the Oklahoma Police Deferred Option Plan. This payment will be made after the last contribution has been received and interest applied following termination of employment and after receipt of the completed payment selection form.

(4) The member may select a direct rollover of his or her distribution in accordance with OAC 550:1-7-5.

(5) The member may select an annuity to be provided by a third party. The Oklahoma Police Deferred Option Plan shall not be subject to any fees or charges from the annuity provider.

(6) The member may select to participate in any other method of payment if approved by the State Board.

(7) Once the member's option account has been paid directly to the member, or as a Direct Rollover or to the member's annuity provider, the member shall not have any recourse against the Oklahoma Police Deferred Option Plan, the Oklahoma Police Pension and Retirement System, its Executive Director and staff, and/or the Board.

(f) Designated Recipients. If the participant dies during the period of participation in the Oklahoma Police Deferred Option Plan, a recipient designated by the participant may elect to receive a lump sum payment equal to the account balance of the participant. A designated recipient may elect a Direct Rollover of the account balance in accordance with OAC 550:1-7-5 if the recipient qualifies as a Distributee under 11 O.S. section 50-114.2. If there is no designated recipient or if the designated recipient predeceases the participant, a lump sum payment shall be paid to the surviving spouse who was married to the participant for the thirty (30) continuous months immediately preceding the participant's death, provided a surviving spouse of a participant who died while in, and as a consequent of, the performance of the participant's duty for a participating municipality, shall not be subject to the thirty-month marriage requirement for survivor benefits, or if no surviving spouse to the estate of the participant. Once paid out directly to the designated

recipient or surviving spouse or as a Direct Rollover, or to the estate of the member, none of the following: the designated recipients, surviving spouse or estate of the member shall have any recourse against the Oklahoma Police Deferred Option Plan, the Oklahoma Police Pension and Retirement System, its Executive Director and staff, and/or the Board.

[Source: Added at 8 Ok Reg 2365, eff 6-13-91; Amended at 9 Ok Reg 1153, eff 2-18-92 (emergency); Amended at 9 Ok Reg 2545, eff 7-1-92; Amended at 14 Ok Reg 1997, eff 5-27-97; Amended at 16 Ok Reg 2559, eff 7-1-99; Amended at 18 Ok Reg 2765, eff 7-1-01; Amended at 20 Ok Reg 1349, eff 6-1-03; Amended at 21 Ok Reg 1426, eff 6-1-04; Amended at 23 Ok Reg 2799, eff 7-1-06; Amended at 26 Ok Reg 1320, eff 07-01-09; Amended at 27 Ok Reg 1904, eff 7-1-10; Amended at 30 Ok Reg 1848, eff 07-15-13; Amended at 31 Ok Reg 2163, eff 9-12-14; Amended at 36 Ok Reg 1176, eff 8-11-19]

### **550:15-1-3 Back drop**

(a) Definitions. For purposes of this section, the definitions as stated in 11 O.S. Section 50-111.3(H)(1) shall apply.

(b) Application.

(1) The applicant must have greater than twenty (20) years of credited service with the Oklahoma Police Pension and Retirement System to be eligible.

(2) The applicant must submit his/her completed application for participation in the Oklahoma Police Deferred Option Plan under the back drop provision. Forms will be provided by the Oklahoma Police Pension and Retirement System.

(3) The effective date of membership will be the first day of the month.

(4) Once the Board has approved a member's application, the member's participation in the Oklahoma Police Deferred Option Plan under the back drop provision is irrevocable.

(c) Contributions and benefits.

(1) At the termination date, a member's monthly pension benefit shall be determined based on the earlier attained credited service and on the final average salary as of the back drop date.

(2) The member's individual deferred option account shall be credited with an amount equal to the deferred benefit balance, the member shall terminate employment with all participating municipalities as a police officer and shall start receiving the member's accrued monthly retirement benefit from the Oklahoma Police Pension and Retirement System.

(3) A member shall not participate in the back drop pursuant to subsection H of Section 50-111.3 of Title 11 of the Oklahoma Statutes if the member has elected to participate in the Oklahoma Police Deferred Option Plan pursuant to subsections A, B, C, D, E and F of Section 50-111.3 of Title 11 of the Oklahoma Statutes.

(4) The provisions of subsections B, C, E, F and G of Section 50-111.3 of Title 11 of the Oklahoma Statutes apply to the back drop.

(d) Interest. The methodology for computing interest described in OAC 550:15-1-2(d) and in the Deferred Option Payout Provision Policy apply with regard to this section.

(e) Payment. The provisions for payments in the forward drop pursuant to OAC 550:15-1-2(e) and (f) also apply to payments in the back drop.

[Source: Added at 21 Ok Reg 1426, eff 6-1-04; Amended at 22 Ok Reg 42, eff 8-11-04 (emergency); Amended at 22 Ok Reg 983, eff 6-1-05; Amended at 30 Ok Reg 1850, eff 07-15-13]

## CHAPTER 20. PURCHASE OF TRANSFERRED CREDITED SERVICE

### Section

550:20-1-1 Purpose

550:20-1-2 Computation

[Authority: 11 O.S., §§ 50-105.2(A) and (B), 50-106(3), and 50-111.4(A)]

[Source: Codified 6-13-91]

### **550:20-1-1 Purpose**

These rules establish procedures necessary to implement the purchasing of transferred credited service. They also provide for computation of the purchase price.

[Source: Added at 8 Ok Reg 2359, eff 6-13-91]

### **550:20-1-2 Computation**

All purchases of transferred credited service pursuant to 11 O. S. Section 50-111.4, shall be based upon the actuarial cost of the incremental projected benefits to be purchased.

(1) The actuarial cost, and any tables formulated for the purpose of determining such cost during each calendar year, shall be based on the actuarial assumptions utilized in the actuarial valuation report as of the preceding July 1.

(2) The actuarial value shall be based upon the member's age, salary and service at the time of purchase, together with the earliest age for retirement and actuarially projected salary at time of retirement. For purposes of this actuarial cost, it is assumed that all members are married at the time of retirement. If purchase is not made within 30 days of Board approval, the purchase must be recalculated and the actuarial cost may increase.

(3) For purposes of this actuarial cost, the member's age shall be rounded up or down to the nearest birthday.

(4) For purposes of this actuarial cost, the mortality tables shall be formulated as a unisex table assuming post retirement mortality weighted 90% male and 10% female.

(5) In the event a member who chooses to purchase service has been employed less than twelve (12) months, the member's salary shall be annualized based upon the completed calendar months of payroll information.

(6) In lieu of installment payments (for a purchase where installment payments are otherwise allowed by Oklahoma state statutes), an active member may elect to make the payment of the actuarial purchase price, repayment of a previous withdrawal, purchase of previous non-participating service, or any other eligible purchase or repayment permitted and authorized by the statutes governing the System by use of a direct trustee-to-trustee transfer of non-Roth funds or direct rollover of non-Roth funds as authorized by the statutes governing the System.

(7) Notwithstanding (6) of this subsection, purchases may be made by a cash lump sum payment, installment payments (where otherwise allowed by Oklahoma state statutes), trustee-to-trustee transfer of non-Roth funds and/or direct rollover of non-Roth funds as described in (6) of this subsection.

(8) In the event that a member (A) elected to purchase transferred credited service pursuant to 11 O.S. Section 50-111.2, (B) has made payment for such transferred credited service under 11 O.S. Section 50-111.4,

and (C) has not had such transferred credited service added under 11 O.S. Section 50-112.A by the time such member becomes entitled to a disability benefit under 11 O.S. Section 50-115, upon application by the member such payment shall be refunded from the Fund without interest thereon.

[Source: Added at 8 Ok Reg 2359, eff 6-13-91; Amended at 18 Ok Reg 2767, eff 7-1-01; Amended at 20 Ok Reg 1350, eff 6-1-03; Amended at 23 Ok Reg 2801, eff 7-1-06; amended at 26 Ok Reg 1322, eff 07-01-09, should have been approved by Governor; Amended at 31 Ok Reg. 2165, eff 9-12-14; Amended at 33 OK Reg. 1039, eff 9-25-16]

## **CHAPTER 25. INVESTMENTS**

### **Section**

550:25-1-1 Purpose

550:25-1-2 Competitive bidding policies

550:25-1-3 Amendments

[Authority: 11 O.S.,§, 50-105.2(A) and (B),and 50-106(3)]

[Source: Codified 5-27-97]

### **550:25-1-1 Purpose**

The rules in this Chapter are designed to implement the policies and procedures necessary to insure the efficient, prudent and diversified investments of the Oklahoma Police Pension and Retirement System.

[Source: Added at 13 Ok Reg 3897, eff 8-26-96 (emergency); Added at 14 Ok Reg 1999, eff 5-27-97]

### **550:25-1-2 Competitive bidding policies**

The policies, guidelines and objectives which govern the competitive bidding for master custodian banks or trust companies, investment managers, investment consultants, or actuaries for the Oklahoma Police Pension and Retirement System shall be developed and adopted by the Board of Trustees at a regularly scheduled public Board meeting.

[Source: Added at 13 Ok Reg 3897, eff 8-26-96 (emergency); Added at 14 Ok Reg 1999, eff 5-27-97]

### **550:25-1-3 Amendments**

Changes to the competitive bidding policy may be made by the Board, as necessary, at any public meeting of the Board, in compliance with the Open Meeting Act.

[Source: Added at 13 Ok Reg 3897, eff 8-26-96 (emergency); Added at 14 Ok Reg 1999, eff 5-27-97]

## **CHAPTER 30. PERIODS OF ABSENCE FOR WHICH A MEMBER IS NOT RECEIVING COMPENSATION**

### **Section**

550:30-1-1 Purpose

550:30-1-2 Computation

[Authority: 11 O.S., §, 50-105.2(A) and 50-106(3)]

[Source: Codified 6-15-10]

### **550:30-1-1 Purpose**

The rules in this Chapter establish when credited service is taken into account during any period of absence, furlough, administrative leave or other period of time for which a member is not receiving compensation.

[Source: Added at 27 Ok Reg 1906, eff 7-1-10]

### **550:30-1-2 Computation**

(a) Except for purchase of service provisions and as provided below, credited service under Section 50-101(8) of Title 11 shall not be taken into account for any period of absence, furlough, administrative leave or other period of time when the member is not receiving compensation from the participating municipality, and member contributions are not made to the Oklahoma Police Pension and Retirement System.

(b) Under the preceding sentence, credited service shall not be taken into account in determining:

(1) The member's years of credited service in the pension formula multiplier, and

(2) Whether the member is entitled to a vested benefit pursuant to the provisions of Section 50-111.1 of Title 11

(c) Notwithstanding the above, credited service shall be taken into account pursuant to subsection C of Section 50-122 of Title 11 and Section 50-128 of Title 11 concerning military leaves of absence or credits for military service in the Oklahoma Statutes. Furthermore, solely for purposes of determining whether a member is entitled to a vested benefit under Section 50-111.1 of Title 11, any period of leave under the Family and Medical Leave Act of 1993 shall be taken into account in determining if such member has completed ten (10) years of credited service.

[Source: Added at 27 Ok Reg 1906, eff 7-1-10]

# APPENDIX

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## LEGISLATIVE CHANGES

**The following is an unofficial copy of the section(s) of legislation passed during the 2nd Session of the 58th Legislature (2022) which amended/repealed statutes pertaining to the Oklahoma Police Pension and Retirement System:**

## **SB 743**

BILL NO. 743 By: Weaver of the Senate and Moore of the House

### **PROPOSED COMMITTEE SUBSTITUTE**

An Act relating to public retirement systems; amending 62 O.S. 2021, Section 3103, which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definitions; amending 11 O.S. 2021, Sections 50-101 and 50-115, which relate to definitions and disability benefit; modifying definitions of permanent in-line disability and normal disability benefit; modifying disability benefits received by certain disabled officers; updating statutory language; modifying permanent impairment guidelines; and providing effective dates.

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

SECTION 1. AMENDATORY 62 O.S. 2021, 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,

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,

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,

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

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

(1) Section 49-143.7 of Title 11 of the Oklahoma Statutes.

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

(3) Section 1104K of Title 20 of the Oklahoma Statutes.

(4) Section 2-305.12 of Title 47 of the Oklahoma Statutes.

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



(6) Section 930.11 of Title 74 of the Oklahoma Statutes, or i. which modifies the computation of the line-of-duty disability benefit pursuant to the provisions 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. AMENDATORY 11 O.S. 2021, Section 50-101, is amended to read as follows:

Section 50-101. As used in this article:

1. "System" means the Oklahoma Police Pension and Retirement System and all predecessor municipal Police Pension and Retirement Systems; 2. "Article" means Article 50 of this title;

3. "State Board" means the Oklahoma Police Pension and Retirement Board;

4. "Fund" means the Oklahoma Police Pension and Retirement Fund;

5. "Officer" means any duly appointed and sworn full-time officer of the regular police department of a municipality whose duties are to preserve the public peace, protect life and property, prevent crime, serve warrants, enforce all laws and municipal ordinances of this state, and any political subdivision thereof, and who is authorized to bear arms in the execution of such duties;

6. "Member" means all eligible officers of a participating municipality and any person hired by a participating municipality who is undergoing police training to become a permanent police officer of the municipality. Effective July 1, 1987, a member does not include a "leased employee" as defined under Section 414(n)(2) of the Internal Revenue Code of 1986, as amended. Effective July 1, 1999, any individual who agrees with the participating municipality that the individual's services are to be performed as a leased employee or an independent contractor shall not be a member regardless of any classification as a common law employee by the Internal Revenue Service or any other governmental agency, or any court of competent jurisdiction. A member shall include eligible commissioned officers of the Oklahoma State Bureau of

Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of Investigation, and the Alcoholic Beverage Laws Enforcement Commission who elect to participate in the System pursuant to Section 50-111.5 of this title;

7. "Normal retirement date" means the date at which the member is eligible to receive the unreduced payments of the member's accrued retirement benefit. Such date shall be the first day of the month coinciding with or following the date the member completes twenty (20) years of credited service. If the member's employment continues past the normal retirement date of the member, the actual retirement date of the member shall be the first day of the month after the member terminates employment with more than twenty (20) years of credited service;

8. "Credited service" means the period of service used to determine the eligibility for and the amount of benefits payable to a member. Credited service shall consist of the period during which the member participated in the System or the predecessor municipal systems as an active employee in an eligible membership classification, plus any service prior to the establishment of the predecessor municipal systems which was credited under the predecessor municipal systems or credited service granted by the State Board;

9. "Participating municipality" means a municipality which is making contributions to the System on behalf of its officers. The Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of Investigation, and the Alcoholic Beverage Laws Enforcement Commission shall be treated in the same manner as a participating municipality only regarding those members who elect to participate in the System pursuant to Section 50-111.5 of this title;

10. "Permanent total disability" means incapacity due to accidental injury or occupational disease, to earn any wages in the employment for which the member is physically suited and reasonably fitted through education, training or experience. Further, the member must be declared one hundred percent (100%) impaired as defined by the "American Medical Association's Guides to the Evaluation of Permanent Impairment" on the basis of a physical medical examination by a physician licensed to practice medicine in this state, as selected by the State Board;

11. "Permanent partial disability" means permanent disability which is less than permanent total disability as defined in this section. The member must be declared no greater than ninety-nine percent (99%) impaired as defined by the "American Medical Association's Guides to the Evaluation of Permanent Impairment" on the basis of a physical medical examination by a physician licensed to practice medicine in this state, as selected by the State Board;

12. "Permanent in-line disability" means ~~incapacity to earn any wages as a certified, commissioned police officer due to accidental injury or occupational disease, incurred while in, and in consequence of, the performance of duty as an officer~~ when a police officer serving in any capacity at a regular police department of a participating municipality becomes so physically or mentally disabled, as determined by an independent medical examiner, psychiatrist, or psychologist selected by the State Board, while in, and in consequence of, the performance of authorizing activities while on duty as an officer that he or she is unable to perform the required duties of a police officer;

13. "Beneficiary" means a member's surviving spouse or any surviving children, including biological and adopted children, at the time of the member's death. The surviving spouse must have been married to the member for the thirty (30) continuous months immediately preceding the member's death, provided a surviving spouse of a member who died while in, and as a consequence of, the performance of the member's duty for a participating municipality, shall not be subject to the thirty-month marriage requirement for survivor benefits. A surviving child of a member shall be a beneficiary until reaching

eighteen (18) years of age or twenty-two (22) years of age if the child is enrolled full time and regularly attending a public or private school or any institution of higher education. Any child adopted by a member after the member's retirement shall be a beneficiary only if the child is adopted by the member for the thirty (30) continuous months preceding the member's death. Any child who is adopted by a member after the member's retirement and such member dies accidentally or as a consequence of the performance of the member's duty as a police officer shall not be subject to the thirty-month adoption requirement. This definition of beneficiary shall be in addition to any other requirement set forth in this article;

14. "Executive Director" means the managing officer of the System employed by the State Board;

15. "Eligible employer" means any municipality with a municipal police department;

16. "Entry date" means the date as of which an eligible employer joins the System. The first entry date pursuant to this article shall be January 1, 1981;

17. "Final average salary" means the average paid base salary of the member for normally scheduled hours over the highest salaried thirty (30) consecutive months of the last sixty (60) months of credited service. Effective July 1, 2016, the following shall apply in computing final average salary:

a. only paid base salary on which required contributions have been made shall be used in computing a member's final average salary,

b. for purposes of determining the normal disability

benefit only, final average salary shall be based on the member's total service if less than thirty (30) months,

c. in addition to other applicable limitations, and notwithstanding any other provision to the contrary, for plan years beginning on or after July 1, 2002, the annual compensation of each "Noneligible Member" taken into account under the System shall not exceed the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) annual compensation limit. The EGTRRA annual compensation limit is Two Hundred Thousand Dollars (\$200,000.00), as adjusted by the Commissioner for increases in the cost of living in accordance with Section 401(a)(17)(B) of the Internal Revenue Code of 1986, as amended. The annual compensation limit in effect for a calendar year applies to any period, not exceeding twelve (12) months, over which compensation is determined ("determination period") beginning in such calendar year. If a determination period consists of fewer than twelve (12) months, the EGTRRA

annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is twelve (12). For purposes of this section, a "Noneligible Member" is any member who first became a member during a plan year commencing on or after July 1, 1996,

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

e. effective January 1, 2008, back pay, within the meaning of Section 1.415(c)-2(g)(8) of the Income Tax Regulations, shall be treated as paid base salary for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included in this definition;

18. "Accrued retirement benefit" means two and one-half percent (2 1/2%) of the member's final average salary multiplied by the member's years of credited service not to exceed thirty (30) years;

19. "Normal disability benefit" means the greater of:

a. two and one-half percent (2 1/2%) of the member's final average salary multiplied by twenty (20) years, notwithstanding the years of actual credit service, or

b. two and one-half percent (2 1/2%) of the member's final average salary multiplied by the years of credited service of the member, not to exceed thirty (30) years, if the officer has more than twenty (20) years of credited service;

20. "Limitation year" means the year used in applying the limitations of Section 415 of the Internal Revenue Code of 1986, as amended, which year shall be the calendar year;

21. "Paid base salary" means, effective July 1, 2016, any compensation described in subparagraph a of this paragraph that is not described in subparagraph b of this paragraph.

a. Paid base salary shall include only:

(1) normal compensation paid on a regularly scheduled pay period, including, but not limited to, regular pay for holidays, paid time off, vacation or annual leave, sick leave or compensatory time in lieu of overtime, any lump sum payment paid in lieu of a normal wage increase, provided such lump sum payment is retroactively applied over the prior twelve-month period ending with the payment date, compensation for bomb squad pay, education pay, incentive pay, K-9 pay, negotiation pay, shift differential, sniper pay, SWAT team pay, emergency response team pay, any other special unit pay, and any incremental increase in compensation which is not included by the employer in a member's regular base pay for salary increase purposes but is paid by the employer to the member for group health benefits based on an arrangement with a participating municipality that was in place on December 31, 2015, so long as the arrangement continues uninterrupted for a member employed by a participating municipality on June 30, 2016, who has not since terminated employment and been rehired by such participating municipality,

(2) any amount of elective salary reduction under Section 125 of the Internal Revenue Code of 1986, as amended, that would have been treated as paid base salary but for the salary deferral reduction agreement,

(3) any amount of elective salary reduction not includable in the gross income of the member under Section 132(f)(4) of the Internal Revenue Code of 1986, as amended, that would have been treated as paid base salary but for the salary deferral reduction agreement,

(4) any amount of elective salary reduction under Section 457 of the Internal Revenue Code of 1986, as amended, that would have been treated as paid base salary but for the salary deferral reduction agreement,

(5) any amount of elective salary reduction under Section 401(k) of the Internal Revenue Code of 1986, as amended, that would have been treated as paid base salary but for the salary deferral reduction agreement,

(6) any amount of nonelective salary reduction under Section 414(h) of the Internal Revenue Code of 1986, as amended,

(7) educational allowances paid to obtain training certification or pursue an advanced degree,

(8) longevity payments made to members based upon a standardized plan which recognizes length of service to the participating municipality,

(9) paid base salary shall also include base salary, as described in divisions (1) through (8) of this subparagraph, for services, but paid by the later of two and one-half (2 1/2) months after a member's severance from employment or the end of the calendar year that includes the date the member terminated employment, if it is a payment that, absent a severance from employment, would have been paid to the member while the member continued in employment with the participating municipality,

(10) any payments not described in divisions (1) through (9) of this subparagraph shall not be considered paid base salary if paid after severance from employment, even if they are paid by the later of two and one-half (2 1/2) months after the date of severance from employment or the end of the calendar year that includes the date of severance from employment, except payments to an individual who does not currently perform services for the participating municipality by reason of qualified military service within the meaning of Section 414(u)(5) of the Internal Revenue Code of 1986, as amended, to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the participating municipality rather than entering qualified military service,

(11) back pay, within the meaning of Section 1.415(c)-2(g)(8) of the Income Tax Regulations, shall be treated as paid base salary for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included in this definition, and

(12) paid base salary shall also include differential wage payments under Section 414(u)(12) of the Internal Revenue Code of 1986, as amended.

b. Notwithstanding anything to the contrary in this section, paid base salary shall not include any:

(1) fringe benefits, reimbursements, or increases in compensation due to reimbursements to the extent not specifically included above in subparagraph a of this paragraph,

(2) incremental increase in compensation which is not included by the employer in a member's regular base pay for salary increase purposes but is paid by the employer to the member for group health benefits not otherwise included above in division (1) of subparagraph a of this paragraph,

(3) insurance benefits, including any reimbursements thereof, or insurance proceeds of any type not otherwise included above in division (1) of subparagraph a of this paragraph,

(4) bonuses, including signing bonuses, lump-sum payments or stipends made to the member not otherwise included above in division (1) of subparagraph a of this paragraph,

(5) overtime compensation,

(6) payments whether prior to or upon termination of employment for accumulated unused vacation or unused annual leave, accumulated unused sick leave, or accumulated unused paid time off or other unused leave,

(7) payments made in error to a member,

(8) payments made by the participating municipality for services rendered by the member, which services are not part of the member's job duties and responsibilities of his or her job position with the participating municipality,

(9) severance pay,

(10) unemployment payments, and

(11) uniform and equipment allowances; and

22. "Actuarial equivalent" means equality in value of the aggregate amounts expected to be received based on interest rate and mortality assumptions set by the State Board, in a manner that precludes employer discretion, and based upon recommendations from independent professional advisors, and which shall be published annually in the actuarial report.

SECTION 3. AMENDATORY 11 O.S. 2021, Section 50-115, is amended to read as follows:

Section 50-115. A. The State Board is authorized to pay a disability benefit to a member of the System or a pension to the beneficiaries of such member eligible as hereinafter provided, not exceeding the accrued retirement benefit of the member, except as otherwise provided in this article. Such disability benefit shall be payable immediately upon determination of eligibility. Any preexisting condition identified at the time of any initial or subsequent membership shall be used to offset the percentage of impairment to the whole person in determining any disability benefit. Once the initial disability benefit has been awarded by the Board on the basis of the percentage of impairment to the whole person, the member shall have no further recourse to increase the awarded percentage of impairment.

B. In order for any member to be eligible for any disability benefit, or the member's beneficiaries to be eligible for a pension, the member must have complied with any agreement as to contributions by the member and other members to any funds of the System where said the agreement has been made as provided by this article; and the State Board must find:

1. That the member incurred a permanent total disability or a permanent partial disability or died while in, and in consequence of, the performance of duty as an officer; or

2. That such member has served ten (10) years and incurred a permanent total disability or a permanent partial disability or has died from any cause.

C. In the event of the death of any member who has been awarded a disability benefit or is eligible therefor as provided in this article, the member's beneficiary shall be paid the benefit.

D. 1. As of the date of determination by the State Board that a member ~~is physically or mentally disabled and that the disability is permanent and partial or permanent and total as was incurred while in, and in consequence of, the performance or duty as an officer~~ has a permanent in-line disability, the member shall be awarded a normal disability benefit ~~on the basis of the percentage of impairment to the whole person, as defined by the most current standards of the impairment as outlined in the "American Medical Association's Guides to the Evaluation of Permanent Impairment", as provided in the following table or as prescribed by paragraph 2 of this subsection with respect to injuries sustained as a result of a violent act: 1% to 49% impairment to whole person = 50% of the normal disability benefit 50% to 74% impairment to whole person = 75% of the normal disability benefit 75% to 100% impairment to whole person = 100% of the normal disability benefit, as defined in Section 50-101 of this title.~~

2. If an injury to a member results from a violent act as defined by this paragraph while in the performance of his or her duties as a police officer, the State Board shall make a determination that the member has sustained a one-hundred-percent disability and shall make the benefit award in accordance with that standard. As used in this paragraph, "violent act" means a violent attack upon the member by means of a dangerous weapon, including, but not limited to, a firearm, knife, automobile, explosive device or other dangerous weapon.

E. If the participating municipality denies a disabled member the option of continuing employment

instead of retiring on a disability pension, then the burden of proof rests with the participating municipality to show cause to the State Board that there is no position as a sworn officer within the police department of that municipality which the member can fill.

F. Upon determination by the State Board that a member is physically or mentally disabled and that the disability is permanent and total and that the member has completed ten (10) years of credited service and is disabled by any cause, the member shall receive a disability benefit on the basis of the member's accrued retirement benefit. A permanent and total impairment equates to one hundred percent (100%) of accrued retirement benefit.

G. Upon determination by the State Board that a member is physically or mentally disabled and that the disability is permanent and partial and that the member has completed ten (10) years of credited service as a member and is disabled from any cause, the member shall be awarded a disability benefit on the basis of the member's years of credited service as a member and the percentage of impairment to the whole person, as defined by the ~~most current~~ standards of the impairment as outlined in the "American Medical Association's Guides to the Evaluation of Permanent Impairment", on the basis of the following table:

~~1% to 24% impaired = 25% of accrued retirement benefit~~

~~25% to 49% impaired = 50% of accrued retirement benefit~~

50% to 74% impaired = 75% of accrued retirement benefit

75% to 99% impaired = ~~90%~~ 100% of accrued retirement benefit.

H. Before making a finding as to the disability of a member, the State Board shall require that, if the member is able, the member shall make a certificate as to the disability which shall be subscribed and sworn to by the member. It shall also require a certificate as to such disability to be made by some physician licensed to practice in this state as selected by the State Board. The State Board may require other evidence of disability before making the disability benefit. The salary of any such member shall continue while the member is so necessarily confined to such hospital bed or home and necessarily requires medical care or professional nursing on account of such sickness or disability for a period of not more than six (6) months, after which said the period the other provisions of this article may apply. The State Board, in making disability benefits, shall act upon the written request of the member or without such request, if it deem it for the good of the police department. Any disability benefits shall cease when the member receiving same shall be restored to active service at a salary not less than three-fourths (3/4) of the member's average monthly salary.

I. Any member of a police department of any municipality who, in the line of duty, has been exposed to hazardous substances, including but not limited to chemicals used in the manufacture of a controlled dangerous substance or chemicals resulting from the manufacture of a controlled dangerous substance, or to blood-borne pathogens and who is later disabled from a condition that was the result of such exposure and that was not revealed by the physical examination passed by the member upon entry into the System shall be presumed to have incurred such disability while performing the officer's duties unless the contrary is shown by competent evidence. The presumption created by this subsection shall have no application whatever to any workers' compensation claim or claims, and it shall not be applied or be relied upon in any way in workers' compensation proceedings. All compensation or benefits due to any member pursuant to the presumption created by this subsection shall be paid solely by the system.

J. If the requirements of Section 50-114.4 of this title are satisfied, a member who, by reason of disability, is separated from service as a public safety officer with the member's participating municipality,

may elect to have payment made directly to the provider for qualified health insurance premiums by deduction from his or her monthly disability benefit, after December 31, 2006, in accordance with Section 402(l) of the Internal Revenue Code of 1986, as amended.

SECTION 4. Section 1 of this act shall become effective October 1, 2022.

SECTION 5. Sections 2 and 3 of this act shall become effective November 1, 2022.

## **HB 3709**

### **BILL NO. 3709 By: Bush of the House and Rader of the Senate**

An Act relating to public retirement systems; amending 62 O.S. 2021, Section 3103, which relates to the Oklahoma Pension Legislation Actuarial Analysis Act; modifying definition; amending 11 O.S. 2021, Section 50-128, which relates to the Oklahoma Police Pension and Retirement System; authorizing the purchase of military service credit for certain members of the Oklahoma Police Pension and Retirement System; defining term; amending 20 O.S. 2021, Section 1102.2, which relates to the Uniform Retirement System for Justices and Judges; authorizing the purchase of military service credit for certain members of the Uniform Retirement System for Justices and Judges; defining term; amending 47 O.S. 2021, Section 2-307.4, which relates to the Oklahoma Law Enforcement Retirement System; authorizing the purchase of military service credit for certain members of the Oklahoma Law Enforcement Retirement System; defining term; amending 74 O.S. 2021, Section 913.8, which relates to the Oklahoma Public Employees Retirement System; authorizing the purchase of military service credit for certain members of the Oklahoma Public Employees Retirement System; defining term; and providing effective dates.

SUBJECT: Public retirement systems

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

SECTION 1. AMENDATORY 62 O.S. 2021, 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,



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,

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,

g. which modifies the disability pension standard for police officers who are members of the

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

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

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

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

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

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

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

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

i. which authorizes the purchase of military service credit as provided by Sections 2 through 5 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. AMENDATORY 11 O.S. 2021, Section 50-128, is amended to read as follows:

Section 50-128. A. Any member who has heretofore left the Police Department qualifying under this article to enter the military service of the United States during World War II and who returned to said department on or before July 1, 1947, or the Korean conflict and who returned to said department on or before January 1, 1956, shall receive credit for such time in military service without having made contribution to the System; and any member who has heretofore left, or hereafter may leave said department because of involuntary conscription into the military services of the United States at any time and who returns to said department within ninety (90) days after the member's release from such involuntary service shall receive credit for such time in said military service on the Police Department

without having made contribution to the System only for that period that is involuntary; voluntary enlistments and voluntary extensions of military service being herewith specifically excluded for retirement credit.

B. A member who began participation in the System prior to July 1, 2003, and who retires on or after July 1, 1998, shall be entitled to prior service credit, not to exceed five (5) years, for those periods of military service on active duty prior to membership in the Oklahoma Police Pension and Retirement System. All members who initially begin participation with the System after June 30, 2003, may acquire prior military service credit for a maximum of five (5) years of such service credit upon payment of the actuarial cost of such service in the manner prescribed by and subject to all of the requirements of Section 50-111.4 of this title. For members of the System hired or rehired on or after July 1, 2003, if the military service credit authorized by this subsection is used to compute the retirement benefit of the member and the member retires from the System, such military service credit shall not be used to compute the retirement benefit in any other retirement system created pursuant to the Oklahoma Statutes and the member may receive credit for such service only in the retirement system from which the member first retires.

For purposes of this subsection, "military service" means service in the Armed Forces of the United States by honorably discharged persons during the following time periods, as reflected on such person's Defense Department Form 214, as follows:

1. During the following periods, including the beginning and ending dates, and only for the periods served, from:

- a. April 6, 1917, to November 11, 1918, commonly referred to as World War I,
- b. September 16, 1940, to December 7, 1941, as a member of the 45th Division,
- c. December 7, 1941, to December 31, 1946, commonly referred to as World War II,
- d. June 27, 1950, to January 31, 1955, commonly referred to as the Korean Conflict or the Korean War,
- e. February 28, 1961, to May 7, 1975, commonly referred to as the Vietnam era, except that:
  - (1) for the period from February 28, 1961, to August 4, 1964, military service shall only include service in the Republic of Vietnam during that period, and
  - (2) for purposes of determining eligibility for education and training benefits, such period shall end on December 31, 1976, or
- f. August 1, 1990, to December 31, 1991, commonly referred to as the Gulf War, the Persian Gulf War, or Operation Desert Storm, but excluding any person who served on active duty for training only, unless discharged from such active duty for a service connected disability;

2. During a period of war or combat military operation other than a conflict, war or era listed in paragraph 1 of this subsection, beginning on the date of Congressional authorization, Congressional resolution, or Executive Order of the President of the United States, for the use of the Armed Forces of the United States in a war or combat military operation, if such war or combat military operation lasted for a period of ninety (90) days or more, for a person who served, and only for the period served, in the area of responsibility of the war or combat military operation, but excluding a person who served on active duty for training only, unless discharged from such active duty for a service-connected disability, and provided that the burden of proof of military service during this period shall be with the member, who must present appropriate documentation establishing such service.

C. An eligible member pursuant to subsection B of this section shall include only those persons who shall have served during the times or in the areas prescribed thereunder and only if such person provides appropriate documentation in such time and manner as required by the System to establish such military service prescribed in this section, or for service pursuant to division (1) of subparagraph e of paragraph 1 of subsection B of this section, those persons who were awarded service medals, as authorized by the United States Department of Defense as reflected in the veteran's Defense Department Form 214, related to the Vietnam Conflict for service prior to August 5, 1964. The provisions of subsection B of this section shall include military retirees, whose retirement was based only on active service, that have been rated as having twenty percent (20%) or greater service-connected disability by the Veterans Administration or the Armed Forces of the United States.

D. Effective December 12, 1994, a leave of absence on account of a period of "qualified military service" in the uniformed services of the United States (within the meaning of Section 414(u)(5) of the Internal Revenue Code of 1986), followed by a return to the service of the participating municipality within ninety (90) days after the completion of the period of service, shall constitute credited service. Notwithstanding any provision herein to the contrary:

1. Contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Section 414(u) of the Internal Revenue Code of 1986, as amended, which is in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended (USERRA). The municipality's contributions to the System for a member covered by USERRA are due when such a member makes up his or her contributions that were missed due to his or her qualified military service; and

2. Effective January 1, 2007, if any member dies while performing qualified military service (as defined in Section 414(u) of the Internal Revenue Code of 1986, as amended), the survivors of the member are entitled to any additional benefits other than

benefit accruals relating to the period of qualified military service provided under the System had the member resumed and then terminated employment on account of death.

E. Any member who served in any branch of the United States Armed Forces or any component thereof, who was honorably discharged, and who began participation in the System on or after November 1, 2022, shall be entitled to prior service credit, not to exceed five (5) years, upon payment of the actuarial cost of such service in the manner prescribed by and subject to all of the requirements of Section 50-111.4 of this title. For purposes of this subsection, "military service" means service in the Armed Forces of the United States by honorably discharged persons.

SECTION 3. AMENDATORY 20 O.S. 2021, Section 1102.2, is amended to read as follows:

Section 1102.2 A. Any active member of the Uniform Retirement System for Justices and Judges who served in the Armed Forces of the United States, as defined in paragraph (23) of Section 902 of Title 74 of the Oklahoma Statutes, prior to membership in the Uniform Retirement System for Justices and Judges shall be granted service credit, not to exceed five (5) years, for those periods of active military service during which the member was a war veteran.

B. Any active member of the Uniform Retirement System for Justices and Judges who served in any branch of the United States Armed Forces or any component thereof, who was honorably discharged, and whose initial membership in the System began on or after July 1, 2000, may receive up to five (5) years of prior military service credit as otherwise provided in this section, only upon payment of the amount actuarial cost of the service credit as determined by the Board pursuant to Section 1103G of this title. Any

active member of the Uniform Retirement System for Justices and Judges who served in any branch of the United States Armed Forces or any component thereof, who was honorably discharged and whose initial membership in the System began prior to July 1, 2000, and whose military service does not qualify as prior or participating service which can be granted to a member under subsection A of this section, shall be eligible to purchase service credit pursuant to this subsection. For purposes of this subsection, "military service" means service in the Armed Forces of the United States by honorably discharged persons.

C. For a person becoming a member of the System on or after July 1, 2003, if the military service credit authorized by this section is used to compute the retirement benefit of the member and the member retires from the System, such military service credit shall not be used to compute the retirement benefit in any other retirement system created pursuant to the Oklahoma Statutes and the member may receive credit for such service only in the retirement system from which the member first retires.

~~B. D.~~ Effective December 12, 1994, and thereafter, a leave of absence on account of a period of qualified military service in the uniformed services of the United States within the meaning of Section 414(u)(5) of the federal Internal Revenue Code, followed by a return to service as a Justice or judge within ninety (90) days after completion of the period of service may be eligible for service credit under this System. Notwithstanding any provision of this plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be allowed in accordance with Section 414(u) of the federal Internal Revenue Code.

SECTION 4. AMENDATORY 47 O.S. 2021, Section 2-307.4, is amended to read as follows:

Section 2-307.4 A. Any member of the Oklahoma Law Enforcement Retirement System shall be entitled to prior service credit, not to exceed five (5) years, for those periods of military service on active duty prior to membership in the Oklahoma Law Enforcement Retirement System. Any active member of the Oklahoma Law Enforcement Retirement System whose initial membership in the System began on or after July 1, 2000, may receive up to five (5) years of prior military service credit as otherwise provided in this section, only upon payment of the amount determined by the Board in the manner as provided in Section 2-307.5 of this title. For members of the System hired on or after July 1, 2003, if the military service credit authorized by this subsection is used to compute the retirement benefit of the member and the member retires from the System, such military service credit shall not be used to compute the retirement benefit in any other retirement system created pursuant to the Oklahoma Statutes and the member may receive credit for such service only in the retirement system from which the member first retires.

B. For purposes of ~~this section~~ subsection A of this section, "military service" means service in the Armed Forces of the United States by honorably discharged persons during the following time periods, as reflected on such person's Defense Department Form 214, as follows:

1. During the following periods, including the beginning and ending dates, and only for the periods served, from:

- a. April 6, 1917, to November 11, 1918, commonly referred to as World War I,
- b. September 16, 1940, to December 7, 1941, as a member of the 45th Division,
- c. December 7, 1941, to December 31, 1946, commonly referred to as World War II,
- d. June 27, 1950, to January 31, 1955, commonly referred to as the Korean Conflict or the Korean War,
- e. February 28, 1961, to May 7, 1975, commonly referred to as the Vietnam era, except that:
  - (1) for the period from February 28, 1961, to August 4, 1964, military service shall only

include service in the Republic of Vietnam during that period, and

(2) for purposes of determining eligibility for education and training benefits, such period shall end on December 31, 1976, or

f. August 1, 1990, to December 31, 1991, commonly referred to as the Gulf War, the Persian Gulf War, or Operation Desert Storm, but excluding any person who served on active duty for training only, unless discharged from such active duty for a service connected disability;

2. During a period of war or combat military operation other than a conflict, war or era listed in paragraph 1 of this subsection, beginning on the date of Congressional authorization, Congressional resolution, or Executive Order of the President of the United States, for the use of the Armed Forces of the United States in a war or combat military operation, if such war or combat military operation lasted for a period of ninety (90) days or more, for a person who served, and only for the period served, in the area of responsibility of the war or combat military operation, but excluding a person who served on active duty for training only, unless discharged from such active duty for a service-connected disability, and provided that the burden of proof of military service during this period shall be with the member, who must present appropriate documentation establishing such service.

C. An eligible member under subsection B of this section shall include only those persons who shall have served during the times or in the areas prescribed in subsection B of this section, and only if such person provides appropriate documentation in such time and manner as required by the System to establish such military service prescribed in this section, or for service pursuant to division (1) of subparagraph e of paragraph 1 of subsection B of this section, those persons who were awarded service medals, as authorized by the United States Department of Defense as reflected in the veteran's Defense Department Form 214, related to the Vietnam Conflict for service prior to August 5, 1964.

D. Service credit received pursuant to this section shall be used in determining the member's retirement benefit but shall not be used in determining years of service for retirement or vesting purposes.

E. Such service credit may be paid by:

1. A cash lump-sum payment;

2. A trustee-to-trustee transfer of non-Roth funds from a Code Section 403(b) annuity or custodial account, an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A), and/or a Code Section 401(a) qualified plan;

3. A direct rollover of tax-deferred funds from a Code Section 403(b) annuity or custodial account, an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A), a Code Section 401(a) qualified plan, and/or a Code Section 408(a) or 408(b) traditional or conduit Individual Retirement Account or Annuity (IRA). Roth accounts, Coverdell Education Savings Accounts and after-tax contributions shall not be used to purchase such service credit; or

4. Any combination of the above methods of payment.

F. A member who served in any branch of the United States Armed Forces or any component thereof, who was honorably discharged, and who began participation in the System on or after November 1, 2022, shall be entitled to prior service credit, not to exceed five (5) years, upon payment of the actuarial cost of such service in the manner prescribed by and subject to all of the requirements of Section 2-307.5 of this title. For purposes of this subsection, "military service" means service in the Armed Forces of the United States by honorably discharged persons.

SECTION 5. AMENDATORY 74 O.S. 2021, Section 913.8, is amended to read as follows:

Section 913.8 A. Any active member of the Oklahoma Public Employees Retirement System who served in any branch of the United States Armed Forces or any component thereof, who was honorably discharged, and whose initial membership in the System began on or after July 1, 2000, may receive up to five (5) years of prior or participating military service credit as otherwise provided in this act, only upon payment of the ~~amount-actuarial cost of the service credit~~ as determined by the Board pursuant to Section 913.5 of this title. ~~Any active member of the Oklahoma Public Employees Retirement System who served in any branch of the United States Armed Forces or any component thereof, who was honorably discharged, and whose initial membership in the System began prior to July 1, 2000, and whose military service does not qualify as prior or participating service which can be granted to a member under Section 913 of this title, shall be eligible to purchase service credit pursuant to this subsection. For purposes of this subsection, "military service" means service in the Armed Forces of the United States by honorably discharged persons.~~

B. For a member of the System hired on or after July 1, 2003, if the military service credit authorized by this section is used to compute the retirement benefit of the member and the member retires from the System, such military service credit shall not be used to compute the retirement benefit in any other retirement system created pursuant to the Oklahoma Statutes and the member may receive credit for such service only in the retirement system from which the member first retires.

SECTION 6. Section 1 of this act shall become effective October 1, 2022.

SECTION 7. Sections 2 through 5 of this act shall become effective November 1, 2022.

## Member Cities, Towns, and Codes

Ada	6205	Disney	4915	Lindsay	2510	Sapulpa	1945
Altus	3305	Drummond	2420	Luther	5540	Savanna	6165
Alva	7605	Drumright	1915	Madill	4810	Sawyer	1230
Anadarko	0805	Duncan	6910	Mangum	2815	Sayre	0520
Arapaho	2005	Durant	0735	Mannford	1930	Seminole	6720
Ardmore	1005	Edmond	5520	Marlow	6920	Shawnee	6335
Atoka	0305	El Reno	0910	McAlester	6150	Skiatook	7270
Bartlesville	7405	Elk City	0510	Miami	5820	Spencer	5580
Bethany	5505	Enid	2425	Midwest City	5555	Stigler	3120
Bixby	7205	Eufaula	4610	Moore	1410	Stringtown	0315
Blackwell	3605	Forest Park	5525	Muskogee	5130	Stillwater	6025
Blair	3310	Fort Gibson	5120	Mustang	0915	Stroud	4150
Blanchard	4405	Frederick	7110	Newcastle	4435	Sulphur	5015
Boynton	5105	Garber	2435	Newkirk	3630	Tahlequah	1115
Bristow	1905	Glenpool	7220	Nichols Hills	5560	Tecumseh	6340
Broken Arrow	7260	Grandfield	7115	Nicoma Park	5565	The Village	5590
Calumet	0905	Granite	2810	Noble	1415	Tishomingo	3530
Catoosa	6605	Grove	2115	Norman	1420	Tonkawa	3640
Chandler	4115	Guthrie	4215	Nowata	5315	Tulsa	7250
Checotah	4605	Guymon	7010	Okeene	0630	Tuttle	2630
Chickasha	2615	Harrah	5530	Oklahoma City	5570	Union City	0925
Choctaw	5510	Haskell	5125	Okmulgee	5640	Valley Brook	5585
Chouteau	4910	Hennessey	3710	Oologah	6625	Valliant	4525
Claremore	6615	Henryetta	5625	Owasso	7230	Verdigris	6675
Cleveland	5910	Hinton	0855	Pauls Valley	2525	Vinita	1820
Clinton	2015	Hobart	3815	Pawhuska	5745	Wagoner	7330
Collinsville	7215	Hominy	5735	Perkins	6015	Warner	5155
Comanche	6905	Hugo	1215	Perry	5220	Warr Acres	5595
Commerce	5810	Idabel	4520	Piedmont	0920	Watonga	0635
Coweta	7305	Jenks	7225	Ponca City	3635	Waurika	3435
Crescent	4210	Jones	5535	Poteau	4040	Weatherford	2030
Cromwell	6705	Kingfisher	3715	Prague	4140	Weleetka	5425
Cushing	6005	Kiowa	6140	Pryor	4935	Wellstone	4160
Davis	5005	Krebs	6145	Purcell	4415	Wetumka	3235
Del City	5515	Lamont	2715	Ringling	3415	Wewoka	6725
Dewey	7415	Lawton	1640	Salina	4940	Wister	4055
Dibble	4412	Lexington	1405	Sallisaw	6835	Woodward	7730
				Sand Springs	7235	Yukon	0930