An Act relating to state retirement systems; amending 11 O.S. 2021, Sections 49-106, 49-106.1, as amended by Section 5, Chapter 232, O.S.L. 2022, 49-106.5, 49-109, 50-114, as amended by Section 1, Chapter 228, O.S.L. 2022, 50-114.4, and 50-115, as amended by Section 3, Chapter 306, O.S.L. 2022 (11 O.S. Supp. 2022, Section 49-106.1, 50-114, and 50-115), which relate to the Oklahoma Firefighters Pension and Retirement System and the Oklahoma Police Pension and Retirement System; updating statutory compliance with federal regulations; conforming language; amending 47 O.S. 2021, Sections 2-300, 2-305, as amended by Section 2, Chapter 255, O.S.L. 2022, and 2-305.1C (47 O.S. Supp. 2022, Section 2-305), which relate to the Oklahoma Law Enforcement Retirement System; updating statutory compliance with federal regulations; conforming language; updating statutory reference; updating statutory language; and declaring an emergency.

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

SECTION 1. AMENDATORY 11 O.S. 2021, Section 49-106, is amended to read as follows:
Section 49-106. A. Any firefighter who reaches the firefighter’s normal retirement date shall be entitled, upon written request, to retire from such service and be paid from the Oklahoma Firefighters Pension and Retirement System a monthly pension equal to the member’s accrued retirement benefit; provided, that the pension shall cease during any period of time the member may thereafter serve for compensation in any municipal fire department in the state. If such a member is reemployed by a participating municipality in a position which is not covered by the System, retirement shall also include receipt by such member of in-service distributions from the System.

B. With respect to distributions under the System made for calendar years beginning on or after January 1, 2005, the System shall apply the minimum distribution incidental benefit requirements, incidental benefit requirements, and minimum distribution requirements of Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, in accordance with the final regulations under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, including Treasury Regulations Sections 1.401(a)(9)-1 through 1.401(a)(9)-9; provided, however, that for distributions required to be made after December 31, 2019, for individuals who attain seventy and one-half (70 1/2) years of age after December 31, 2019, but before January 1, 2023, such distributions shall take into account that age 70 1/2 was stricken.
and age 72 was inserted in Section 401(a)(9)(B)(iv)(I), Section 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal Revenue Code of 1986, as amended, and, provided further, that for individuals who attain seventy-two (72) years of age after December 31, 2022, such distributions shall take into account that “age 72” was stricken and “the applicable age”, as defined in Section 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended, was inserted in Section 401(a)(9)(B)(iv)(I), Section 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal Revenue Code of 1986, as amended, in all cases notwithstanding any provision of the System to the contrary. With respect to distributions under the System made for calendar years beginning on or after January 1, 2001, through December 31, 2004, the System shall apply the minimum distribution requirements and incidental benefit requirements of Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, in accordance with the regulations under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, which were proposed in January 2001, notwithstanding any provision of the System to the contrary. Effective July 1, 1989, notwithstanding any other provision contained herein to the contrary, in no event shall commencement of distribution of the accrued retirement benefit of a member be delayed beyond April 1 of the calendar year following the later of:
1. The calendar year in which the member reaches seventy and
one-half (70 1/2) years of age for a member who attains age seventy
and one-half (70 1/2) before January 1, 2020, or effective for
distributions required to be made after December 31, 2019, but
before January 1, 2023, the calendar year in which the member
reaches seventy-two (72) years of age for an individual who attains
age seventy and one-half (70 1/2) after December 31, 2019, or
effective for distributions required to be made after December 31,
2022, the calendar year in which the member reaches seventy-three
(73) years of age for an individual who attains age seventy-two (72)
after December 31, 2022, or “the applicable age”, as defined in
Section 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as
amended, if later; or
2. The actual retirement date of the member.

Effective September 8, 2009, notwithstanding anything to the
contrary of the System, the System, which is a governmental plan
(within the meaning of Section 414(d) of the Internal Revenue Code
of 1986, as amended) is treated as having complied with Section
401(a)(9) of the Internal Revenue Code of 1986, as amended, for all
years to which Section 401(a)(9) of the Internal Revenue Code of
1986, as amended, applies to the System if the System complies with
a reasonable and good-faith interpretation of Section 401(a)(9) of
the Internal Revenue Code of 1986, as amended.
C. Any member or beneficiary eligible to receive a monthly benefit from the System may make an election to waive all or a portion of monthly benefits.

D. If the requirements of Section 49-106.5 of this title are satisfied, a member who, by reason of attainment of normal retirement date or age, 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 pension payment, after December 31, 2006, in accordance with Section 402(1) of the Internal Revenue Code of 1986, as amended. For distributions made after December 29, 2022, the election provided for under Section 402(1) of the Internal Revenue Code of 1986, as amended, may be made whether payment of the premiums is made directly to the provider of the accident or health plan or qualified long-term care insurance contract by deduction from a distribution from the System or is made to the member.

SECTION 2. AMENDATORY 11 O.S. 2021, Section 49-106.1, as amended by Section 5, Chapter 232, O.S.L. 2022 (11 O.S. Supp. 2022, Section 49-106.1), is amended to read as follows:

Section 49-106.1. A. In lieu of terminating employment and accepting a service retirement pension pursuant to Sections 49-101 and 49-106 of this title, any member of the Oklahoma Firefighters Pension and Retirement System serving as an active firefighter in a
fire department of a participating municipality who has not less
than twenty (20) years of creditable service may elect to
participate in the Oklahoma Firefighters Deferred Option Plan and
defer the receipts of benefits in accordance with the provisions of
this section.

B. For purposes of this section, creditable service shall
include service credit reciprocally recognized pursuant to Sections
49-100.1 through 49-100.8 and Sections 49-101, 49-101.1 and 49-101.2
of this title but for eligibility purposes only.

C. The duration of participation in the Oklahoma Firefighters
Deferred Option Plan for active firefighters shall not exceed five
(5) years. Participation in the Oklahoma Firefighters Deferred
Option Plan must begin the first day of a month and end on the last
day of a month. At the conclusion of a member’s participation in
the Oklahoma Firefighters Deferred Option Plan, the member shall
terminate employment with all participating municipalities as a
firefighter, and shall start receiving the member’s accrued monthly
retirement benefit from the System. Such a member may be reemployed
by a participating municipality but only in a position not covered
under the System, and receive in-service distributions of such
member’s accrued monthly retirement benefit from the System.

D. When a member begins participation in the Oklahoma
Firefighters Deferred Option Plan, the contribution of the member
shall cease. The employer contributions shall continue to be paid
in accordance with subsection B of Section 49-122 of this title.

Employer contributions for members who elect the Oklahoma Firefighters Deferred Option Plan shall be credited equally to the Oklahoma Firefighters Pension and Retirement System and to the member’s Oklahoma Firefighters Deferred Option Plan account. The monthly retirement benefits that would have been payable had the member elected to cease employment and receive a service retirement shall be paid into the member’s Oklahoma Firefighters Deferred Option Plan account.

E. 1. A member who participates in this plan shall be eligible to receive cost-of-living increases.

2. A member who participates in this plan shall earn interest at a rate of two percentage points below the rate of return of the investment portfolio of the System, but no less than the actuarial assumed interest rate as certified by the actuary in the yearly evaluation report of the actuary. The interest shall be credited to the individual account balance of the member on an annual basis.

3. Effective November 1, 2013, the Oklahoma Firefighters Deferred Option Plan account for a member whose first service with a participating municipality of the System occurs on or after November 1, 2013, and who participates for the first time in the Oklahoma Firefighters Deferred Option Plan on or after November 1, 2013, and has completed active participation in the Oklahoma Firefighters Deferred Option Plan, shall earn interest at a rate equal to the
actual rate of return of the investment portfolio of the System,
less one (1) percentage point to offset administrative costs of the
System as determined by the System.

F. A member in the plan shall receive, at the option of the
member, a lump-sum payment from the account equal to the payments to
the account or an annuity based upon the account of the member or
may elect any other method of payment if approved by the Board of
Trustees. If a member becomes so physically or mentally disabled
while in, or in consequence of, the performance of his or her duty
as to prevent the effective performance of his or her duties that
the State Board approves an in-line-of-duty disability pension, the
payment from the account shall be an in-line-of-duty disability
payment. Notwithstanding any other provision contained herein to
the contrary, commencement of distributions under the Oklahoma
Firefighters Deferred Option Plan shall be no later than the time as
set forth in subsection B of Section 49-106 of this title and a
member whose first service with a participating municipality of the
System occurs on or after November 1, 2013, and who participates for
the first time in the Oklahoma Firefighters Deferred Option Plan on
or after November 1, 2013, must receive a distribution of the entire
remaining balance in the member’s Oklahoma Firefighters Deferred
Option Plan account no later than April 1 of the calendar year
following the later of:
1. The calendar year in which the member reaches seventy and one-half (70 1/2) years of age for a member who attains age seventy and one-half (70 1/2) before January 1, 2020, or effective for distributions required to be made after December 31, 2019, but before January 1, 2023, the calendar year in which the member reaches seventy-two (72) years of age for an individual who attains age seventy and one-half (70 1/2) after December 31, 2019, or effective for distributions required to be made after December 31, 2022, the calendar year in which the member reaches seventy-three (73) years of age for an individual who attains age seventy-two (72) after December 31, 2022, or “the applicable age”, as defined in Section 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended, if later; or

2. The actual retirement date of the member.

G. If a member dies while maintaining an account balance in the plan the System shall pay to the designated recipient or recipients of the member, or if there is no designated recipient or if the designated recipient predeceases the member, to the spouse of the member, or if there is no spouse or if the spouse predeceases the member, to the estate of the member a lump-sum payment equal to the account balance of the member. If such member was receiving, or eligible to receive, an in-line-of-duty disability pension at the time of his or her death, payment of the account balance shall be an in-line-of-duty disability payment. If a designated recipient is
the surviving spouse of the member, the surviving spouse shall receive his or her portion of the account balance of the member pursuant to subsection F of this section. The surviving spouse, whether or not he or she is a designated recipient of the member, may elect to receive his or her portion of the account balance of the member in the same manner as was applicable to the member.

H. In lieu of participating in the Oklahoma Firefighters Deferred Option Plan pursuant to subsections A, B, C, D, E and F of this section, a member may elect to participate in the Oklahoma Firefighters Deferred Option Plan pursuant to this subsection as follows:

1. For purposes of this subsection and subsection I of this section, the following definitions shall apply:

   a. “back drop date” means the member’s normal retirement date or the date five (5) years before the member elects to participate in the Oklahoma Firefighters Deferred Option Plan, whichever date is later,

   b. “termination date” means the date the member elects to participate in the Oklahoma Firefighters Deferred Option Plan pursuant to this subsection, and the date the member terminates employment with all participating municipalities as an active firefighter,
c. “earlier attained credited service” means the credited service earned by a member as of the back drop date, and

d. “deferred benefit balance” means all monthly retirement benefits that would have been payable had the member elected to cease employment on the back drop date and receive a service retirement from the back drop date to the termination date, all the member’s contributions and one-half (1/2) of the employer contributions from the back drop date to the termination date, with interest based on how the benefit would have accumulated on a compound annual basis as if the member had participated in the Oklahoma Firefighters Deferred Option Plan pursuant to subsections A, B, C, D, E and F of this section from the back drop date to the termination date; and

2. At the termination date, the monthly pension benefit shall be determined based on earlier attained credited service and on the final average salary as of the back drop date. 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 firefighter, and shall start receiving the member’s accrued monthly retirement benefit from the System. Such a member may be reemployed by a
participating municipality but only in a position not covered under the System, and receive in-service distributions of such member’s accrued monthly retirement benefit from the System. The provisions of subsections B, C, E, F and G of this section shall apply to this subsection. A member shall not participate in the Oklahoma Firefighters Deferred Option Plan pursuant to this subsection if the member has elected to participate in the Oklahoma Firefighters Deferred Option Plan pursuant to subsections A, B, C, D, E and F of this section.

I. Certain surviving spouses and members shall be eligible to participate in the Oklahoma Firefighters Deferred Option Plan pursuant to subsection H of this section and this subsection.

1. For purposes of this subsection, the following definitions shall apply:

a. “back drop election date” means the date the surviving spouse or member elects to commence participation in the Oklahoma Firefighters Deferred Option Plan pursuant to subsection H of this section and this subsection,

b. “interest” means the actuarial assumed interest rate as certified by the actuary in the yearly evaluation report of the actuary,

c. “monthly adjustment amount” means the difference between the monthly pension prior to the back drop
election and the adjusted monthly pension due to the back drop election,

d. “back drop pension adjustment amount” means the sum of all the monthly adjustment amounts adjusted for interest from the pension commencement date to the back drop election date, and

e. “deferred benefit balance adjustment amount” means the interest on the deferred benefit balance from the pension commencement date to the back drop election date.

2. If a member who has more than twenty (20) years of creditable service and is eligible to receive a service retirement pension dies on or after June 4, 2007, and prior to terminating employment, the member’s surviving spouse shall be eligible to elect to receive a benefit determined as if the member had elected to participate in the Oklahoma Firefighters Deferred Option Plan in accordance with subsection H of this section on the day immediately preceding such member’s death. Prior to July 1, 2010, the surviving spouse must make any such election within one (1) year from the date of the member’s death. Effective July 1, 2010, the surviving spouse must make any such election within ninety (90) days from the date of the member’s death. If on or after June 4, 2007, such election is made, the monthly pension such surviving spouse is entitled to receive shall be adjusted in accordance with the provisions of
subsection H of this section to account for the member’s participation in the Oklahoma Firefighters Deferred Option Plan. The surviving spouse may only make this election if the member has not previously elected to participate in the Oklahoma Firefighters Deferred Option Plan. For purposes of this election, the surviving spouse must have been married to the firefighter for the thirty (30) continuous months preceding the firefighter’s death; provided, the surviving spouse of a member who died while in, or as a consequence of, the performance of the member’s duty for a participating municipality shall not be subject to the marriage limitation for this election.

3. If a member has more than twenty (20) years of creditable service and is eligible for a retirement for disability monthly pension pursuant to Section 49-109 of this title on or after June 4, 2007, such member shall be eligible to elect to receive a benefit determined as if the member had elected to participate in the Oklahoma Firefighters Deferred Option Plan, in accordance with subsection H of this section, on the day immediately preceding the date of the member’s disability retirement, provided such election is made within two (2) years from the date of the member’s disability retirement. The disability monthly pension such member is receiving, or entitled to receive, shall be adjusted in accordance with the provisions of subsection H of this section to account for the member’s participation in the Oklahoma Firefighters
Deferred Option Plan. The deferred benefit balance such member is entitled to receive shall be reduced by the back drop pension adjustment amount and increased by the deferred benefit balance adjustment amount. The member may only make a back drop election if the deferred benefit balance after the adjustment described in this paragraph is greater than Zero Dollars ($0.00). The member may only make this election if the member has not previously elected to participate in the Oklahoma Firefighters Deferred Option Plan.

4. If a member has more than twenty (20) years of creditable service and filed a grievance for wrongful termination occurring on or after June 4, 2007, or is not a member of a collective bargaining organization as a firefighter, is involuntarily terminated and is seeking to have his or her position as a firefighter reinstated through a legal process, but is not reinstated as an active member, such member shall be eligible to elect to receive a benefit determined as if the member had elected to participate in the Oklahoma Firefighters Deferred Option Plan in accordance with subsection H of this section on the day immediately preceding the date of the member’s termination. Such election must be made within two (2) years from the date of the member’s termination as an active member and, if the member’s case pertaining to the member’s termination is on appeal to a court of competent jurisdiction, within such period set by the State Board in its sole discretion. The monthly pension such member is receiving, or entitled to
receive, shall be adjusted in accordance with the provisions of subsection H of this section to account for the member’s participation in the Oklahoma Firefighters Deferred Option Plan.

The deferred benefit balance such member is entitled to receive shall be reduced by the back drop pension adjustment amount and increased by the deferred benefit balance adjustment amount. The member may only make a back drop election if the deferred benefit balance after the adjustment described in this paragraph is greater than Zero Dollars ($0.00). The member may only make this election if the member has not previously elected to participate in the Oklahoma Firefighters Deferred Option Plan.

5. Subparagraphs d and e of paragraph 1 and paragraphs 3 and 4 of this subsection are effective June 4, 2007, provided the Internal Revenue Service issues a favorable determination letter for the System which includes the provisions of such subparagraphs and paragraphs without modification or as modified to conform to any changes required by the Internal Revenue Service as part of its determination letter review process. In the event the Internal Revenue Service does not issue such a determination letter which includes the provisions of such subparagraphs or paragraphs without modification or as modified to conform to any changes required by the Internal Revenue Service as part of its determination letter review process, then subparagraphs d and e of paragraph 1 and
paragraphs 3 and 4 of this subsection shall be repealed effective June 4, 2007.

SECTION 3. AMENDATORY 11 O.S. 2021, Section 49-106.5, is amended to read as follows:

Section 49-106.5. A. A member who is an eligible retired public safety officer and who wishes to have direct payments made toward the member’s qualified health insurance premiums from the member’s monthly disability benefit or monthly pension payment must make a written election in accordance with Section 402(1) of the Internal Revenue Code of 1986, as amended, on the form provided by the Oklahoma Firefighters Pension and Retirement System, as follows:

1. The election must be made after the member separates from service as a public safety officer with the member’s participating municipality;

2. The election shall only apply to distributions from the System after December 31, 2006, and to amounts not yet distributed to the eligible retired public safety officer;

3. Direct payments Payments from the system for an eligible retired public safety officer’s qualified health insurance premiums made directly to the provider of such coverage can only be made from the member’s monthly disability benefit or monthly pension payment from the System and cannot be made from the Deferred Option Plan; and
4. The aggregate amount of the exclusion from an eligible retired public safety officer’s gross income is Three Thousand Dollars ($3,000.00) per calendar year.

B. As used in this section:

1. “Public safety officer” means a member serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, firefighter, chaplain, or as a member of a rescue squad or ambulance crew;

2. “Eligible retired public safety officer” means a member who, by reason of disability or attainment of normal retirement date or age, is separated from service as a public safety officer with the member’s participating municipality; and

3. “Qualified health insurance premiums” are premiums for coverage for the eligible retired public safety officer, the eligible retired public safety officer’s spouse, and dependents, as defined in Section 152 of the Internal Revenue Code of 1986, as amended, by an accident or health plan or a qualified long-term care insurance contract, as defined in Section 7702B(b) of the Internal Revenue Code of 1986, as amended. The health plan does not have to be sponsored by the eligible retired public safety officer’s former participating municipality.

C. The Oklahoma Firefighters Pension and Retirement Board shall may promulgate such rules or procedures as are necessary to implement the provisions of this section or to facilitate a member’s
election under Section 402(1) of the Internal Revenue Code of 1986, as amended.

SECTION 4. AMENDATORY 11 O.S. 2021, Section 49-109, is amended to read as follows:

Section 49-109. A. Whenever any firefighter serving in any capacity in a regularly constituted fire department of a municipality shall become so physically or mentally disabled while in, or in consequence of, the performance of the firefighter’s duty as to prevent the effective performance of the firefighter’s duties, the State Board may, upon the firefighter’s written request, or without such request if the State Board deems it for the good of the department, retire the firefighter from active service, and if so retired, shall direct that the firefighter be paid from the System a monthly pension equal to the greater of:

1. Fifty percent (50%) of the average monthly salary which was paid to the firefighter during the last thirty (30) months of the firefighter’s service; or

2. Two and one-half percent (2 1/2%) of the firefighter’s final average salary multiplied by the member’s years of credited service, not to exceed thirty (30) years, provided such firefighter has completed twenty (20) or more years of credited service.

B. If the disability ceases within two (2) years from the date of the firefighter’s disability retirement and before the firefighter’s normal retirement date, the formerly disabled person
shall be restored to active service at the salary attached to the
rank the firefighter held at the time of the firefighter’s
disability retirement provided the firefighter is capable of
performing the duties of a firefighter. Whenever such disability
shall cease, such disability pension provided pursuant to paragraph
1 of subsection A of this section shall cease. If a firefighter
participates in the Oklahoma Firefighters Deferred Option Plan
pursuant to Section 49-106.1 of this title, the firefighter’s
disability pension provided pursuant to this subsection shall be
reduced to account for the firefighter’s participation in the
Oklahoma Firefighters Deferred Option Plan.

C. Whenever any firefighter, who has served in any capacity in
a regularly constituted fire department of a municipality of the
state, and who has served less than the firefighter’s normal
retirement date, shall become so physically or mentally disabled
from causes not arising in the line of duty as to prevent the
effective performance of the firefighter’s duties, the firefighter
shall be entitled to a pension during the continuance of said such
disability based upon the firefighter’s service period which shall
be fifty percent (50%) of the average monthly salary which was paid
to the firefighter during the last sixty (60) months of the
firefighter’s service.

D. No firefighter shall accrue additional service time while
receiving a disability pension; provided further, that nothing
herein contained shall affect the eligibility of any firefighter to apply for and receive a retirement pension after the firefighter’s normal retirement date; provided further, that no firefighter shall receive retirement benefits from the System during the time the firefighter is receiving disability benefits from the System. Any member or beneficiary eligible to receive a monthly benefit pursuant to this section may make an election to waive all or a portion of monthly benefits.

E. If the requirements of Section 49-106.5 of this act 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. For distributions made after December 29, 2022, the election provided for under Section 402(l) of the Internal Revenue Code of 1986, as amended, may be made whether payment of the premiums is made directly to the provider of the accident or health plan or qualified long-term care insurance contract by deduction from a distribution from the System or is made to the member.

SECTION 5. AMENDATORY 11 O.S. 2021, Section 50-114, as amended by Section 1, Chapter 228, O.S.L. 2022 (11 O.S. Supp. 2022, Section 50-114), is amended to read as follows:
Section 50-114. A. The State Board is hereby authorized to pay out of funds in the System a monthly service pension to any member eligible as hereinafter provided, not exceeding in any event the amount of money in such funds and not exceeding in any event the accrued retirement benefit for such member, except as provided for herein. In order for a member to be eligible for such service pension the following requirements must be complied with:

1. The member’s service with the police department for any participating municipality must have ceased; however, a member may be subsequently reemployed in the position of police chief pursuant to subsection C of Section 50-112 of this title;

2. The member must have reached the member’s normal retirement date; and

3. 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 agreement has been made as provided by this article; provided, that should a retired member receive disability benefits as provided in this and other sections of this article, the time the retired member is receiving said disability benefits shall count as time on active service if the retired member should be recalled by the Chief of Police from said disability retirement. It shall be necessary before said such time shall be counted toward retirement that the retired member make the same contribution as the
member would have otherwise made if on active service for the time
the retired member was disabled.

B. Any member complying with all requirements of this article,
who reaches normal retirement date, upon application, shall be
retired at the accrued retirement benefit. When a member has served
for the necessary number of years and is otherwise eligible, as
provided in this article, if such member is discharged without cause
by the participating municipality, the member shall be eligible for
a pension.

C. Effective July 1, 1989, in no event shall commencement of
distribution of the accrued retirement benefit of a member be
delayed beyond April 1 of the calendar year following the later of:

1. The calendar year in which the member reaches seventy and
one-half (70 1/2) years of age for a member who attains age seventy
and one-half (70 1/2) before January 1, 2020, or effective for
distributions required to be made after December 31, 2019, but
before January 1, 2023, the calendar year in which the member
reaches seventy-two (72) years of age for an individual who attains
age seventy and one-half (70 1/2) after December 31, 2019, or
effective for distributions required to be made after December 31,
2022, the calendar year in which the member reaches seventy-three
(73) years of age for an individual who attains age seventy-two (72)
after December 31, 2022, or “the applicable age” as defined in

Section 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended, if later; or

2. The actual retirement date of the member.

For distributions made for calendar years beginning on or after January 1, 2001, through December 31, 2004, the System shall apply the minimum distribution requirements and incidental benefit requirements of Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, in accordance with the regulations under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, which were proposed on January 17, 2001, notwithstanding any provision of the System to the contrary. For distributions made for calendar years beginning on or after January 1, 2005, the System shall apply the minimum distribution incidental benefit requirements, incidental benefit requirements, and minimum distribution requirements of Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, in accordance with the final regulations under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, including Treasury Regulations Sections 1.401(a)(9)-1 through 1.401(a)(9)-9; provided, however, that for distributions required to be made after December 31, 2019, for individuals who attain seventy and one-half (70 1/2) years of age after December 31, 2019, but before January 1, 2023, such distributions shall take into account that age 70 1/2 was stricken and age 72 was inserted in Section 401(a)(9)(B)(iv)(I), Section 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the
Internal Revenue Code of 1986, as amended, and, provided further, that for individuals who attain seventy-two (72) years of age after December 31, 2022, such distributions shall take into account that “age 72” was stricken and “the applicable age”, as defined in Section 401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended, was inserted in Section 401(a)(9)(B)(iv)(I), Section 401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal Revenue Code of 1986, as amended, in all cases notwithstanding any provision of the System to the contrary. Effective January 1, 2009, with respect to the Oklahoma Police Deferred Option Plan, to the extent applicable, no minimum distribution is required for 2009 in accordance with Section 401(a)(9)(H) of the Internal Revenue Code of 1986, as amended.

Effective September 8, 2009, notwithstanding anything to the contrary of the System, the System, which is a governmental plan (within the meaning of Section 414(d) of the Internal Revenue Code of 1986, as amended) is treated as having complied with Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, for all years to which Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, applies to the System if the System complies with a reasonable and good-faith interpretation of Section 401(a)(9) of the Internal Revenue Code of 1986, as amended.

D. In the event of the death of any member who has been awarded a retirement benefit or is eligible therefor as provided in this
section, such member’s beneficiaries shall be paid such retirement
benefit. The remaining portion of the member’s retirement benefit
shall be distributed to the beneficiaries at least as rapidly as
under the method of distribution to the member. Effective March 1,
1997, if a member to whom a retirement benefit has been awarded or
who is eligible therefor dies prior to the date as of which the
total amount of retirement benefit paid equals the total amount of
the employee contributions paid by or on behalf of the member and
the member does not have a surviving beneficiary under paragraph 13
of Section 50-101 of this title, the total benefits paid as of the
date of the member’s death shall be subtracted from the accumulated
employee contribution amount and the balance, if greater than zero
(0), shall be paid to the member’s estate.

E. The State Board may review and affirm a member’s request for
retirement benefits prior to the member’s normal retirement date
provided that no retirement benefits are paid prior to the normal
retirement date.

F. A member retired under the provisions of this article may
apply to the State Board to have the member’s retirement benefits
set aside and may make application for disability benefits. Upon
approval of the disability benefits, the member would become subject
to all provisions of this article pertaining to disability
retirement.
G. Upon the death of a retired member, the benefit payment for the month in which the retired member died, if not previously paid, shall be made to the beneficiary of the member, which shall include a successor in interest for whom an affidavit is provided to the System in accordance with Section 393 of Title 58 of the Oklahoma Statutes, or if there is no surviving beneficiary under paragraph 13 of Section 50-101 of this title, to the member’s estate or, if properly designated by the member, a trust. Upon the death of a beneficiary, the benefit payment for the month in which the beneficiary died, if not previously paid, shall be made to the beneficiary’s estate or, if properly designated by the beneficiary, to a trust. Such benefit payment shall be made in an amount equal to a full monthly benefit payment regardless of the day of the month in which the retired member or beneficiary died.

H. If the requirements of Section 50-114.4 of this title are satisfied, a member who, by reason of attainment of normal retirement date or age, 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 pension payment, after December 31, 2006, in accordance with Section 402(l) of the Internal Revenue Code of 1986, as amended. For distributions made after December 29, 2022, the election provided for under Section 402(l) of the Internal Revenue Code of 1986, as amended, may
be made whether payment of the premiums is made directly to the
provider of the accident or health plan or qualified long-term care
insurance contract by deduction from a distribution from the System
or is made to the member.

SECTION 6. AMENDATORY 11 O.S. 2021, Section 50-114.4, is
amended to read as follows:

Section 50-114.4. A. A member who is an eligible retired
public safety officer and who wishes to have direct payments made
toward the member’s qualified health insurance premiums from the
member’s monthly disability benefit or monthly pension payment must
make a written election in accordance with Section 402(l) of the
Internal Revenue Code of 1986, as amended, on the form provided by
the System, as follows:

1. The election must be made after the member separates from
service as a public safety officer with the member’s participating
municipality;

2. The election shall only apply to distributions from the
System after December 31, 2006, and to amounts not yet distributed
to the eligible retired public safety officer;

3. Direct payments Payments from the System for an eligible
retired public safety officer’s qualified health insurance premiums
made directly to the provider of such coverage can only be made from
the member’s monthly disability benefit or monthly pension payment
from the System and cannot be made from the Deferred Option Plan;
and

4. The aggregate amount of the exclusion from an eligible
retired public safety officer’s gross income is Three Thousand
Dollars ($3,000.00) per calendar year.

B. As used in this section:

1. A “public safety officer” is a member serving a public
agency in an official capacity, with or without compensation, as a
law enforcement officer, firefighter, chaplain, or as a member of a
rescue squad or ambulance crew;

2. An “eligible retired public safety officer” is a member who,
by reason of disability or attainment of normal retirement date or
age, is separated from service as a public safety officer with the
member’s participating municipality; and

3. “Qualified health insurance premiums” are for coverage for
the eligible retired public safety officer, the eligible retired
public safety officer’s spouse, and dependents, as defined in
Section 152 of the Internal Revenue Code of 1986, as amended, by an
accident or health plan or a qualified long-term care insurance
contract, as defined in Section 7702B(b) of the Internal Revenue
Code of 1986, as amended. The health plan does not have to be
sponsored by the eligible retired public safety officer’s former
participating municipality.
C. The State Board may promulgate such rules or procedures as are necessary to implement the provisions of this section or to facilitate a member’s election under Section 402(l) of the Internal Revenue Code of 1986, as amended.

SECTION 7. AMENDATORY 11 O.S. 2021, Section 50-115, as amended by Section 3, Chapter 306, O.S.L. 2022 (11 O.S. Supp. 2022, 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 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 has a permanent in-line disability, the member shall be awarded a 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 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 49% impaired = 50% of accrued retirement benefit
50% to 74% impaired = 75% of accrued retirement benefit
75% to 99% impaired = 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 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. For distributions made after December 29, 2022, the election provided for under Section 402(l) of the Internal Revenue Code of 1986, as amended, may be made whether payment of the premiums is made directly to the provider of the accident or health
plan or qualified long-term care insurance contract by deduction
from a distribution from the System or is made to the member.

SECTION 8. AMENDATORY 47 O.S. 2021, Section 2-300, is
amended to read as follows:

Section 2-300. As used in Section 2-300 et seq. of this title:
1. “System” means the Oklahoma Law Enforcement Retirement
System;
2. “Act” means Section 2-300 et seq. of this title;
3. “Board” means the Oklahoma Law Enforcement Retirement Board
of the System;
4. “Executive Director” means the managing officer of the
System employed by the Board;
5. “Fund” means the Oklahoma Law Enforcement Retirement Fund;
6. a. “Member” means:
   (1) all commissioned law enforcement officers of the
       Oklahoma Highway Patrol Division of the
       Department of Public Safety who have obtained
certification from the Council on Law Enforcement
       Education and Training, and all cadets of a
       Patrol Academy of the Department of Public
       Safety,
   (2) law enforcement officers and criminalists of the
       Oklahoma State Bureau of Investigation,
(3) law enforcement officers of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control designated to perform duties in the investigation and prevention of crime and the enforcement of the criminal laws of this state,

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

(5) employees of the Communications Section of the Oklahoma Highway Patrol Division, radio technicians and tower technicians of the Department of Public Safety, who are employed in any such capacity as of June 30, 2008, and who remain employed on or after July 1, 2008, until a termination of service, or until a termination of service with an election of a vested benefit from the System, or until retirement. Effective July 1, 2008, a person employed for the first time as an employee of the Department of Public Safety in the Communications Division as an information systems telecommunication technician of the
Department of Public Safety shall not be a member of the System,

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

(7) inspectors of the State Board of Pharmacy.

b. 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 employer 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.

c. All persons who shall be offered a position of a commissioned law enforcement officer as an employee of one of the agencies described in subparagraph a of
this paragraph shall participate in the System upon
the person meeting the requisite post-offer-pre-
employment physical examination standards which shall
be subject to the following requirements:
(1) all such persons shall be of good moral
   character, free from deformities, mental or
   physical conditions, or disease and alcohol or
   drug addiction which would prohibit the person
   from performing the duties of a law enforcement
   officer,
(2) the physical-medical examination shall pertain to
   age, sight, hearing, agility and other conditions
   the requirements of which shall be established by
   the Board,
(3) the person shall be required to meet the
   conditions of this subsection prior to the
   beginning of actual employment but after an offer
   of employment has been tendered by a
   participating employer,
(4) the Board shall have authority to deny or revoke
   membership of any person submitting false
   information in such person’s membership
   application, and
(5) the Board shall have final authority in determining eligibility for membership in the System, pursuant to the provisions of this subsection;

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:

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

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

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

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

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

With respect to distributions under the System made for calendar years beginning on or after January 1, 2005, the System shall apply the minimum distribution incidental benefit requirements, incidental benefit requirements, and minimum distribution requirements of Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, in accordance with the final regulations under Section 401(a)(9) of
the Internal Revenue Code of 1986, as amended, including Treasury
Regulations Sections 1.401(a)(9)-1 through 1.401(a)(9)-9; provided,
that for individuals who attain seventy and one-half (70 1/2) years
of age after December 31, 2019, but before January 1, 2023, such
distributions shall be made when the individual attains seventy-two
(72) years of age, pursuant to the provisions of the SECURE Act of
2019, Pub. L. 116-94, take into account that “age 70 1/2” was
stricken and “age 72” was inserted in Sections 401(a)(9)(B)(iv)(I),
401(a)(9)(C)(i)(I) and 401(a)(9)(C)(ii)(I) of the Internal Revenue
Code of 1986, as amended, and, provided further, that for
individuals who attain seventy-two (72) years of age after December
31, 2022, such distributions shall take into account that “age 72”
was stricken and “the applicable age”, as defined in Section
401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended,
was inserted in Section 401(a)(9)(B)(iv)(I), Section
401(a)(9)(C)(i)(I) and Section 401(a)(9)(C)(ii)(I) of the Internal
Revenue Code of 1986, as amended, in all cases notwithstanding any
provision of the System to the contrary. With respect to
distributions under the System made for calendar years beginning on
or after January 1, 2001, through December 31, 2004, the System
shall apply the minimum distribution requirements and incidental
benefit requirements of Section 401(a)(9) of the Internal Revenue
Code of 1986, as amended, in accordance with the regulations under
Section 401(a)(9) of the Internal Revenue Code of 1986, as amended,
which were proposed in January 2001, notwithstanding any provision
of the System to the contrary.

Effective July 1, 1989, notwithstanding any other provision
contained herein to the contrary, in no event shall commencement of
distribution of the accrued retirement benefit of a member be
delayed beyond April 1 of the calendar year following the later of:
(1) the calendar year in which the member reaches seventy and one-
half (70 1/2) years of age for a member who attains this age before
January 1, 2020, or, for a member who attains this age on or after
January 1, 2020, but before January 1, 2023, the calendar year in
which the member reaches seventy-two (72) years of age, or effective
for distributions required to be made after December 31, 2022, the
calendar year in which the member reaches seventy-three (73) years
of age for an individual who attains age seventy-two (72) after
December 31, 2022, or “the applicable age”, as defined in Section
401(a)(9)(C)(v) of the Internal Revenue Code of 1986, as amended, if
later; or (2) the actual retirement date of the member. A member
electing to defer the commencement of retirement benefits pursuant
to Section 2-308.1 of this title may not defer the benefit
commencement beyond the age of sixty-five (65).

Effective September 8, 2009, notwithstanding anything to the
contrary of the System, the System, which as a governmental plan
(within the meaning of Section 414(d) of the Internal Revenue Code
of 1986, as amended), is treated as having complied with Section
401(a)(9) of the Internal Revenue Code of 1986, as amended, for all years to which Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, applies to the System if the System complies with a reasonable and good faith interpretation of Section 401(a)(9) of the Internal Revenue Code of 1986, as amended.

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

8. “Actual paid base salary” means the salary received by a member, excluding payment for any accumulated leave or uniform allowance. Salary shall include any amount of nonelective salary reduction under Section 414(h) of the Internal Revenue Code of 1986;
9. “Final average salary” means the average of the highest thirty (30) consecutive complete months of actual paid gross salary. Gross salary shall include any amount of elective salary reduction under Section 457 of the Internal Revenue Code of 1986, as amended, and any amount of nonelective salary reduction under Section 414(h) of the Internal Revenue Code of 1986, as amended. Effective July 1, 1992, gross salary shall include any amount of elective salary reduction under Section 125 of the Internal Revenue Code of 1986, as amended. Effective July 1, 1998, gross salary shall include 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. Effective July 1, 1998, for purposes of determining a member’s compensation, any contribution by the member to reduce his or her regular cash remuneration under Section 132(f)(4) of the Internal Revenue Code of 1986, as amended, shall be treated as if the member did not make such an election. Only salary on which required contributions have been made may be used in computing the final average salary. Gross salary shall not include severance pay.

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 gross salary 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 salary limit. The EGTRRA annual salary 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 salary limit in effect for a calendar year applies to any period, not exceeding twelve (12) months, over which salary is determined ("determination period") beginning in such calendar year. If a determination period consists of fewer than twelve (12) months, the EGTRRA salary 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.

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

Effective January 1, 2008, gross salary for a plan year shall also include gross salary, as described above, 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 employer.

Effective January 1, 2008, any payments not described above shall not be considered gross 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 employer 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 employer rather than entering qualified military service.

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 gross 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.

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

10. “Credited service” means the period of service used to determine 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 Plan as an active employee in an eligible membership classification, plus any service prior to the establishment of the predecessor Plan which was credited under the predecessor Plan and for law enforcement officers and criminalists of the Oklahoma State Bureau of Investigation and the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control who became members of the System on July 1, 1980, any service credited under the Oklahoma Public Employees Retirement System as of June 30, 1980, and for members of the Communications and Lake Patrol Divisions of the Oklahoma Department of Public Safety, who became members of the System on July 1, 1981, any service credited under the predecessor Plan or the Oklahoma Public Employees Retirement System as of June 30, 1981, and for law enforcement officers of the Alcoholic Beverage Laws Enforcement Commission who became members of the System on July 1, 1982, any service credited under the Oklahoma Public Employees Retirement System as of June 30, 1982, and for park rangers of the Oklahoma Tourism and Recreation Department who became members of the System on July 1, 1985, any service credited under the Oklahoma Public Employees Retirement System as of June 30, 1985, and for inspectors of the Oklahoma State Board of Pharmacy who became members of the System on July 1, 1986, any service credited under the Oklahoma Public Employees Retirement System as of June 30, 1986, for law enforcement officers of the Oklahoma Capitol Patrol.
Division of the Department of Public Safety who became members of the System effective July 1, 1993, any service credited under the Oklahoma Public Employees Retirement System as of June 30, 1993, and for all commissioned officers in the Gunsmith/Ammunition Reloader Division of the Department of Public Safety who became members of the System effective July 1, 1994, any service credited under the Oklahoma Public Employees Retirement System as of June 30, 1994, and for the park managers or park supervisors of the Oklahoma Tourism and Recreation Department who were employed in such a position prior to July 1, 1985, and who elect to become members of the System effective September 1, 1996, any service transferred pursuant to subsection C of Section 2-309.6 of this title and any service purchased pursuant to subsection B of Section 2-307.2 of this title.

Effective August 5, 1993, an authorized leave of absence shall include a period of absence pursuant to the Family and Medical Leave Act of 1993;

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

12. “Limitation year” means the year used in applying the
limitations of Section 415 of the Internal Revenue Code of 1986,
which year shall be the calendar year;

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

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

15. “Catastrophic nature” means consequences of an injury that
permanently prevent an individual from performing any gainful work;

16. “Traumatic injury” means a wound or a condition of the body
caused by external force including injuries inflicted by bullets,
explosives, sharp instruments, blunt objects or other physical
blows, chemicals, electricity, climatic conditions, infectious
diseases, radiation and bacteria, but excluding stress and strain; and
17. “Beneficiary” means the individual designated by the member on a beneficiary designation form supplied by the Oklahoma Law Enforcement Retirement System, or, if there is no designated beneficiary or if the designated beneficiary predeceases the member, the estate of the member. If the member’s spouse is not designated as the sole primary beneficiary, the member’s spouse must sign a consent.

SECTION 9. AMENDATORY 47 O.S. 2021, Section 2-305, as amended by Section 2, Chapter 255, O.S.L. 2022 (47 O.S. Supp. 2022, Section 2-305), is amended to read as follows:

Section 2-305. A. Except as otherwise provided in this title, at any time after attaining normal retirement date, any member of the Oklahoma Law Enforcement Retirement System upon application for unreduced retirement benefits made and approved, may retire, and, during the remainder of the member’s lifetime, receive annual retirement pay, payable in equal monthly payments, equal to two and one-half percent (2 1/2%) of the final average salary times years of credited service. If such retired member is reemployed by a state agency in a position which is not covered by the System, such retired member shall continue to receive in-service distributions from the System. Prior to September 19, 2002, if such retired member was reemployed by a state agency in a position which is covered by the System, such member shall continue to receive in-service distributions from the System and shall not accrue any
further credited service. If such a member is reemployed by a state
agency in a position which is covered by the System on or after
September 19, 2002, such member’s monthly retirement payments shall
be suspended until such member retires and is not reemployed by a
state agency in a position which is covered by the System.

B. Beginning July 1, 1994, members who retired or were eligible
to retire prior to July 1, 1980, or their surviving spouses shall
receive annual retirement pay, payable in equal monthly payments,
equal to the greater of their current retirement pay, or two and
one-half percent (2 1/2%) of the actual paid gross salary being
currently paid to a highway patrol officer, at the time each such
monthly retirement payment is made, multiplied by the retired
member’s years of credited service.

C. Except as otherwise provided by this subsection, members of
the System whose salary is set by statute who have retired after
completion of the mandatory twenty (20) years of service, and those
members with statutory salaries who retire after reaching the
mandatory twenty-year retirement shall receive an annual retirement
pay, payable in equal monthly installments, based upon the greater
of either:

1. The top base salary currently paid to the highest
nonsupervisory position in the participating agency at the time each
such monthly retirement payment is made, limited to the annual
salary limit of the Economic Growth and Tax Relief Reconciliation
Act of 2001, as described in paragraph 9 of Section 2-300 of this
title, multiplied by two and one-half percent (2 1/2%), multiplied
by the number of years of credited service and fraction thereof for
the following positions:

a. Oklahoma Highway Patrolman,
b. Communications Dispatcher,
c. Capitol Patrolman,
d. Lake Patrolman, and
e. Oklahoma State Bureau of Investigation - Special Agent
   or Criminalist; or

2. The member’s final average salary as set forth in paragraph
9 of Section 2-300 of this title, multiplied by two and one-half
percent (2 1/2%), and multiplied by the number of years of credited
service and fraction thereof.

No member of the System retired prior to July 1, 2002, shall
receive a benefit less than the amount the member is receiving as of
June 30, 2002.

The provisions of paragraph 1 of this subsection shall not be
applicable to any member whose first participating service with the
System occurs on or after November 1, 2012, except for those members
who died in the performance of their duties pursuant to Section 2-
306 of this title.

D. Other members of the System whose retirement benefit is not
otherwise prescribed by this section who have retired after
completion of the mandatory twenty (20) years of service, and those members who retire after reaching the mandatory twenty-year retirement shall receive an annual retirement pay, payable in equal monthly payments, based upon the greater of either:

1. The actual average salary currently paid to the highest nonsupervisory position in the participating agency at the time each such monthly payment is made, limited to the annual salary limit of the Economic Growth and Tax Relief Reconciliation Act of 2001, as described in paragraph 9 of Section 2-300 of this title, multiplied by two and one-half percent (2 1/2%), multiplied by the number of years of credited service and fraction thereof for the following positions:

   a. Alcoholic Beverage Laws Enforcement Commission - ABLE Commission Agent III,
   b. Oklahoma State Bureau of Narcotics and Dangerous Drugs Control - Narcotics Agent III,
   c. Oklahoma Tourism and Recreation Department - Park Ranger II,
   d. State Board of Pharmacy - Pharmacy Inspector,
   e. University of Oklahoma - Police Officer, and
   f. Oklahoma State University - Police Officer; or

2. The other member’s final average salary as set forth in paragraph 9 of Section 2-300 of this title, multiplied by two and
one-half percent (2 1/2%), multiplied by the number of years of
credited service and fraction thereof.

No member of the System retired prior to July 1, 2002, shall
receive a benefit less than the amount the member is receiving as of
June 30, 2002. The participating employer must certify to the
System in writing the actual average gross salary currently paid to
the highest nonsupervisory position. The Board of Trustees shall
promulgate such rules as are necessary to implement the provisions
of this section.

The provisions of paragraph 1 of this subsection shall not be
applicable to any member whose first participating service with the
System occurs on or after May 24, 2013, except for those members who
died in the performance of their duties pursuant to Section 2-306 of
this title.

E. A member who meets the definition of disability as defined
in paragraph 11 of Section 2-300 of this title by direct reason of
the performance of the member’s duties as an officer shall receive a
monthly benefit equal to:

1. Two and one-half percent (2 1/2%);

2. Multiplied by:
   a. twenty (20) years of credited service, if the member
      had performed less than twenty (20) years of credited
      service, notwithstanding the actual number of years of

credited service performed by the member prior to the
date of disability, or

b. the actual number of years of credited service and
fraction thereof performed by the member prior to the
date of disability, if the member had performed twenty
(20) or more years of credited service;

3. Multiplied by the greater of subparagraph a of this
paragraph and division 1 of subparagraph b of this paragraph or
division 2 of subparagraph b of this paragraph, as applicable:

a. the final average salary of the member, as set forth
in paragraph 9 of Section 2-300 of this title, and

b. (1) the top base salary currently paid to the highest
nonsupervisory position in the participating
agency of the member at the time each monthly
payment is made, limited to the annual salary
limit of the Economic Growth and Tax Relief
Reconciliation Act of 2001 described in paragraph
9 of Section 2-300 of this title, for the
following positions:

(a) Oklahoma Highway Patrolman,

(b) Communications Dispatcher,

(c) Capitol Patrolman,

(d) Lake Patrolman, and
(e) Oklahoma State Bureau of Investigation - Special Agent or Criminalist,

Provided, the participating employer must certify to the System in writing the top base salary currently paid to the highest nonsupervisory position for division (1) of subparagraph b of this paragraph, or

(2) the actual average salary currently paid to the highest nonsupervisory position in the participating agency of the member at the time each monthly payment is made, limited to the annual salary limit of the Economic Growth and Tax Relief Reconciliation Act of 2001, described in paragraph 9 of Section 2-300 of this title, for the following positions:

(a) Alcoholic Beverage Laws Enforcement (ABLE) Commission - ABLE Commission Agent III,

(b) Oklahoma State Bureau of Narcotics and Dangerous Drugs Control - Narcotics Agent III,

(c) Oklahoma Tourism and Recreation Department - Park Ranger II,

(d) State Board of Pharmacy - Pharmacy Inspector,

(e) University of Oklahoma - Police Officer, and
(f) Oklahoma State University - Police Officer,

Provided, the participating employer must certify to the System in writing the actual average gross salary currently paid to the highest nonsupervisory position for division (2) of subparagraph b of this paragraph;

4. No member of the System receiving benefits prescribed by this subsection who retired prior to July 1, 2002, shall receive a benefit of less than the amount the member was receiving as of June 30, 2002;

5. The Board of Trustees shall promulgate rules as necessary to implement the provisions of this subsection; and

6. If such member participates in the Oklahoma Law Enforcement Deferred Option Plan pursuant to Section 2-305.2 of this title, then such member’s disability pension provided pursuant to this subsection shall be reduced to account for such member’s participation in the Oklahoma Law Enforcement Deferred Option Plan.

F. A member who meets the definition of disability as defined in paragraph 11 of Section 2-300 of this title and whose disability is by means of personal and traumatic injury of a catastrophic nature and in the line of duty, shall receive a monthly benefit equal to:

1. Two and one-half percent (2 1/2%);

2. Multiplied by:
a. twenty (20) years of service, regardless of the actual number of years of credited service performed by the member prior to the date of disability, if the member had performed less than twenty (20) years of service, or

b. the actual number of years of service performed by the member if the member had performed twenty (20) or more years of service;

3. Multiplied by a final average salary equal to:

a. the salary which the member would have received pursuant to statutory salary schedules in effect upon the date of the disability for twenty (20) years of service prior to disability. The final average salary for a member who performed less than twenty (20) years of service prior to disability shall be computed assuming that the member was paid the highest salary allowable pursuant to the law in effect at the time of the member’s disability based upon twenty (20) years of service and with an assumption that the member was eligible for any and all increases in pay based upon rank during the entire period. If the salary of a member is not prescribed by a specific salary schedule upon the date of the member’s disability, the final average salary for the member shall be computed by the
member’s actual final average salary or the highest median salary amount for a member whose salary was prescribed by a specific salary schedule upon the date of the member’s disability, whichever final average salary amount would be greater, or

b. the actual final average salary of the member if the member had performed twenty (20) or more years of service prior to disability.

If such member participates in the Oklahoma Law Enforcement Deferred Option Plan pursuant to Section 2-305.2 of this title, such member’s disability pension provided pursuant to this subsection shall be adjusted as provided in Section 2-305.2 of this title to account for such member’s participation in the Oklahoma Law Enforcement Deferred Option Plan.

G. A member who meets the definition of disability as defined in Section 2-300 of this title and whose disability occurred prior to the member’s normal retirement date but after completing three (3) years of vesting service and not by reason of the performance of the member’s duties or as a result of the member’s willful negligence shall receive a monthly benefit equal to two and one-half percent (2 1/2%) of final average salary multiplied by the number of years of the member’s credited service.

H. Payment of a disability pension shall commence as of the first day of the month coinciding or next following the date of
retirement and shall continue as long as the member meets the definition of total and permanent disability provided in this section.

I. For the purpose of determining the member’s disability under subsection E, F or G of this section, the member shall be required by the Board to be examined by a minimum of two recognized physicians selected by the Board to determine the extent of the member’s injury or illness. The examining physicians shall furnish the Board a detailed written report of the injury or illness of the examined member establishing the extent of disability and the possibilities of the disabled member being returned to his or her regular duties or an alternate occupation or service covered by the System after a normal recuperation period. The Board shall require all retired disabled members who have not attained their normal retirement date to submit to a physical examination once each year for a minimum of three (3) years following retirement. The Board shall select a minimum of two physicians to examine the retired members and pay for their services from the fund. Any retired disabled member found no longer disabled by the examining physicians to perform the occupation of the member or an alternate occupation or service covered by the System shall be required to return to duty and complete twenty (20) years of service as provided in subsection A of this section, or forfeit all his or her rights and claims under Section 2-300 et seq. of this title.
J. The disability benefit under this section shall be for the lifetime of the member unless such member is found no longer disabled pursuant to subsection I of this section. Such member shall not be entitled to the retirement benefit pursuant to subsection A of this section unless such member returns to active duty and is eligible for a retirement benefit as provided in subsection A of this section.

K. At the postoffer, preemployment physical examination required under paragraph 6 of Section 2-300 of this title, the physician selected by the Board shall determine the extent to which a new member is disabled. If a member is determined to be partially disabled, the physician shall assign a percentage of disability to such partial disability. If such member then becomes entitled to a disability benefit under either subsection E or subsection G of this section, the benefit payable shall be reduced by the percentage which such member was determined to be disabled at the postoffer, preemployment physical unless the Board makes a determination that the initially determined percentage of disability at the preemployment physical examination is unrelated to the reason for the disability currently sought pursuant to subsection E or subsection G of this section. Upon employment, the member shall disclose to the Board any disability payments received from any source. The amount of disability to be paid to any member cannot exceed one hundred percent (100%) disability from all sources. The
provisions of this subsection shall apply only to members whose
effective date of membership is on or after July 1, 2000.

L. In addition to the pension provided for under subsection F
of this section, if the member has one or more children under the
age of eighteen (18) years or under the age of twenty-two (22) years
if the child is enrolled full-time in and is regularly
attending a public or private school or any institution of higher
education, Four Hundred Dollars ($400.00) a month shall be paid from
the Fund for the support of each surviving child to the member or
person having the care and custody of such children until each child
reaches the age of eighteen (18) years or reaches the age of twenty-
two (22) years if the child is enrolled full-time in and
is regularly attending a public or private school or any institution
of higher education.

M. Notwithstanding any other provisions in Section 2-300
through 2-315 of this title, in order to be eligible to receive
disability benefits, a member who meets the definition of disability
as defined in paragraph 11 of Section 2-300 of this title shall file
the member’s completed application for disability benefits with the
System before such member’s date of termination from service and
provide such additional information that the System’s rules require
within six (6) months of the System’s receipt of such application.
If the member’s completed application for disability benefits is not
filed with the System before the member’s date of termination from
service or such additional information as is required under the System’s rules is not provided within six (6) months of the System’s receipt of such application, such member shall be eligible only for such other benefits as are available to members of the System and shall not be eligible to receive any disability benefits. For good cause shown, the Board of Trustees may waive the requirement that the disability application be filed before the member’s date of termination from service. In no event shall a member be eligible to receive any disability benefit if the member’s completed application is filed more than six (6) months after the member’s date of termination from service.

N. If the requirements of Section 2-305.1C of this title are satisfied, a member who, by reason of disability or attainment of normal retirement date or age, is separated from service as a public safety officer with the member’s participating employer may elect to have payment made directly to the provider for qualified health insurance premiums by deduction from his or her monthly disability benefit or monthly retirement payment, after December 31, 2006, in accordance with Section 402(l) of the Internal Revenue Code of 1986, as amended. For distributions made after December 29, 2022, the election provided for under Section 402(l) of the Internal Revenue Code of 1986, as amended, may be made whether payment of the premiums is made directly to the provider of the accident or health
plan or qualified long-term care insurance contract by deduction
from a distribution from the System or is made to the member.

SECTION 10. AMENDATORY 47 O.S. 2021, Section 2-305.1C, is amended to read as follows:

Section 2-305.1C. A. A member who is an eligible retired public safety officer and who wishes to have direct payments made toward the member’s qualified health insurance premiums from the member’s monthly disability benefit or monthly retirement payment must make a written election in accordance with Section 402(1) of the Internal Revenue Code of 1986, as amended, on the form provided by the Oklahoma Law Enforcement Retirement System, as follows:

1. The election must be made after the member separates from service as a public safety officer with the member’s participating employer;

2. The election shall only apply to distributions from the System after December 31, 2006, and to amounts not yet distributed to the eligible retired public safety officer;

3. Direct payments Payments from the System for an eligible retired public safety officer’s qualified health insurance premiums made directly to the provider of such coverage can only be made from the member’s monthly disability benefit or monthly retirement payment from the System and cannot be made from the Oklahoma Law Enforcement Deferred Option Plan; and
4. The aggregate amount of the exclusion from an eligible retired public safety officer’s gross income is Three Thousand Dollars ($3,000.00) per calendar year.

B. As used in this section:

1. “Eligible retired public safety officer” is a member who, by reason of disability or attainment of normal retirement date or age, is separated from service as a public safety officer with the member’s participating employer;

2. “Public safety officer” means a member serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, firefighter, chaplain, or a member of a rescue squad or ambulance crew; and

3. “Qualified health insurance premiums” means premiums for coverage for the eligible retired public safety officer, the eligible retired public safety officer’s spouse, and dependents, as defined in Section 152 of the Internal Revenue Code of 1986, as amended, by an accident or health plan or a qualified long-term care insurance contract, as defined in Section 7702B(b) of the Internal Revenue Code of 1986, as amended. The health plan does not have to be sponsored by the eligible retired public safety officer’s former participating employer.

C. The Board shall promulgate such rules or procedures as are necessary to implement the provisions of this section.
facilitate a member’s election under Section 402(1) of the Internal Revenue Code of 1986, as amended.

SECTION 11. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

COMMITTEE REPORT BY: COMMITTEE ON BANKING, FINANCIAL SERVICES AND PENSIONS, dated 04/03/2023 - DO PASS.