

# 2023

## MEMBER HANDBOOK



OKLAHOMA LAW ENFORCEMENT  
— RETIREMENT SYSTEM —

OFFICIAL OKLAHOMA STATUTES  
AND ADMINISTRATIVE RULES PERTAINING TO  
OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM



# OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM

## MEMBER HANDBOOK

PLAN PROVISION AS OF NOVEMBER 1, 2023

The information contained in this handbook is being made available as a public service.

The information provided in this handbook is based on the Oklahoma Law Enforcement Retirement System laws and rules and is subject to change or modification based on changes in law, rule, or policy.

The following: a) Title 47 of Oklahoma Statute, Section 2-300 – 2-315, b) Chapter 1 of 395 Administrative Operation and c) Chapter 10 of 395 Retirement and Pension Benefits Program is consolidated for your information. **This information was correct as of November 1, 2023.** A current copy of both “b” and “c” above are located in the administrative office located at 421 NW 13<sup>th</sup>, Ste 100, Oklahoma City, OK 73103.

This publication, printed by Central Printing is issued by the Oklahoma Law Enforcement Retirement System as authorized by Title 47, 2-300 – 2-315. Forty (40) copies have been prepared and distributed at a cost of \$640.00. A copy has been deposited with the Publications Clearinghouse of the Department of Libraries.

**OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM**  
**421 NW 13<sup>th</sup> St. Ste 100**  
**Oklahoma City, OK 73103**

As of August 1, 2023

**2-303. Law Enforcement Retirement Board**

\*\*\* The Board shall be composed of the Commissioner of Public Safety or their designee, the Director of Oklahoma Management and Enterprise Services, or their designee, three (3) members to be appointed by the Governor one of whom shall be a retired member of the System, one (1) member to be appointed by the Speaker of the House of Representatives, one (1) member to be appointed by the President Pro Tempore of the Senate, two (2) members of the Highway Patrol Division and one (1) member of the Communications Section of the Oklahoma Highway Patrol, one (1) member from the Oklahoma State Bureau of Investigation, one (1) member of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control and one (1) member of the Oklahoma Alcoholic Beverage Laws Enforcement Commission, elected by and from the membership of the System.\*\*\*

President of the Board  
Secretary of the Board

**Kourtney Heard**  
**Beau Ratke**

Designee of Commissioner  
Director of OK Management & Enterprise Services, Designee  
Appointee #1 of Governor  
Appointee #2 of Governor  
Appointee #3 of Governor  
Appointee by Speaker of the House of Representatives  
Appointee by President Pro Tempore of the Senate  
Member #1 of Highway Patrol Division  
Member #2 of Highway Patrol Division  
Communications Section of the Oklahoma Highway Patrol  
Oklahoma State Bureau of Investigation  
Oklahoma State Bureau of Narcotics  
Oklahoma Alcoholic Beverage Laws Enforcement Commission

**Jason Holt**  
**John Laws**  
**Philip Mooberry**  
**Scott Athey**  
**Chris Smith**  
**Donald Jackson**  
**Vacant**  
**Mark Walters**  
**John Toombs**  
**Kerri Mankey**  
**Kourtney Heard**  
**Beau Ratke**  
**Kristin Wilson**

Executive Director

**Duane Michael**

## **OLERS CONTACT INFORMATION**

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Fax: (405) 522-5004  
Outside the OKC Metropolitan Area: 1-877-213-0856

**Website: [olers.ok.gov](http://olers.ok.gov)**

**Forms are available upon request or at the OLERS website.**

## **AGENCY MISSION**

The OLERS mission is to administer retirement/survivor retirement and medical benefits for members of the law enforcement profession of the state of Oklahoma and their families under Title 47 of the Oklahoma Statutes. This program provides retirement income after active employment and in the event of disability or death.

In carrying out its mission, the OLERS will pay benefits to the qualified participant, in the correct amount, in a timely manner and safeguard our clients' trust funds. The OLERS will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.

## **HISTORY OF THE PLAN**

Senate Bill 125, enacted by the twenty-first Legislature and effective July 1, 1947, created a Death, Disability and Retirement Fund for the benefit of the members of the Department of Public Safety or any dependent of a member or former member thereof. Membership included all uniformed members of the Oklahoma Highway Patrol employed by the Department of Public Safety, and who were duly enrolled on the Oklahoma Highway Patrol force, and who worked as uniformed members of the department. The plan would be known as the Oklahoma Department of Public Safety Retirement and Pension Plan, until 1980. The system was originally funded with appropriations from the general fund of \$25,000.00 a year for the first two years, plus member contributions of 5% of gross salary. The third year 5% of driver license fees was dedicated to the Fund. Initial membership consisted of uniformed members of the Oklahoma Highway Patrol only. Uniformed members of the Department of Public Safety who were employed as driver's license examiners or radio operators in the communication division of the Oklahoma Highway Patrol became eligible for membership in 1961.

Senate Bill 266, enacted by the thirty-seventh Legislature and effective June 30, 1980, establishes the Oklahoma Law Enforcement Retirement System to be a continuation of the Oklahoma Department of Public Safety Retirement and Pension Plan. This measure also provided membership to other state law enforcement agencies. OSBI and Narcotics agents transferred in 1980 followed by Lake Patrol and Dispatchers in 1981, ABLE agents in 1982, Tourism Park Rangers in 1985, Pharmacy Board Agents in 1986, and Capitol Patrol in 1993. University of Oklahoma and Oklahoma State University Police Officers transferred into the System in 2001. Grand River Dam Authority entered the System in 2003.

In 1992 further protections of the fund's assets were put in place by State Question No. 645 which amended the Oklahoma Constitution limiting the uses of pension monies. Article XXIII-12 states:

“State-administered retirement systems - Limitation on use of monies. All the proceeds, assets and income of any public retirement system administered by an agency of the State of Oklahoma shall be held, invested, or disbursed as provided for by law as in trust for the exclusive purpose of providing for benefits, refunds, investment management, and administrative expenses of the individual public retirement system, and shall not be encumbered for or diverted to any other purposes.”

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# OKLAHOMA STATUTES - TITLE 47 - MOTOR VEHICLES HIGHWAY SAFETY CODE CHAPTER 2. THE DEPARTMENT OF PUBLIC SAFETY

## ARTICLE III

### LAW ENFORCEMENT RETIREMENT SYSTEM

#### SECTION 2-300 – 2-315

#### ARTICLE III. LAW ENFORCEMENT RETIREMENT SYSTEM

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##### **§2-300. Definitions.**

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 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 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 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 non-elective 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 non-elective salary reduction under Section 414(h) of the Internal Revenue Code of 1986, as amended. [FN3] 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. [FN4] 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. [FN5] 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 "Non-eligible Member" taken into account under the System shall not exceed the Economic Growth and Tax Relief Reconciliation Act of 2001 [FN6] ("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 ½) 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 ½) 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 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 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. 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 consent.

*Laws 2015, c. 383, § 1, emerg. eff. June 4, 2015. Amended by SB 630, eff. May 1, 2023.*

## **§ 2-301. Establishment--Law Enforcement Retirement Fund--Retirement Medical Benefit Fund--Right to Benefits**

There is hereby established a System for the payment of retirement benefits and certain medical and hospital expenses of members of the Oklahoma Law Enforcement Retirement System. Effective July 1, 2014, the System intends to satisfy Section 401(a) of the Internal Revenue Code of 1986, as amended from time to time, by meeting the requirements of Section 414(d) of the Internal Revenue Code of 1986, as amended from time to time. Such System shall constitute an amendment and continuation of the Retirement and Pension Plan of the Department of Public Safety and members in the Retirement and Pension Plan on June 30, 1980, shall continue as members of the Oklahoma Law Enforcement Retirement System. There is established in the State Treasury a special fund designated as the "Oklahoma Law Enforcement Retirement Fund" for the benefit of members of the System and certain dependents of deceased members of the System. Such fund shall be a continuation, under a new name, of the Retirement and Pension Fund of the Department of Public Safety.



There is hereby created the Retirement Medical Benefit Fund. The fund shall be maintained as a subaccount of the Oklahoma Law Enforcement Retirement Fund. The Retirement Medical Benefit Fund is composed of all assets which may be contributed to this subaccount to pay the retirement system's portion of the monthly retiree health insurance premium benefit described by Section 1316.2 of Title 74 of the Oklahoma Statutes. Such monthly retiree health insurance premium benefit is in addition to, and subordinate to, the retirement benefits provided by this System. All such allocated assets and any earnings thereon in the Retirement Medical Benefit Fund shall be held for the exclusive purpose of providing retiree medical benefits. The Retirement Medical Benefit Fund is to be administered in accordance with the requirements of Section 401(h) of the Internal Revenue Code of 1986, as amended from time to time. It shall be impossible, at any time prior to the satisfaction of all liabilities for these benefits, for any part of this subaccount to be used for or diverted to, any purpose other than the providing of the retiree health insurance premium benefit and the payment of necessary and appropriate related expenses. Notwithstanding the provisions of Section 401(a)(2) of the Internal Revenue Code of 1986, as amended from time to time, effective July 1, 2014, upon the satisfaction of all liabilities under the Oklahoma Law Enforcement Retirement System to provide Section 401(h) medical benefits, any amount remaining in such separate subaccount must be returned to the employer. Effective July 1, 2014, in the event an individual's interest in the medical benefits subaccount is forfeited prior to the termination of the Oklahoma Law Enforcement Retirement System, an amount equal to the amount of the forfeiture must be applied as soon as possible to reduce employer contributions to fund the medical benefits described in Section 401(h). The Board of Trustees may promulgate such rules as are necessary to implement the funding and administration of the fund pursuant to the provisions of this subsection. All contributions to fund the retiree health insurance benefit shall be made on the basis of a generally accepted actuarial method. Notwithstanding anything contained herein to the contrary, the aggregate of contributions to provide retiree health insurance benefits and life insurance, if any, shall not exceed twenty-five percent (25%) of the aggregate contributions made to fund all benefits under this System, other than contributions to fund past service costs. For this purpose, "life insurance" means, as to any member, the in-service death benefit that would be payable upon the member's death, but only to the extent that the lump-sum value of such death benefit would exceed the lump-sum value of the member's accrued benefit at the date of the member's death.

Appointment to any position within a covered agency which comes under this System shall not jeopardize the rights of any person who has previously qualified for membership under this System, provided, that the individual contributions are continued, and such person remains a member of this System. Any person who has previously qualified for membership under the System who voluntarily seeks and accepts appointment to any position within a covered agency which is not a covered position excludes the member from further participation in this System; provided, this provision shall not apply to any person who is a member of the System and who, on or before June 30, 2002, has already accepted appointment to a position which is not a covered position of the System nor shall it apply if that person seeks and accepts any other position within a covered agency which is not a covered position of the System.

*Laws 2015, c. 171, § 1, emerg. eff. April 27, 2015.*

## **§ 2-301.1. Termination or Partial Termination of System**

1. In the event the System is terminated or partially terminated the right of all participants or in the event of partial termination the rights of the affected participants, whether retired or otherwise, shall become fully vested.
2. In the event of termination of the System, the Board shall distribute the net assets of the fund, allowing a period of not less than six (6) nor more than nine (9) months for dissolution of disability claims, as follows:
  - a. First, accumulated contributions shall be allocated to each respective participant, former participant, retired member, joint annuitant or beneficiary then receiving payments. If these assets are insufficient for this purpose, they shall be allocated to each such person in the proportion which his accumulated contributions bear to the total of all such participants' accumulated contributions. For purposes of this section, contribution means payment into the System by an employer or employee for the benefit of an individual employee.
  - b. The balance of such assets, if any, remaining after making the allocations provided in subparagraph (a) of this section shall be disposed of by allocating to each person then having an interest in the fund the excess of his retirement income under the System less the retirement income which is equal to the actuarial equivalent of the amount allocated to him under subparagraph (a) of this section. Such allocation shall be made with the full amount of the remaining assets to be allocated to the persons in each group in the following order of precedence:
    - (1) those retired members, joint annuitants or beneficiaries receiving benefits,
    - (2) those members eligible to retire,
    - (3) those members eligible for early retirement,
    - (4) former participants electing to receive a vested benefit, and
    - (5) all other members.
  - c. In the event the balance of the fund remaining after all allocations have been made with respect to all retirement income in a preceding group is insufficient to allocate the full actuarial equivalent of such retirement income to all persons in the group for which it is then being applied, such balance of the fund shall be allocated to each person in such group in the proportion which the actuarial equivalent of the retirement income allocable to him pursuant to such group bears to the total actuarial equivalent of the retirement income so allocable to all persons in such group.
  - d. Provided no discrimination in value results, the Board shall distribute the amounts so allocated in one of the following manners as the Board in their discretion may determine:
    - (1) by continuing payment of benefits as they become due, or
    - (2) by paying, in cash, the amount allocated to any such person.

*Laws 1980, c. 357, § 5, eff. July 1, 1980.*

## **§ 2-302. Application for Membership--Assistant Commissioner as Member of System-- Make-up Contributions by Certain Employees**

- A. Any person eligible to become a member of the System shall file a written application therefore with the Board, and shall continue thereafter as a member of the System so long as the employee meets membership requirements. For the purposes of computing contributions, employee contributions, pensions and annuities, the Assistant Commissioner of the Department of Public Safety shall be classified and categorized as a member of the System.
- B. The Board may, after a hearing held for such purpose, allow employees of the Department of Public Safety who were hired by the Department after September 30, 1939, and prior to July 1, 1981, to pay to the System an amount equal to what the employee would have paid to the System if the employee had been enrolled in the System from the time of first employment. The Board shall determine any interest due on the amount paid pursuant to this subsection. Any payments allowed pursuant to this subsection shall be made prior to January 1, 1982.

*Laws 1981, c. 227, § 3, operative July 1, 1981.*

## **§ 2-303. Law Enforcement Retirement Board**

A. There shall be an "Oklahoma Law Enforcement Retirement Board" to administer the fund of the System. The Board shall be composed of the Commissioner of Public Safety or his designee, the Director of the Office of Management and Enterprise Services or his designee, three members to be appointed by the Governor one of whom shall be a retired member of the System, one member to be appointed by the Speaker of the House of Representatives, one member to be appointed by the President Pro Tempore of the Senate, two members of the Highway Patrol Division and one member of the Communication Division of the Department of Public Safety, one member of the Oklahoma State Bureau of Investigation, one member of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control and one member of the Alcoholic Beverage Laws Enforcement Commission, elected by and from the membership of the System. The terms of elected members of the Board now serving shall expire on June 30, 1980. The present Board shall conduct an election for the selection of elected members of the Board, prior to the operative date of this act. One member of the Oklahoma Highway Patrol and the member of the Oklahoma State Bureau of Investigation, initially elected, shall serve through June 30, 1982, the member of the Oklahoma Alcoholic Beverage Control Board, initially elected, shall serve through June 30, 1984, and the remaining elected members shall serve through June 30, 1983. Members subsequently elected shall serve for terms of three (3) years.

B. 1. The initial term of office of the member appointed to the Board by the Speaker of the House of Representatives and the member appointed to the Board by the President Pro Tempore of the Senate shall expire on January 3, 1989. The members thereafter appointed by the Speaker of the House of Representatives and by the President Pro Tempore of the Senate shall serve terms of office of four (4) years.

2. The member appointed by the Governor serving on the Board on the operative date of this act shall serve the remainder of the unexpired term of the member. The member appointed by the Governor to fill that position after the expiration of the term of office of the member serving on the operative date of this act shall serve through January 13, 1991. The members thereafter appointed by the Governor shall serve a term of office of four (4) years which is coterminous with the term of office of the office of the appointing authority.

3. The initial term of office of the two additional appointments to the Board by the Governor shall expire on January 14, 1991. The members thereafter appointed by the Governor shall serve terms of office of four (4) years which are coterminous with the term of office of the office of the appointing authority.

4. Vacancies shall be filled for the unexpired term of office in the same manner as the original appointment was made.

C. The members appointed to the Board by the Speaker of the House of Representatives, by the President Pro Tempore of the Senate and by the Governor or a member who is a designee of an ex officio member of the Board shall:

1. Have demonstrated professional experience in investment or funds management, public funds management, public or private pension fund management or retirement system management; or
2. Have demonstrated experience in the banking profession and have demonstrated professional experience in investment or funds management; or
3. Be licensed to practice law in this state and have demonstrated professional experience in commercial matters; or
4. Be licensed by the Oklahoma Accountancy Board to practice in this state as a public accountant or a certified public accountant.

The appointing authorities, in making appointments that conform to the requirements of this subsection, shall give due consideration to balancing the appointments among the criteria specified in paragraphs 1 through 4 of this subsection.

D. No member of the Board shall be a lobbyist registered in this state as provided by law.

E. Notwithstanding any of the provisions of this section to the contrary, any person serving as an appointed member of the Board on the operative date of this act shall be eligible for reappointment when the term of office of the member expires.

F. Every two (2) years, one of the members of the Board shall be selected by the Board as president and another member as secretary of the Board.

G. Any member of the Board elected by the membership of the System may be recalled for cause at a special election held for that purpose by the members of the System. Such an election shall be called and held by the president and secretary of the Board upon a written request therefor signed by not less than one-third (1/3) of the members of the System and shall be held pursuant to notice given to all members of the System stating the date for such election which shall not be less than ten (10) days from the date of the issuance of such notice. All members of the System shall be entitled to vote by secret ballot and, if two-thirds (2/3) or more of the membership of the System vote for his recall, the elected member of the Board designated in such request, notice and secret ballot shall cease to be a member of the Board and the president and secretary of the Board shall call and hold a special election by the members of the System to fill the remainder of the term of the member so recalled.

H. The Oklahoma Law Enforcement Retirement System shall retain an Executive Director and shall establish the Executive Director's compensation. The Executive Director shall be the managing and administrative officer of the System and as such shall have charge of the office, records and supervision and direction of the employees of the System. The Executive Director shall be responsible for the overall operations and to perform duties specified in Section 2-300 of this title and as specified by the Board. The Executive Director shall be subject to the policy directions of the Board and may employ such persons as are deemed necessary to administer the System.

*Laws 2012, c. 304, § 171.*

### **§ 2-303.1. Duties of Board--Investments--Liability insurance--Investment Managers--Custodial Services--Reports--Legal Services—Confidentiality**

A. The Oklahoma Law Enforcement Retirement Board shall discharge its duties with respect to the System solely in the interest of the participants and beneficiaries and:

1. For the exclusive purpose of:
  - a. providing benefits to participants and their beneficiaries, and

- b. defraying reasonable expenses of administering the System;
  - 2. With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;
  - 3. By diversifying the investments of the System so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and
  - 4. In accordance with the laws, documents and instruments governing the System.
- B. The Board may procure insurance indemnifying the members of the Board from personal loss or accountability from liability resulting from a member's action or inaction as a member of the Board.
- C. The Board may establish an investment committee. The investment committee shall be composed of not more than five (5) members of the Board appointed by the president of the Board. The committee shall make recommendations to the full Board on all matters related to the choice of custodians and managers of the assets of the System, on the establishment of investment and fund management guidelines, and in planning future investment policy. The committee shall have no authority to act on behalf of the Board in any circumstances whatsoever. No recommendation of the committee shall have effect as an action of the Board nor take effect without the approval of the Board as provided by law.
- D. The Board shall retain qualified investment managers to provide for the investment of the monies of the System. The investment managers shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the Board. Subject to the overall investment guidelines set by the Board, the investment managers shall have full discretion in the management of those monies of the System allocated to the investment managers. The Board shall manage those monies not specifically allocated to the investment managers. The monies of the System allocated to the investment managers shall be actively managed by the investment managers, which may include selling investments and realizing losses if such action is considered advantageous to longer term return maximization. Because of the total return objective, no distinction shall be made for management and performance evaluation purposes between realized and unrealized capital gains and losses.
- E. All assets of the System shall be held in trust for the exclusive purpose of providing benefits for the members and beneficiaries of the System, including defraying reasonable expenses of administering the System, and shall not be encumbered for or diverted to any other purposes. Funds and revenues for investment by the investment managers or the Board shall be placed with a custodian selected by the Board. The custodian shall be a bank or trust company offering pension fund master trustee and master custodial services, and related custodial agreement or trust agreement is incorporated herein by reference. The custodian shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to standards set by the Board. In compliance with the investment policy guidelines of the Board, the custodian bank or trust company shall be contractually responsible for ensuring that all monies of the System are invested in income-producing investment vehicles at all times. If a custodian bank or trust company has not received direction from the investment managers of the System as to the investment of the monies of the System in specific investment vehicles, the custodian bank or trust company shall be contractually responsible to the Board for investing the monies in appropriately collateralized short-term interest-bearing investment vehicles. Any assets of the System may be invested in a collective investment fund or in a group trust provided the investment in such collective

investment fund or group trust is in compliance with the provisions of Rev. Rul. 81-100, as further amended by Rev. Rul. 2004-67, Rev. Rul. 2008-40, and Rev. Rul. 2011-1, or any successor ruling, regulation, or similar pronouncement. Each such collective investment fund or group trust is adopted with respect to any monies invested therein, as part of the System, its trust and custodial agreement, and the provisions of such trust agreement or such declaration of trust and related adoption, participation, investment management, subtrust or other agreements, as amended from time to time, with respect to any monies invested therein, are incorporated by reference into the System, its trust agreement(s) or custodial agreement(s), upon approval by the Board.

- F. Prior to August 1 of each year, the Board shall develop a written investment plan for the System.
- G. The Board shall compile a quarterly financial report of all the funds of the System on a fiscal year basis. The report shall be compiled pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall include several relevant measures of investment value, including acquisition cost and current fair market value with appropriate summaries of total holdings and returns. The report shall contain combined and individual rate of returns of the investment managers by category of investment, over periods of time. The Board shall include in the quarterly reports all commissions, fees or payments for investment services performed on behalf of the Board. The report shall be distributed to the Governor, the Oklahoma State Pension Commission, the Legislative Service Bureau, the Speaker of the House of Representatives and the President Pro Tempore of the Senate.
- H. After July 1 and before October 31 of each year, the Board shall publish widely an annual report presented in simple and easily understood language pursuant to uniform reporting standards prescribed by the Oklahoma State Pension Commission for all state retirement systems. The report shall be submitted to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Oklahoma State Pension Commission and the members of the System. The annual report shall cover the operation of the System during the past fiscal year, including income, disbursements, and the financial condition of the System at the end of the fiscal year. The annual report shall also contain the information issued in the quarterly reports required pursuant to subsection G of this section as well as a summary of the results of the most recent actuarial valuation to include total assets, total liabilities, unfunded liability or over funded status, contributions and any other information deemed relevant by the Board. The annual report shall be written in such a manner as to permit a readily understandable means for analyzing the financial condition and performance of the System for the fiscal year. The annual financial statements must be audited and filed in accordance with the requirements set forth for financial statement audits in Section 212A of Title 74 of the Oklahoma Statutes.
- I. The Board may retain an attorney licensed to practice law in this state. The attorney shall serve at the pleasure of the Board for such compensation as set by the Board. The Attorney General shall furnish such legal services as may be requested by the Board.
- J. All information, documents and copies thereof contained in a member's retirement file shall be given confidential treatment and shall not be made public by the System without the prior written consent of the member to which it pertains, but shall be subject only to court order. Provided, the System, its employees or attorneys, may use such records in defense of any action brought against the System.

- K. Effective July 1, 1999, the Board is hereby authorized to do all acts and things necessary and proper to carry out the purpose of the System and to make the least costly amendments and changes, if any, as may be necessary to qualify the System under the applicable sections of the Internal Revenue Code of 1986, as amended.
- L. The Executive Director and such employees of the System as the Executive Director may designate are hereby authorized to prepare certified copies of records of the System and every such certified copy shall be admissible in any proceeding in any court in like manner as the original thereof.
- M. On or after July 1, 2011, the Board may permit, effective for applicable notices, elections and consents provided or made for a member, beneficiary, alternate payee or individual entitled to benefits under the System, the use of electronic media to provide applicable notices and make such elections and consents as described in Section 1.401(a)-21 of the Income Tax Regulations.
- N. The Board shall develop such procedures and may require such information from the distributing plan as it deems necessary to reasonably conclude that a potential rollover contribution is a valid rollover contribution under Section 1.401(a)(31)-1, Q&A-14(b)(2), of the Income Tax Regulations.

*Laws 2015, c. 171, § 2, emerg. eff. April 27, 2015.*

### **§ 2-303.2. Duties of Fiduciaries**

- A. A fiduciary with respect to the Oklahoma Law Enforcement Retirement System shall not cause the System to engage in a transaction if the fiduciary knows or should know that such transaction constitutes a direct or indirect:
  - 1. sale or exchange, or leasing of any property from the System to a party in interest for less than adequate consideration or from a party in interest to the System for more than adequate consideration;
  - 2. lending of money or other extension of credit from the System to a party in interest without the receipt of adequate security and a reasonable rate of interest, or from a party in interest to the System with provision of excessive security or an unreasonably high rate of interest;
  - 3. furnishing of goods, services or facilities from the System to a party in interest for less than adequate consideration, or from a party in interest to the System for more than adequate consideration; or
  - 4. transfer to, or use by or for the benefit of, a party in interest of any assets of the System for less than adequate consideration.
- B. A fiduciary with respect to the Oklahoma Law Enforcement Retirement System shall not:
  - 1. deal with the assets of the System in the fiduciary's own interest or for the fiduciary's own account;
  - 2. in the fiduciary's individual or any other capacity act in any transaction involving the System on behalf of a party whose interests are adverse to the interests of the System or the interests of its participants or beneficiaries; or
  - 3. receive any consideration for the fiduciary's own personal account from any party dealing with the System in connection with a transaction involving the assets of the System.

- C. A fiduciary with respect to the Oklahoma Law Enforcement Retirement System may:
1. invest all or part of the assets of the System in deposits which bear a reasonable interest rate in a bank or similar financial institution supervised by the United States or a state, if such bank or other institution is a fiduciary of such plan; or
  2. provide any ancillary service by a bank or similar financial institution supervised by the United States or a state, if such bank or other institution is a fiduciary of such plan.
- D. A person or a financial institution is a fiduciary with respect to the Oklahoma Law Enforcement Retirement System to the extent that the person or the financial institution:
1. exercises any discretionary authority or discretionary control respecting management of the Oklahoma Law Enforcement Retirement System or exercises any authority or control respecting management or disposition of the assets of the System;
  2. renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the System, or has any authority or responsibility to do so; or
  3. has any discretionary authority or discretionary responsibility in the administration of the System.

*Added by Laws 1988, c. 321, § 22, operative July 1, 1988.*

### **§ 2-303.3. Certain Benefits Exempt From Legal Process**

- A. Except as otherwise provided by this section, any annuity, benefits, fund, property, or rights created by or accruing to any person pursuant to the provisions of Sections 2-300 through 2-313 of this title shall not be subject to execution, garnishment or attachment, and shall be unassignable, except as specifically provided by Sections 2-300 through 2-313 of this title. Notwithstanding the foregoing, effective August 5, 1997, the Board may approve any offset of a member's benefit to pay a judgment or settlement against the member for a crime involving the System or for a breach of the member's fiduciary duty to the System, provided such offset is in accordance with the requirements of Section 401(a)(13) of the Internal Revenue Code of 1986, as amended.
- B. 1. The provisions of subsection A of this section shall not apply to a qualified domestic order as provided pursuant to this subsection.
2. The term "qualified domestic order" means an order issued by a district court of this state pursuant to the domestic relation laws of the State of Oklahoma which relates to the provision of marital property rights to a spouse or former spouse of a member or provision of support for a minor child or children and which creates or recognizes the existence of the right of an alternate payee, or assigns to an alternate payee the right, to receive a portion of the benefits payable with respect to a member of the System.
3. For purposes of the payment of marital property, to qualify as an alternate payee, a spouse or former spouse must have been married to the related member for a period of not less than thirty (30) continuous months immediately preceding the commencement of the proceedings from which the qualified domestic order issues.



4. A qualified domestic order is valid and binding on the Board and the related member only if it meets the requirements of this subsection.
5. A qualified domestic order shall clearly specify:
  - a. the name and last-known mailing address (if any) of the member and the name and mailing address of the alternate payee covered by the order,
  - b. the amount or percentage of the member's benefits to be paid by the System to the alternate payee,
  - c. the number of payments or period to which such order applies,
  - d. the characterization of the benefit as to marital property rights or child support, and
  - e. each plan to which such order applies.
6. A qualified domestic order meets the requirements of this subsection only if such order:
  - a. does not require the System to provide any type or form of benefit, or any option not otherwise provided under state law as relates to the System,
  - b. does not require the System to provide increased benefits, and
  - c. does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee pursuant to another order previously determined to be a qualified domestic order or an order recognized by the System as a valid order prior to the effective date of this act.
7. A qualified domestic order shall not require payment of benefits to an alternate payee prior to the actual retirement date of the related member.
8. The alternate payee shall have a right to receive benefits payable to a member of the System under the Oklahoma Law Enforcement Deferred Option Plan provided for pursuant to Section 2-305.2 of this title, but only to the extent such benefits have been credited or paid into the member's Oklahoma Law Enforcement Deferred Option Plan account during the term of the marriage.
9. The obligation of the System to pay an alternate payee pursuant to a qualified domestic order shall cease upon the death of the related member.
10. This subsection shall not be subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C.A. Section 1001, et seq., as amended from time to time, or rules and regulations promulgated there under, and court cases interpreting said act.
11. The Oklahoma Law Enforcement Retirement Board shall promulgate such rules as are necessary to implement the provisions of this subsection.

12. An alternate payee who has acquired beneficiary rights pursuant to a valid qualified domestic order must fully comply with all provisions of the rules promulgated by the Board pursuant to this subsection in order to continue receiving his or her benefit.

*Laws 2008, c. 177, § 8, eff. July 1, 2008.*

#### **§ 2-303.4. Deposits of Contributions and Dedicated Revenues--Warrants and Vouchers**

- A. All employee and employer contributions and dedicated revenues shall be deposited in the Oklahoma Law Enforcement Retirement Fund in the State Treasury. The Board shall have the responsibility for the management of the Oklahoma Law Enforcement Retirement Fund, and may transfer monies used for investment purposes by the Oklahoma Law Enforcement Retirement System from the Oklahoma Law Enforcement Retirement Fund in the State Treasury to the custodian bank or trust company of the System.
- B. All benefits payable pursuant to the provisions of the Oklahoma Law Enforcement Retirement System, refunds of contribution and overpayments, and all administrative expenses in connection with the System shall be paid from the Oklahoma Law Enforcement Retirement Fund upon warrants or vouchers signed by two persons designated by the Board. The Board may transfer monies from the custodian bank or trust company of the System to the Oklahoma Law Enforcement Retirement Fund in the State Treasury for the purposes specified in this subsection.

*Added by Laws 1988, c. 321, § 23, operative July 1, 1988.*

#### **§ 2-303.5. Acceptance of Gifts or Gratuities**

The members of the Oklahoma Law Enforcement Retirement Board, the chief administrative officer and the employees of the System shall not accept gifts or gratuities from an individual organization with a value in excess of Fifty Dollars (\$50.00) per year. The provisions of this section shall not be construed to prevent the members of the Board, the chief administrative officer or the employees of the System from attending educational seminars, conferences, meetings or similar functions which are paid for, directly or indirectly, by more than one organization.

*Added by Laws 1988, c. 321, § 24, operative July 1, 1988.*

#### **§ 2-304. Contributions to Fund--Amount--Deduction by Employer--Pick-Up of Member Contributions**

- A. The Department of Public Safety, the Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Alcoholic Beverage Control Board, the Oklahoma Tourism and Recreation Department and the State Board of Pharmacy shall make contributions to the fund as follows:

The Department of Public Safety, Oklahoma State Bureau of Investigation, Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Alcoholic Beverage Control Board, the Oklahoma Tourism and Recreation Department and the State Board of Pharmacy shall contribute to the fund an amount equal to eleven percent (11%) (was 10% until November 1, 2012) of the actual paid base salary of each member.

- B. Each member of the System shall make contributions to the fund in an amount equal to eight percent (8%) of the actual paid base salary of the member.

Member contributions shall be deducted by each participating employer for such benefits as the Board is by law authorized to administer and shall be remitted monthly, or as the Board may otherwise provide, for deposit in the fund.

- C. Each employer shall pick up under the provisions of Section 414(h)(2) of the Internal Revenue Code of 1986 and pay the contribution which the member is required by law to make to the System for all compensation earned after December 31, 1989. Although the contributions so picked up are designated as member contributions, such contributions shall be treated as contributions being paid by the employer in lieu of contributions by the member in determining tax treatment under the Internal Revenue Code of 1986 and such picked up contributions shall not be includable in the gross income of the member until such amounts are distributed or made available to the member or the beneficiary of the member. The member, by the terms of this System, shall not have any option to choose to receive the contributions so picked up directly and the picked up contributions must be paid by the employer to the System.

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

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

*Laws 2012, c. 307, § 1, eff. Nov. 1, 2012.*

#### **§ 2-304.1. Mobilization for State or National Emergencies--Reduction of Employer Contribution Prohibited**

Members of the Oklahoma Law Enforcement Retirement System responding to mobilization for state or national emergencies may not have the employer contribution reduced during their period of service in the Oklahoma National Guard or Reserve.

*Added by Laws 2002, c. 332, § 1, eff. July 1, 2002.*

#### **§ 2-305. Retirement and Retirement Pay--Disability Benefits--Mandatory Return to Duty**

- 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 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,
    - 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,
  - 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 1 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 post-offer, pre-employment 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 post-offer, pre-employment physical unless the Board makes a determination that the initially determined percentage of disability at the pre-employment 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 greater 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 provided 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(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.

*Laws 2018, c. 44, § 3, eff. Nov. 1, 2018. eff. November 1, 2021. eff. July 1, 2022. Amended by SB 630, eff. May 1, 2023.*

### **§ 2-305.1. Computation of Benefits--Increase in Benefits**

- A. On July 1, 1988, a member who retired prior to July 1, 1985, or the surviving spouse of such a member or the surviving spouse of a member who became deceased prior to July 1, 1985, shall receive retirement benefits computed in accordance with the provisions of Section 2-305 of Title 47 of the Oklahoma Statutes.\_ For the purpose of the computation, the final average salary shall be Two Thousand Two Hundred Seventeen Dollars (\$2,217.00).
- B. Except for those persons specified in subsection 1 of this section, any person receiving benefits from the Oklahoma Law Enforcement Retirement System as of June 30, 1988, shall receive a three percent (3%) increase in said benefits on July 1, 1988.

*Amended by Laws 1988, c. 267, § 23, operative July 1, 1988.*

### **§ 2-305.1A. Direct rollover of Distribution--Definitions--Notice—Election**

- A. This section applies to distributions made on or after January 1, 2002. Notwithstanding any provision of the System to the contrary that would otherwise limit a Distributee's election hereunder, a Distributee, including a nonspouse designated beneficiary, to the extent permitted under paragraph 3 of subsection B of this section, 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. As used in this section:
1. "Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently

than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten (10) years or more, any distribution to the extent such distribution is required under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended; and the portion of any distribution that is not includable in gross income. A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax member contributions which are not includable in gross income. However, such portion may be transferred only:

a. from January 1, 2002, through December 31, 2006:

- (1) to an individual retirement account or annuity described in Section 408(a) or (b) of the Internal Revenue Code of 1986, as amended, or
- (2) in a direct trustee-to-trustee transfer, to a qualified trust which is part of a defined contribution plan that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includable, and

b. on or after January 1, 2007:

- (1) to an individual retirement account or annuity described in Section 408(a) or (b) of the Internal Revenue Code of 1986, as amended, or
- (2) in a direct trustee-to-trustee transfer to a qualified trust or an annuity contract described in Section 403(b) of the Internal Revenue Code of 1986, as amended, and such trust or contract provides for separate accounting for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includable.

Effective for distributions after December 31, 2007, such after-tax portion may also be directly transferred to a Roth individual retirement account or annuity described in Section 408A of the Internal Revenue Code of 1986, as amended, ("Roth IRA"), subject to any limitations described in Section 408A(c) of the Internal Revenue Code of 1986, as amended;

2. "Eligible Retirement Plan" means an individual retirement account described in Section 408(a) of the Internal Revenue Code of 1986, as amended, an individual retirement annuity described in Section 408(b) of the Internal Revenue Code of 1986, as amended, an annuity plan described in Section 403(a) of the Internal Revenue Code of 1986, as amended, or a qualified trust described in Section 401(a) of the Internal Revenue Code of 1986, as amended, that accepts the Distributee's Eligible Rollover Distribution. Effective January 1, 2002, an Eligible Retirement Plan shall also mean an annuity contract described in Section 403(b) of the Internal Revenue Code of 1986, as amended, and an eligible plan under Section 457(b) of the Internal Revenue Code of 1986, as amended, which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from the System. Effective for distributions after December

31, 2007, an Eligible Retirement Plan includes a Roth IRA, subject to any limitations under Section 408A(c) of the Internal Revenue Code of 1986, as amended. Effective for distributions after December 18, 2015, an Eligible Retirement Plan includes a SIMPLE IRA in accordance with Section 408(p)(1)(B) of the Internal Revenue Code of 1986, as amended, for purposes of a rollover contribution to such SIMPLE IRA, but only if such rollover contribution is made after December 18, 2015, and only if such rollover contribution occurs after the two-year period described in Section 72(t)(6) of the Internal Revenue Code of 1986, as amended;

3. "Distributee" means an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic order, as defined in subsection B of Section 2-303.3 of this title, are Distributees with regard to the interest of the spouse or the former spouse. A Distributee also includes the member's nonspouse designated beneficiary (and certain trusts described in Section 402(c)(11)(B) of the Internal Revenue Code of 1986, as amended), pursuant to Section 401(a)(9)(E) of the Internal Revenue Code of 1986, as amended, who may elect any portion of a payment to be made in a Direct Rollover only to an individual retirement account or annuity (other than an endowment contract) described in Section 408(a) or (b) of the Internal Revenue Code of 1986, as amended, ("IRA") (including, effective for distributions after December 18, 2015, a SIMPLE IRA, but only if such contribution occurs after the two-year period described in Code Section 72(t)(6) and is made in accordance with the Protecting Americans from Tax Hikes Act of 2015), or, effective for distributions after December 31, 2007, to a Roth IRA, that is established on behalf of such nonspouse designated beneficiary for the purpose of receiving the distribution and that will be treated as an inherited IRA pursuant to the provisions of Section 402(c)(11) of the Internal Revenue Code of 1986, as amended. Also, in this case, the determination of any required minimum distribution under Section 401(a)(9) of the Internal Revenue Code of 1986, as amended, that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 Internal Revenue Bulletin 395. The required minimum distribution rules of Section 401(a)(9)(B) (other than clause iv thereof) of the Internal Revenue Code of 1986, as amended, apply to the transferee IRA; and

4. "Direct Rollover" means a payment by the System to the Eligible Retirement Plan specified by the Distributee.

C. At least thirty (30) days before and, effective for years beginning after December 31, 2006, not more than one hundred eighty (180) days before the date of distribution, the Distributee (other than a nonspouse designated beneficiary prior to July 1, 2010) must be provided with a notice of rights which satisfies Section 402(f) of the Internal Revenue Code of 1986, as amended, as to rollover options and tax effects. Such distribution may commence 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. For distributions made after December 31, 2006, but prior to July 1, 2010, a distribution with respect to a nonspouse designated beneficiary shall be made in accordance with Notice 2007-7, Q&A 15, 2007-5 Internal Revenue Bulletin 395. Effective for plan years beginning after December 31, 2009, a distribution with respect to a nonspouse designated beneficiary shall be subject to Sections 401(a)(31), 402(f) and 3405(c) of the Internal Revenue Code of 1986, as amended.
- E. Effective for distributions after December 31, 2014, for purposes of determining the portion of a disbursement of benefits from the System to a Distributee that is not includable in gross income under Section 72 of the Internal Revenue Code of 1986, as amended, the guidance under I.R.S. Notice 2014-54 shall be followed.

*Laws 2017, c. 113, § 1, emerg. eff. April 26, 2017.*

### **§2-305.1B. Trustee-to-Trustee Transfer-Treatment of Trust-Rules**

- A. An individual who has been designated, pursuant to Section 401(a)(9)(E) of the Internal Revenue Code of 1986, as amended, as the beneficiary of a deceased member and who is not the surviving spouse of the member, may elect, in accordance with Section 402(c)(11) of the Internal Revenue Code of 1986, as amended, to have a direct trustee-to-trustee transfer of any portion of such beneficiary's distribution from the Oklahoma Law Enforcement Retirement System made only to an individual retirement account or individual retirement annuity (other than an endowment contract) described in Section 408(a) or (b) of the Internal Revenue Code of 1986, as amended (IRA) (including, effective for distributions after December 18, 2015, a SIMPLE IRA, but only if such contribution occurs after the two-year period described in Section 72(t)(6) of the Internal Revenue Code of 1986, as amended, and is made in accordance with the Protecting Americans from Tax Hikes Act of 2015), or, effective for distributions after December 31, 2007, to a Roth individual retirement account or annuity described in Section 408A of the Internal Revenue Code of 1986, as amended (Roth IRA), that is established on behalf of such designated individual for the purpose of receiving the distribution. If such transfer is made, then:
  1. For distributions made after December 31, 2006, but prior to July 1, 2010, the transfer is treated as an eligible rollover distribution for purposes of Section 402(c)(11) of the Internal Revenue Code of 1986, as amended. For plan years beginning after December 31, 2009, the transfer is treated as an eligible rollover distribution;
  2. The transferee IRA is treated as an inherited individual retirement account or an inherited individual retirement annuity (within the meaning of Section 408(d)(3)(C) of the Internal Revenue Code of 1986, as amended, and must be titled in the name of the deceased member, for the benefit of the beneficiary; and
  3. The required minimum distribution rules of Section 401(a)(9)(B), other than clause iv thereof, of the Internal Revenue Code of 1986, as amended, apply to the transferee IRA.
- B. A trust maintained for the benefit of one or more designated beneficiaries shall be treated in the same manner as a designated beneficiary.

C. The Board shall promulgate such rules as are necessary to implement the provisions of this section.  
*Laws 2017, c. 113, § 2, emerg. eff. April 26, 2017.*

### **§2-305.1C. Direct Payments for Qualified Health Insurance Premiums-Definitions-Rules**

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. 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 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.

*Laws 2014, c. 37, § 1, emerg. eff. April 9, 2014. Amended by SB 630, eff. May 1, 2023.*

## **§ 2-305.2. Deferred Option Plans**

- A. In lieu of terminating employment and accepting a service retirement pension pursuant to Section 2-305 of this title, any member of the Oklahoma Law Enforcement Retirement System who has not less than twenty (20) years of participating service and who is eligible to receive a service retirement pension may make an irrevocable election to participate in the Oklahoma Law Enforcement Deferred Option Plan and defer the receipts of benefits in accordance with the provisions of this section.
- B. For purposes of this section, participating service shall include service credit recognized pursuant to paragraphs (c) and (d) of Section 2-307, subsection B of Section 2-307.2, and Sections 2-309.1, 2-309.2, 2-309.3, 2-309.4, 2-309.5 and 2-309.6 of this title but for eligibility purposes only.
- C. The duration of participation in the Oklahoma Law Enforcement Deferred Option Plan for a member shall not exceed five (5) years. Participation in the Oklahoma Law Enforcement Deferred Option Plan must begin the first day of a month and end on the last day of the month. At the conclusion of a member's participation in the Oklahoma Law Enforcement Deferred Option Plan, the member shall terminate employment as a member of the Oklahoma Law Enforcement Retirement System, and shall start receiving the member's accrued monthly retirement benefit from the System. Such a member may continue to receive in-service distributions of such member's accrued monthly retirement benefit from the System if the member is reemployed by a state agency only if such reemployment is in a position not covered under the System.
- D. When a member begins participation in the Oklahoma Law Enforcement Deferred Option Plan, the contribution of the member shall cease. The employer contributions shall continue to be paid in accordance with Section 2-304 of this title. Employer contributions for members who elect the Oklahoma Law Enforcement Deferred Option Plan shall be credited equally to the Oklahoma Law Enforcement Retirement System and to the member's Oklahoma Law Enforcement 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 Law Enforcement 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 assumed interest rate. The assumed interest rate shall be seven and five-tenths percent (7.5%) until the Board amends the assumed interest rate prospectively by resolution. The interest shall be credited to the individual account balance of the member on an annual basis.
- F. A member in the Oklahoma Law Enforcement Deferred Option Plan shall receive, at the option of the member:
  - 1. A lump-sum payment from the account equal to the option account balance of the member, payable to the member;

2. A lump-sum payment from the account equal to the option account balance of the member, payable to the annuity provider which shall be selected by the member as a result of the research and investigation of the member; or
3. Any other method of payment if approved by the Board.

Notwithstanding any other provision contained herein to the contrary, commencement of distributions under the Oklahoma Law Enforcement Deferred Option Plan shall be no later than the time as set forth in paragraph 7 of Section 2-300 of this title.

If a member 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, the payment from the account shall be an in-line-of-duty disability payment.

G. If the member dies during the period of participation in the Oklahoma Law Enforcement Deferred Option Plan, a lump-sum payment equal to the account balance of the member shall be paid to the designated beneficiary as defined in paragraph 17 of Section 2-300 of this title, or if there is no designated beneficiary or the designated beneficiary predeceases the member, to the estate of the member. If such member was receiving, or eligible to receive, an in-line-of-duty disability pension pursuant to subsection E or F of Section 2-305 of this title at the time of death, payment of the account balance shall be an in-line-of-duty disability payment.

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

1. For purposes of this subsection, the following definitions shall apply:
  - a. "back drop date" means the date selected by the member which is up to five (5) years before the member elects to participate in the Oklahoma Law Enforcement Deferred Option Plan, but not before the date at which the member completes twenty (20) years of participating service,
  - b. "termination date" means the date the member elects to participate in the Oklahoma Law Enforcement Deferred Option Plan pursuant to this subsection and the date the member terminates employment and starts receiving the member's accrued monthly retirement benefit from the System. Such termination has at all times included reemployment of a member by a state agency, but only in a position not covered under the System,
  - c. "earlier attained participating service" means the participating service earned by a member as of the back drop date. Earlier attained participating service cannot be reduced to less than twenty (20) years of participating service, and
  - d. "deferred benefit balance" means all retirement benefits that would have been paid from the back drop date to the termination date, 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 Law Enforcement Deferred Option Plan pursuant to subsections A, B, C, D and E of this section from the back drop date to the termination date;

2. At the termination date, a member's monthly pension benefit shall be determined based on the earlier attained participating 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 and shall start receiving the member's accrued monthly retirement benefit from the System. The member shall, upon application filed with the Board, be refunded from the fund an amount equal to the accumulated contributions the member made to the fund from the back drop date to the termination date, but excluding any interest. Such termination has at all times included reemployment of a member by a state agency, but only in a position not covered under the System. The provisions of subsections B, C, E, F and G of this section shall apply to this subsection; and
3. A member may participate in the Oklahoma Law Enforcement Deferred Option Plan pursuant to this subsection even if the member has elected to participate in the Oklahoma Law Enforcement Deferred Option Plan pursuant to subsections A, B, C, D, E and F of this section. Such a member may select a back drop date which is up to five (5) years prior to the termination date, but not before the date at which the member completes twenty (20) years of participating service. Such a member's participation in the Oklahoma Law Enforcement Deferred Option Plan may not exceed five (5) years when combined with such a member's prior period of participation in the Oklahoma Law Enforcement Deferred Option Plan. The provisions of subsections B, C, E, F and G of this section shall apply to this subsection.

*Laws 2015, c. 171, § 4, emerg. eff. April 27, 2015. Amended in 2022 by SB 1589, eff. November 1, 2022.*

### **§ 2-305.3. Increase in Benefits**

Any person receiving benefits from the Oklahoma Law Enforcement Retirement System as of June 30, 1993, shall receive a two and one-half percent (2 1/2 %) increase in said benefits on July 1, 1994.  
*Amended by Laws 1994, c. 383, § 6, eff. July 1, 1994.*

### **§ 2-305.4. Limitations on Benefits Relating to Section 415 of Internal Revenue Code of 1986**

- A. For limitation years prior to July 1, 2007, the limitations of Section 415 of the Internal Revenue Code of 1986, as amended, shall be computed in accordance with the applicable provisions of the System in effect at that time and, to the extent applicable, Revenue Ruling 98-1 and Revenue Ruling 2001-51, except as provided herein. Notwithstanding any other provision contained herein to the contrary, the benefits payable to a member from the Oklahoma Law Enforcement Retirement System provided by employer contributions (including contributions picked up by the employer under Section 414(h) of the Internal Revenue Code of 1986, as amended), shall be subject to the limitations of Section 415 of the Internal Revenue Code of 1986, as amended, in accordance with the provisions of this section and subsequent guidance. The limitations of this section shall apply in limitation years beginning on or after July 1, 2007, except as otherwise provided herein.
- B. Except as provided herein, effective for limitation years ending after December 31, 2001, any accrued retirement benefit payable to a member as an annual benefit as described herein shall not exceed One Hundred Sixty Thousand Dollars (\$160,000.00), automatically adjusted under Section 415(d) of the Internal Revenue Code of 1986, as amended, for increases in the cost of living, as prescribed by the Secretary of the Treasury or the Secretary's delegate, effective January 1 of each calendar year and



applicable to the limitation year ending with or within such calendar year. The automatic annual adjustment of the dollar limitation in this subsection under Section 415(d) of the Internal Revenue Code of 1986, as amended, shall apply to a member who has had a severance from employment.

1. The member's annual benefit is a benefit that is payable annually in the form of a straight life annuity. Except as provided herein, where a benefit is payable in a form other than a straight life annuity, the benefit shall be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this section. For a member who has or will have distributions commencing at more than one annuity starting date, the annual benefit shall be determined as of each such annuity starting date (and shall satisfy the limitations of this section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to Section 1.401(a)-20, Q&A 10(d), and with regard to Section 1.415(b)-1(b)(1)(iii)(B) and (C) of the Income Tax Regulations.
2. No actuarial adjustment to the benefit shall be made for:
  - a. survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the member's benefit were paid in another form,
  - b. benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits) and postretirement medical benefits, or
  - c. the inclusion in the form of benefit of an automatic benefit increase feature, provided, the form of benefit is not subject to Section 417(e)(3) of the Internal Revenue Code of 1986, as amended, and would otherwise satisfy the limitations of this section, and the System provides that the amount payable under the form of benefit in any limitation year shall not exceed the limits of this section applicable at the annuity starting date, as increased in subsequent years pursuant to Section 415(d) of the Internal Revenue Code of 1986, as amended. For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.
3. The determination of the annual benefit shall take into account Social Security supplements described in Section 411(a)(9) of the Internal Revenue Code of 1986, as amended, and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant to Section 1.411(d)-4, Q&A-3(c), of the Income Tax Regulations, but shall disregard benefits attributable to employee contributions or rollover contributions.
4. Effective for distributions in plan years beginning after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a straight life annuity shall be made in accordance with paragraph 5 or paragraph 6 of this subsection.
5. Benefit Forms Not Subject to Section 417(e)(3) of the Internal Revenue Code of 1986, as amended: The straight life annuity that is actuarially equivalent to the member's form of benefit shall be determined under this paragraph 5 if the form of the member's benefit is either:
  - a. a nondecreasing annuity (other than a straight life annuity) payable for a period of not less than the life of the member (or, in the case of a qualified preretirement survivor annuity, the life of the surviving spouse), or

- b. an annuity that decreases during the life of the member merely because of:
  - 1) the death of the survivor annuitant (but only if the reduction is not below fifty percent (50%) of the benefit payable before the death of the survivor annuitant), or
  - 2) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Section 411(a)(9) of the Internal Revenue Code of 1986, as amended).
- c. Limitation Years Beginning Before July 1, 2007. For limitation years beginning before July 1, 2007, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit computed using whichever of the following produces the greater annual amount:
  - 1) the interest rate and the mortality table or other tabular factor, each as set forth in subsection H of Section 2-303.1 of this title for adjusting benefits in the same form, and
  - 2) a five percent (5%) interest rate assumption and the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable) for that annuity starting date.
- d. Limitation Year Beginning On January 1, 2008. For the limitation year beginning on January 1, 2008, the actuarially equivalent straight life annuity is equal to the greater of:
  - 1) the annual amount of the straight life annuity, if any, payable to the member under the System commencing at the same annuity starting date as the member's form of benefit, and
  - 2) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using a five percent (5%) interest rate assumption and the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable) for that annuity starting date.
- e. Limitation Years Beginning On or After July 1, 2008. For limitation years beginning on or after July 1, 2008, the actuarially equivalent straight life annuity is equal to the greater of:
  - 1) the annual amount of the straight life annuity, if any, payable to the member under the System commencing at the same annuity starting date as the member's form of benefit, and
  - 2) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using a five percent (5%) interest rate assumption and the applicable mortality table within the meaning of Section 417(e)(3)(B) of the Internal Revenue Code of 1986, as amended, as described in Rev. Rul. 2007-67 (and subsequent guidance) for that annuity starting date.
- 6. Benefit Forms Subject to Section 417(e)(3) of the Internal Revenue Code of 1986, as amended: The straight life annuity that is actuarially equivalent to the member's form of benefit shall be determined under this paragraph if the form of the member's benefit is other than a benefit form

described in paragraph 5 of this subsection. In this case, the actuarially equivalent straight life annuity shall be determined as follows:

- a. Annuity Starting Date on or after January 1, 2009. If the annuity starting date of the member's form of benefit is in the period beginning on January 1, 2009 through June 30, 2009, or in a plan year beginning after June 30, 2009, the actuarially equivalent straight life annuity is equal to the greatest of (1), (2) and (3):
  - 1) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using the interest rate and the mortality table or other tabular factor, each as set forth in the most recent actuarial valuation referenced in subsection H of Section 2-303.1 of this title prior to September 1, 2011, and effective September 1, 2011, in subsection L of this section, for adjusting benefits in the same form,
  - 2) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using a five and one-half percent (5.5%) interest rate assumption and the applicable mortality table within the meaning of Section 417(e)(3)(B) of the Internal Revenue Code of 1986, as amended, as described in Rev. Rul. 2007-67 (and subsequent guidance), and
  - 3) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using:
    - a) the applicable interest rate under Section 417(e)(3) of the Internal Revenue Code of 1986, as amended, (and subsequent guidance), for the fourth calendar month preceding the plan year in which falls the annuity starting date for the distribution and the stability period is the successive period of one (1) plan year which contains the annuity starting date for the distribution and for which the applicable interest rate remains constant, or as otherwise provided in the applicable guidance if the first day of the first plan year beginning after December 31, 2007, does not coincide with the first day of the applicable stability period, and
    - b) the applicable mortality table within the meaning of Section 417(e)(3)(B) of the Internal Revenue Code of 1986, as amended, as described in Rev. Rul. 2007-67 (and subsequent guidance).
- b. Annuity Starting Date in the Period Beginning on July 1, 2008 through December 31, 2008. If the annuity starting date of the member's form of benefit is in the period beginning on July 1, 2008, through December 31, 2008, the actuarially equivalent straight life annuity is equal to the greatest of (1), (2) and (3) of this subsection:
  - 1) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using the interest rate and the mortality table or other tabular factor, each as set forth in subsection H of Section 2-303.1 of this title for adjusting benefits in the same form,

- 2) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using a five and one-half percent (5.5%) interest rate assumption and the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable), and
  - 3) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using:
    - a) the adjusted first, second, and third segment rates under Section 417(e)(3)(C) and (D) of the Internal Revenue Code of 1986, as amended, applied under rules similar to the rules of Section 430(h)(2)(C) of the Internal Revenue Code of 1986, as amended, for the fourth calendar month preceding the plan year in which falls the annuity starting date for the distribution and the stability period is the successive period of one (1) plan year which contains the annuity starting date for the distribution and for which the applicable interest rate remains constant, or as otherwise provided in the applicable guidance if the first day of the first plan year beginning after December 31, 2007, does not coincide with the first day of the applicable stability period, and
    - b) the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable), and divided by one and five one-hundredths (1.05).
- c. Annuity Starting Date in Plan Years Beginning in 2006 or 2007. If the annuity starting date of the member's form of benefit is in a Plan Year beginning in 2006 or 2007, the actuarially equivalent straight life annuity is equal to the greatest of (1), (2) and (3) of this subsection:
- 1) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using the interest rate and the mortality table (or other tabular factor) each as set forth in subsection H of Section 2-303.1 of this title for adjusting benefits in the same form,
  - 2) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using a five and one-half percent (5.5%) interest rate assumption and the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable), and
  - 3) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using:
    - a) the rate of interest on thirty-year Treasury securities as specified by the Commissioner for the lookback month for the stability period specified herein. The lookback month applicable to the stability period is the fourth calendar month preceding the first day of the stability period, as specified herein. The stability period is the successive period of one (1)

plan year which contains the annuity starting date for the distribution and for which the applicable interest rate remains constant, and

- b) the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable), divided by one and five one-hundredths (1.05).

d. Annuity Starting Date in Plan Years Beginning in 2004 or 2005.

- 1) If the annuity starting date of the member's form of benefit is in a plan year beginning in 2004 or 2005, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using whichever of the following produces the greater annual amount:
  - a) the interest rate and the mortality table or other tabular factor, each as set forth in subsection H of Section 2-303.1 of this title for adjusting benefits in the same form, and
  - b) a five and one-half percent (5.5%) interest rate assumption and the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable).
- 2) If the annuity starting date of the member's benefit is on or after the first day of the first plan year beginning in 2004 and before December 31, 2004, the application of this subparagraph shall not cause the amount payable under the member's form of benefit to be less than the benefit calculated under the System, taking into account the limitations of this section, except that the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the member's form of benefit, computed using whichever of the following produces the greatest annual amount:
  - a) the interest rate and mortality table or other tabular factor, each as set forth in subsection H of Section 2-203.1 of this title for adjusting benefits in the same form,
  - b) i. the rate of interest on thirty-year Treasury securities as specified by the Commissioner for the lookback month for the stability period specified herein. The lookback month applicable to the stability period is the fourth calendar month preceding the first day of the stability period, as specified herein. The stability period is the successive period of one (1) plan year which contains the annuity starting date for the distribution and for which the applicable interest rate remains constant, and
    - ii. the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable), and
  - c) i. the rate of interest on thirty-year Treasury securities as specified by the Commissioner for the lookback month for the stability period specified herein. The lookback month applicable to the stability period is the fourth calendar month preceding the first day of the stability

period, as specified herein. The stability period is the successive period of one (1) plan year which contains the annuity starting date for the distribution and for which the applicable interest rate remains constant (as in effect on the last day of the last plan year beginning before January 1, 2004, under provisions of the System then adopted and in effect), and

ii. the applicable mortality table described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable).

C. If a member has less than ten (10) years of participation in the System and all predecessor pension and retirement systems, the dollar limitation otherwise applicable under subsection B of this section shall be multiplied by a fraction, the numerator of which is the number of the years of participation or part thereof, in the System of the member, but never less than one (1), and the denominator of which is ten (10).

D. Adjustment of Dollar Limitation for Benefit Commencement Before Sixty-two (62) Years of Age or After Sixty-five (65) Years of Age: Effective for benefits commencing in limitation years ending after December 31, 2001, the dollar limitation under subsection B of this section shall be adjusted if the annuity starting date of the member's benefit is before sixty-two (62) years of age or after sixty-five (65) years of age. If the annuity starting date is before sixty-two (62) years of age, the dollar limitation under subsection B of this section shall be adjusted under paragraph 1 of this subsection, as modified by paragraph 3 of this subsection, but subject to paragraph 4 of this subsection. If the annuity starting date is after sixty-five (65) years of age, the dollar limitation under subsection B of this section shall be adjusted under paragraph 2 of this subsection, as modified by paragraph 3 of this subsection.

1. Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement Before Sixty-two (62) Years of Age:

a. Limitation Years Beginning Before July 1, 2007. If the annuity starting date for the member's benefit is prior to sixty-two (62) years of age and occurs in a limitation year beginning before July 1, 2007, the dollar limitation for the member's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount:

- 1) the interest rate and the mortality table or other tabular factor, each as set forth in subsection H of Section 2-303.1 of this title, or
- 2) a five percent (5%) interest rate assumption and the applicable mortality table as described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable).

b. Limitation Years Beginning On or After July 1, 2007.

1) System Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Sixty-two (62) Years of Age and the Age of Benefit Commencement.

a) If the annuity starting date for the member's benefit is prior to sixty-two (62) years of age and occurs in the limitation year beginning on or after

January 1, 2008, and the System does not have an immediately commencing straight life annuity payable at both sixty-two (62) years of age and the age of benefit commencement, the dollar limitation for the member's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) with actuarial equivalence computed using a five percent (5%) interest rate assumption and the applicable mortality table for the annuity starting date as described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable) (and expressing the member's age based on completed calendar months as of the annuity starting date).

- b) If the annuity starting date for the member's benefit is prior to sixty-two (62) years of age and occurs in a limitation year beginning on or after January 1, 2009, and the System does not have an immediately commencing straight life annuity payable at both sixty-two (62) years of age and the age of benefit commencement, the dollar limitation for the member's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) with actuarial equivalence computed using a five percent (5%) interest rate assumption and the applicable mortality table within the meaning of Section 417(e)(3)(B) of the Internal Revenue Code of 1986, as amended, as described in Rev. Rul. 2007-67 (and subsequent guidance) (and expressing the member's age based on completed calendar months as the annuity starting date).
- 2) System Has Immediately Commencing Straight Life Annuity Payable at Both Sixty-two (62) Years of Age and the Age of Benefit Commencement. If the annuity starting date for the member's benefit is prior to sixty-two (62) years of age and occurs in a limitation year beginning on or after July 1, 2007, and the System has an immediately commencing straight life annuity payable at both sixty-two (62) years of age and the age of benefit commencement, the dollar limitation for the member's annuity starting date is the lesser of the limitation determined under division (1) of subparagraph b of this paragraph and the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the System at the member's annuity starting date to the annual amount of the immediately commencing straight life annuity under the System at sixty-two (62) years of age, both determined without applying the limitations of this section.

- 3) Effective for limitation years commencing on or after January 1, 2014, notwithstanding any other provision of paragraph 1 of this subsection, the age-adjusted dollar limit applicable to a member shall not decrease on account of an increase in age or the performance of additional services.
2. Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement After Sixty-five (65) Years of Age:
    - a. Limitation Years Beginning Before July 1, 2007. If the annuity starting date for the member's benefit is after sixty-five (65) years of age and occurs in a limitation year beginning before July 1, 2007, the dollar limitation for the member's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount:
      - 1) the interest rate and the mortality table or other tabular factor, each as set forth in subsection H of Section 2-303.1 of this title, or
      - 2) a five percent (5%) interest rate assumption and the applicable mortality table as described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable).
    - b. Limitation Years Beginning On or After July 1, 2007.
      - 1) System Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Sixty-five (65) Years of Age and the Age of Benefit Commencement.
        - a) If the annuity starting date for the member's benefit is after sixty-five (65) years of age and occurs in the limitation year beginning on January 1, 2008, and the System does not have an immediately commencing straight life annuity payable at both sixty-five (65) years of age and the age of benefit commencement, the dollar limitation at the member's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) with actuarial equivalence computed using a five percent (5%) interest rate assumption and the applicable mortality table for the annuity starting date as described in Revenue Ruling 2001-62 (or its successor for these purposes, if applicable) (and expressing the member's age based on completed calendar months as of the annuity starting date).
        - b) If the annuity starting date for the member's benefit is after sixty-five (65) years of age and occurs in a limitation year beginning on or after January 1, 2009, and the System does not have an immediately commencing straight life annuity payable at both sixty-five (65) years of age and the age of benefit commencement, the dollar limitation for the member's annuity starting date is the annual amount of a benefit



payable in the form of a straight life annuity commencing at the member's annuity starting date that is the actuarial equivalent of the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) with actuarial equivalence computed using a five percent (5%) interest rate assumption and the applicable mortality table within the meaning of Section 417(e)(3)(B) of the Internal Revenue Code of 1986, as amended, as described in Rev. Rul. 2007-67 (and subsequent guidance) (and expressing the member's age based on completed calendar months as of the annuity starting date).

- 2) System Has Immediately Commencing Straight Life Annuity Payable at Both Sixty-five (65) Years of Age and Age of Benefit Commencement. If the annuity starting date for the member's benefit is after sixty-five (65) years of age and occurs in a limitation year beginning on or after July 1, 2007, and the System has an immediately commencing straight life annuity payable at both sixty-five (65) years of age and the age of benefit commencement, the dollar limitation at the member's annuity starting date is the lesser of the limitation determined under division (1) of subparagraph b of this paragraph and the dollar limitation under subsection B of this section (adjusted under subsection C of this section for years of participation less than ten (10), if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the System at the member's annuity starting date to the annual amount of the adjusted immediately commencing straight life annuity under the System at sixty-five (65) years of age, both determined without applying the limitations of this section. For this purpose, the adjusted immediately commencing straight life annuity under the System at the member's annuity starting date is the annual amount of such annuity payable to the member, computed disregarding the member's accruals after sixty-five (65) years of age but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity under the System at sixty-five (65) years of age is the annual amount of such annuity that would be payable under the System to a hypothetical member who is sixty-five (65) years of age and has the same accrued benefit as the member.
3. Notwithstanding the other requirements of this subsection, no adjustment shall be made to the dollar limitation under subsection B of this section to reflect the probability of a member's death between the annuity starting date and sixty-two (62) years of age, or between sixty-five (65) years of age and the annuity starting date, as applicable, if benefits are not forfeited upon the death of the member prior to the annuity starting date. To the extent benefits are forfeited upon death before the annuity starting date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the member's death if the System does not charge members for providing a qualified preretirement survivor annuity, as defined in Section 417(c) of the Internal Revenue Code of 1986, as amended, upon the member's death.
4. Notwithstanding any other provision to the contrary, for limitation years beginning on or after January 1, 1997, if payment begins before the member reached sixty-two (62) years of age, the

reductions in the limitations in this subsection shall not apply to a member who is a "qualified participant" as defined in Section 415(b)(2)(H) of the Internal Revenue Code of 1986, as amended.

- E. Minimum Benefit Permitted: Notwithstanding anything else in this section to the contrary, the benefit otherwise accrued or payable to a member under this System shall be deemed not to exceed the maximum permissible benefit if:
1. The retirement benefits payable for a limitation year under any form of benefit with respect to such member under this System and under all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by a participating employer do not exceed Ten Thousand Dollars (\$10,000.00) multiplied by a fraction:
    - a. the numerator of which is the member's number of credited years (or part thereof, but not less than one (1) year) of service, not to exceed ten (10), with the participating employer, and
    - b. the denominator of which is ten (10); and
  2. The participating employer (or a predecessor employer) has not at any time maintained a defined contribution plan in which the member participated (for this purpose, mandatory employee contributions under a defined benefit plan, individual medical accounts under Section 401(h) of the Internal Revenue Code of 1986, as amended, and accounts for postretirement medical benefits established under Section 419A(d)(1) of the Internal Revenue Code of 1986, as amended, are not considered a separate defined contribution plan).
- F. In no event shall the maximum annual accrued retirement benefit of a member allowable under this section be less than the annual amount of such accrued retirement benefit, including early pension and qualified joint and survivor annuity amounts, duly accrued by the member as of the last day of the limitation year beginning in 1982, or as of the last day of the limitation year beginning in 1986, whichever is greater, disregarding any plan changes or cost-of-living adjustments occurring after July 1, 1982, as to the 1982 accrued amount, and May 5, 1986, as to the 1986 accrued amount.
- G. If a member purchases service credit under this title from the System, which qualifies as "permissive service credit" pursuant to Section 415(n) of the Internal Revenue Code of 1986, as amended, the limitations of Section 415 of the Internal Revenue Code of 1986, as amended, may be met by either:
1. Treating the accrued benefit derived from such contributions as an annual benefit under subsection B of this section; or
  2. Treating all such contributions as annual additions for purposes of Section 415(c) of the Internal Revenue Code of 1986, as amended.
- H. If a member repays to the System any amounts received or refunded from the System because of the member's prior termination pursuant to paragraph 3 of subsection (b) of Section 2-307 of this title or any other amount which qualifies as a repayment under Section 415(k)(3) of the Internal Revenue Code of 1986, as amended, such repayment shall not be taken into account for purposes of Section 415 of the Internal Revenue Code of 1986, as amended, pursuant to Section 415(k)(3) of the Internal Revenue Code of 1986, as amended.
- I. For limitation years beginning on or after January 1, 1995, subsection C of this section, paragraph 1 of subsection D of this section, and the proration provided under subparagraphs a and b of paragraph 1 of subsection E of this section, shall not apply to a benefit paid under the System as a result of the member becoming disabled by reason of personal injuries or sickness, or amounts received by the beneficiaries, survivors or estate of the member as the result of the death of the member.

- J. For distributions made in limitation years beginning on or after January 1, 2000, the combined limit of repealed Section 415(e) of the Internal Revenue Code of 1986, as amended, shall not apply.
- K. The Board is hereby authorized to revoke the special election previously made under Section 415(b)(10) of the Internal Revenue Code of 1986, as amended.
- L. Effective September 1, 2011, the interest rate and mortality assumptions for the System used to determine the actuarial equivalence of a member's form of benefit shall be set by the State Board in a manner that precludes employer discretion, shall be based upon recommendations from independent professional advisors, and shall be published annually in the actuarial valuation.
- M. All benefits payable from the Oklahoma Law Enforcement Retirement System including payments from the deferred option plans under Section 2-305.2 of this title shall be paid from the general assets of the Fund pursuant to subsection B of Section 2-303.4 of this title.

*Laws 2018, c. 22, § 1, eff. Nov. 1, 2018.*

### **§ 2-305.5. Additional Retirement Benefit**

- A. Except as provided by subsection B of this section, the Oklahoma Law Enforcement Retirement System shall pay to its retirees, who retire not later than June 30, 1997, or their beneficiaries, from assets of the retirement system, an additional amount, for the fiscal year ending June 30, 1998, based upon the number of years of credited service upon which the retirement benefit of the member was computed as follows:
  - 1. One Hundred Fifty Dollars (\$150.00) for at least ten (10), but no more than fourteen (14) years of service;
  - 2. Three Hundred Dollars (\$300.00) for at least fifteen (15), but no more than nineteen (19) years of service;
  - 3. Four Hundred Fifty Dollars (\$450.00) for at least twenty (20), but no more than twenty-four (24) years of service; and
  - 4. Six Hundred Dollars (\$600.00) for twenty-five (25) or more years of service.
- B. The Oklahoma Law Enforcement Retirement System shall pay to retirees, who retire not later than June 30, 1997, with a disability retirement benefit and having less than ten (10) years of service, the sum of One Hundred Fifty Dollars (\$150.00).
- C. For purposes of subsection A or B of this section, months of credited service in excess of a whole number of years shall be disregarded for purposes of determining the applicable payment amount.
- D. The payment authorized by this section shall be distributed not later than August 1, 1997.
- E. The payment authorized by this section shall not be a recurring benefit and shall only be made for the fiscal year ending June 30, 1998, and for no other fiscal year.
- F. If a retiree has multiple beneficiaries, the amount prescribed by subsection A of this section shall be divided equally among the beneficiaries on a per capita basis.

*Added by Laws 1997, c. 384, § 21, eff. July 1, 1997.*

## **§ 2-305.6. Benefit Adjustment--Restoration of Initial COLA Benefit**

A. For purposes of this section the following definitions shall apply:

1. "Initial COLA Benefit Date" means the later of the member's date of benefit commencement or January 1, 1981. This date is used in the definition of Initial COLA Benefit and Target COLA Benefit;
2. "Initial COLA Benefit" means the accrued retirement benefit which will be used as the base benefit for determining the Target COLA Benefit. The Initial COLA Benefit equals the benefit in payment status as of the Initial COLA Benefit Date. Furthermore, this benefit will reflect adjustment for military service credits, if any, granted after the Initial COLA Benefit Date;
3. "CPI-U" means the Consumer Price Index for all urban consumers for all goods and services, as published by the Bureau of Labor Statistics, U.S. Department of Labor. This is used as a measure of price inflation for the development of the Target COLA Benefit defined below; and
4. "Target COLA Benefit" is the Initial COLA Benefit adjusted to reflect price inflation as measured by CPI-U. The Target COLA Benefit is calculated for each eligible member to equal the member's Initial COLA Benefit multiplied by a ratio of (A) divided by (B) as follows:
  - a. is the CPI-U as of July 1, 1997.
  - b. is the CPI-U as of July 1 of the calendar year of the Initial COLA Benefit Date.

B. The Board shall, effective July 1, 1998, implement a benefit adjustment, to increase, if necessary, the retirement benefit for any person receiving benefits from the System as of June 30, 1997. This benefit adjustment is intended to restore one hundred percent (100%) of the loss of the Initial COLA Benefit, if any, due to price inflation, as measured by CPI-U. The benefit adjustment shall be one hundred percent (100%) of the amount by which the Target COLA Benefit is in excess, if any, of the June 1998 retirement benefit.

Persons who retired after December 31, 1996 and before July 1, 1997, shall receive a benefit increase based on one-half (  $\frac{1}{2}$  ) of the CPI-U change for the period beginning January 1, 1997 and before July 1, 1997.

C. Any increase in benefits a person is eligible to receive pursuant to subsection B of Section 2-305 of Title 47 of the Oklahoma Statutes, after June 30, 1998, shall be offset by the increase in benefits, if any, provided by this section.

*Added by Laws 1998, c. 317, § 4, eff. July 1, 1998.*

## **§ 2-305.7. Benefit Increase—Offset**

A. Except as provided in subsection B of this section, any person receiving benefits from the Oklahoma Law Enforcement Retirement System as of June 30, 1999, who continues to receive benefits on or after July 1, 2000, shall receive a three percent (3%) increase in said benefits on July 1, 2000.

- B. Any increase in benefits a person is eligible to receive pursuant to subsection B of Section 2-305 of Title 47 of the Oklahoma Statutes, after June 30, 1998, shall be offset by the increase in benefits, if any, provided by this section.

*Added by Laws 2000, c. 377, § 8, eff. July 1, 2000.*

#### **§ 2-305.8. Increase in Benefits--Amount—Offset**

- A. Except as provided in subsection B of this section, any person receiving benefits from the Oklahoma Law Enforcement Retirement System as of June 30, 2001, who continues to receive benefits on or after July 1, 2002, shall receive a five percent (5%) increase in said benefits on July 1, 2002.
- B. Any increase in benefits a person is eligible to receive pursuant to Section 2-305 of Title 47 of the Oklahoma Statutes, after June 30, 2002, shall be offset by the increase in benefits, if any, provided by this section.

*Added by Laws 2002, c. 394, § 4, eff. July 1, 2002.*

#### **§ 2-305.9. Law Enforcement Retirement System--Increase in Benefits**

- A. Except as provided in subsection B of this section, any person receiving benefits from the Oklahoma Law Enforcement Retirement System as of June 30, 2003, who continues to receive benefits on or after July 1, 2004, shall receive a four-percent increase in said benefits beginning in July 2004.
- B. Any increase in benefits a person is eligible to receive pursuant to subsection B, C or D of Section 2-305 of Title 47 of the Oklahoma Statutes, after June 30, 2004, shall be offset by the increase in benefits, if any, provided by this section.

*Added by Laws 2004, c. 536, § 15, eff. July 1, 2004.*

#### **§ 2-305.10. Law Enforcement Retirement System--Increase in Benefits**

- A. Except as provided in subsection B of this section, any person receiving benefits from the Oklahoma Law Enforcement Retirement System as of June 30, 2005, who continues to receive benefits on or after July 1, 2006, shall receive a four-percent increase in said benefits beginning in July 2006.
- B. Any increase in benefits a person is eligible to receive pursuant to subsection B, C or D of Section 2-305 of Title 47 of the Oklahoma Statutes, after June 30, 2006, shall be offset by the increase in benefits, if any, provided by this section.

*Added by Laws 2006, 2nd Ex. Sess., c. 46, § 8, eff. July 1, 2006.*

#### **§ 2-305.11. Law Enforcement Retirement System--Increase in Benefits**

- A. Except as provided in subsection B of this section, any person receiving benefits from the Oklahoma Law Enforcement Retirement System as of June 30, 2007, who continues to receive benefits on or after July 1, 2008, shall receive a four-percent increase in said benefits beginning in July 2008.

- B. Any increase in benefits a person is eligible to receive pursuant to subsection B, C or D of Section 2-305 of Title 47 of the Oklahoma Statutes, after June 30, 2008, shall be offset by the increase in benefits, if any, provided by this section.

*Added by Laws 2008, c. 415, § 4, eff. July 1, 2008.*

#### **§ 2-305.12. Law Enforcement Retirement System--Increase in Benefits**

- A. Except as provided in subsection B of this section, any person receiving benefits from the Oklahoma Law Enforcement Retirement System as of June 30, 2019, who continues to receive benefits on or after July 1, 2020, shall receive an increase in benefits as follows:
1. Zero percent (0%) if the person has been retired for less than two (2) years as of July 1, 2020;
  2. Two percent (2%) if the person has been retired for at least two (2) years but less than five (5) years as of July 1, 2020; and
  3. Four percent (4%) if the person has been retired for five (5) years or more as of July 1, 2020.
- B. Any increase in benefits a person is eligible to receive pursuant to subsection B, C or D of Section 2-305 of Title 47 of the Oklahoma Statutes after July 1, 2020, shall be offset by the increase in benefits, if any, provided by this section.

*Added by Laws 2020, c. 121, § 5, eff. July 1, 2020.*

#### **§ 2-306. Payments in Case of Death**

- A. Upon the death of a retired member or upon the death of any member prior to retirement or other termination of covered employment, a monthly pension shall be paid which shall be in an amount as provided below:
1. If the member was not retired and death occurred as the direct result of the performance of the member's duties as an officer, an amount:
    - a. equal to two and one-half percent (2 1/2%),
    - b. multiplied by:
      - (1) twenty (20) years of service, regardless of the actual number of years of credited service performed by the member prior to the date of death if the member had performed less than twenty (20) years of service, or
      - (2) the actual number of years of service performed by the member if the member had performed twenty (20) or more years of service,
    - c. multiplied by a final average salary equal to:
      - (1) the salary which the member would have received pursuant to statutory salary schedules in effect upon the date of death for twenty (20) years of service if the member did not actually perform twenty (20) years of service prior to death. The final average salary for a member who performed less than twenty (20) years of service prior to death 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 death 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 death, 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 death, whichever final average salary amount would be greater, or

(2) the actual final average salary of the member if the member had performed twenty (20) or more years of service prior to death; or

2. If the member was not retired and death occurred other than as the direct result of the performance of the member's duties as an officer, an amount equal to the monthly payments which would have been received by the member under subsection E of Section 2-305 of this title had the member been totally disabled; or
3. If said member was retired for length of service, an amount equal to the member's monthly payments; or
4. If said member was receiving, or eligible to receive, a disability benefit pursuant to subsection E or F of Section 2-305 of this title, an amount equal to the member's monthly payments pursuant to subsection E or F of Section 2-305 of this title; or
5. If said member was receiving, or eligible to receive, a disability benefit pursuant to subsection G of Section 2-305 of this title, an amount equal to the member's monthly payments pursuant to subsection G of Section 2-305 of this title; or
6. If said member was retired for partial disability, an amount equal to the monthly payments which would have been received by said member had the member been totally disabled.

B. The pension provided for in subsection A of this section shall be paid:

1. Except as provided in paragraph 4 of this subsection, to the surviving spouse, provided the surviving spouse was married to the member at the time of the member's death, and continuously for the thirty (30) months immediately preceding the member's death, provided a surviving spouse of a member who died while in, or as a consequence of, the performance of the member's duty for the employer, shall not be subject to the thirty-month marriage requirement for survivor benefits; or
2. If there is no surviving spouse or upon the death of a spouse:
  - a. to the person having the care and custody of any surviving child or children of said member for such time as such child or children are under the age of eighteen (18) years, or
  - b. to the surviving child or children between the age of eighteen (18) and 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;

3. If there is no surviving spouse or 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, to the dependent parent or parents of said member, for life; or
4. In the event a surviving spouse remarried prior to June 7, 1993, and was a surviving spouse of a member who died while in, or as a consequence of, the performance of the member's duty for the employer, the surviving spouse shall be eligible to receive the pension benefits provided for in subsection A of this section.

To receive the pension benefits provided for in subsection A of this section the surviving spouse falling within this paragraph shall submit a written request for such benefits to the Oklahoma Law Enforcement Retirement System. The Oklahoma Law Enforcement Retirement System shall approve requests by surviving spouses meeting the requirements of this paragraph. Upon approval by the Oklahoma Law Enforcement Retirement System, the surviving spouse shall be entitled to the pension benefits provided for in subsection A of this section beginning from the date of approval forward. Pension benefits provided to surviving spouses falling within this paragraph shall not apply to alter any amount of pension benefits paid or due prior to the Oklahoma Law Enforcement Retirement System's approval of the remarried surviving spouse's written request for benefits.

No surviving spouse shall receive benefits from this section, Section 49-113 of Title 11 of the Oklahoma Statutes, or Section 50-117 of Title 11 of the Oklahoma Statutes as the surviving spouse of more than one member of the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, or the Oklahoma Law Enforcement Retirement System. The surviving spouse of more than one member shall elect which member's benefits he or she will receive.

- C. In addition to the pension above provided for, if said member leaves a surviving spouse and 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 said Fund for the support of each surviving child to the person having the care and custody of such children during such time as said spouse remains alive and 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.
- D. 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 or to the member's estate if there is no beneficiary. 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 died.

*Laws 2004, c. 542, § 4, eff. July 1, 2004.*

**§ 2-306.1. Repealed by Laws 1985, c. 296, § 8, emerg. eff. July 24, 1985**



## **§ 2-306.2. Unpaid Accumulated Contributions--Payment to Beneficiary or Next of Kin**

In the event the total retirement payments made to the member and his joint annuitant, if any, are less than the member's accumulated contributions, the difference shall be paid to the member's designated beneficiary or if no designated beneficiary survives, then to the member's nearest surviving next of kin as determined by law.

*Laws 1980, c. 357, § 12, eff. July 1, 1980.*

## **§ 2-306.3. Death Benefit**

Upon the death of an active or retired member, the Oklahoma Law Enforcement Retirement System shall pay to the designated beneficiary of the member as defined in paragraph 17 of Section 2-300 of this title or if there is no such designated beneficiary or if such designated beneficiary predeceases the member, to the estate of the member, the sum of Four Thousand Dollars (\$4,000.00) as a death benefit for those active or retired members who died prior to July 1, 1999. For those active or retired members who die on or after July 1, 1999, the sum shall be Five Thousand Dollars (\$5,000.00).

*Laws 2014, c. 37, § 3, emerg. eff. April 9, 2014.*

## **§ 2-307. Leaves of Absence--Termination of Employment--Reinstatement-- Service in Armed Forces--Involuntary Furloughs**

- A. In the event a member of the System obtains a leave of absence, of not to exceed ninety (90) days at any one time, because of injury or illness or for any personal reason other than the acceptance of other employment, the member's membership in the System shall not terminate and the period of such leave shall be counted toward retirement for length of service if, during such leave of absence or at the end thereof, the member shall pay to the Fund an amount equal to the contributions which would have been deducted from the member's salary during such period if such leave of absence had not been obtained, but if such contributions are not paid during such leave or made up within thirty (30) days after the end of such leave, or if such leave of absence extends for more than ninety (90) days at any one time, the period of such leave shall not be counted toward length of service for retirement nor in computing the amount of any pension or any retirement pay or any other benefits hereunder.
- B. In the event a member of the System obtains a leave of absence for the purpose of accepting other employment, or if a member resigns and during such resignation accepts other employment, the member's membership in the System shall terminate as of the date of the beginning of such leave. Provided, that if the membership of a member of the System shall have been terminated either by such leave of absence or by termination of employment, and such former member is reemployed, the Board, upon application therefor made in the same manner as an original application for membership in the System, may reinstate such membership. Such reinstated member shall be allowed full credit toward retirement for all service credit accrued up to the time of termination of membership if, but only if:
  - 1. Such application for reinstatement is made within three (3) years from the date of such termination of such membership;
  - 2. Such reinstated member remains a member of the System for a period of five (5) consecutive years after reinstatement of membership;

3. Such reinstated member reimburses the Fund, at the time application for reinstatement is made, with the amount of any portion of the membership contribution which has been refunded to the member under the provisions of Section 2-308 of this title; and
4. A lump-sum payment for repayment of any amount received because of a member's prior termination may be repaid by:
  - a. a cash lump-sum payment,
  - b. a trustee-to-trustee transfer of non-Roth funds from a 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,
  - c. 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
  - d. any combination of the above methods of payment.

The provisions of this subsection shall not apply to absences caused by such military service as may be considered as service for retirement for length of service under the provisions of subsection (c) of this section.

- C. In determining the eligibility of a member for retirement based upon length of service, any service in the Armed Forces of the United States or any component thereof between the 16th day of September, 1940, and the 30th day of June, 1954, and any service in the Armed Forces of the United States or any component thereof upon call of the President of the United States or of the Governor of the State of Oklahoma, together with such prior service, as would have been otherwise considered as service for retirement for length of service, shall be considered as service for length of service, provided that the member returns and files application for reinstatement as a member of the System within ninety (90) days after the member's release, or opportunity for release, from such Armed Forces or component thereof. The member's employing agency that is making contributions to the System on behalf of the member shall continue payment of contributions into the pension fund, to the same force and effect as though the member was in the actual employment of such agency at the same salary for a period not to exceed five (5) years. If such member shall have been refunded any portion of the membership contributions as provided in Section 2-308 of this title, the member shall be required to reimburse the Fund with the same amount at the time of the member's application for reinstatement in the System, before the reinstated member is given credit for accrued prior service. Provided, that in no event shall a member of the System who has entered such Armed Forces or component thereof prior to retirement be or become eligible for retirement for length of service unless the member shall thereafter have been reinstated as a member of the System as provided for herein, and thereafter remained a member for at least one (1) year after such reinstatement.
- D. Time spent on involuntary furlough by members pursuant to the rules of the Office of Management and Enterprise Services shall be credited.

E. Notwithstanding any provisions 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 Service Employment and Reemployment Rights Act of 1994, as amended (USERRA). The employer'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.

*Laws 2016, c. 8, § 1, emerg. eff. April 5, 2016.*

**§ 2-307.1. Service Credit for Membership in Public Employees Retirement System--Time of Application**

- A. A member may receive service credit for not to exceed five (5) years of participating service accumulated by the member while an employee of a state agency if the member is not receiving or eligible to receive retirement benefits or credit for said service from the Oklahoma Public Employees Retirement System. To receive credit for said service prior to January 1, 1991, the employee and employer contributions for those years of service and interest of not to exceed five percent (5%) as determined by the Board shall be paid to the Board. Effective January 1, 1991, to receive credit for said service, the member shall pay the amount determined by the Board of Trustees pursuant to Section 19 of Enrolled Senate Bill No. 810 of the 2nd Session of the 42nd Oklahoma Legislature. Such service credit shall not be used in determining the eligibility of the member for retirement based upon length of service.
- B. To receive credit for such service:
1. A member who became a member of the system prior to July 1, 1988, shall make application to the Board for such service prior to January 1, 1989; and
  2. A member who becomes a member of the system after June 30, 1988, shall make application to the Board for such service within two (2) years of the date the member became a member of the system.
- C. 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 Section 403(b) annuity or custodial account, an eligible deferred compensation plan described in 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(3)(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.

*Laws 2016, c. 8, § 2, emerg. eff. April 5, 2016.*

## **§ 2-307.2. Service Credit for Unused Sick Leave**

- A. The total service credit of a member who retires, elects a Deferred Option Plan or terminates employment and elects a vested benefit shall include not to exceed one hundred thirty (130) days of unused sick leave accumulated while a member of the System. Effective July 1, 2008, a member who retires, elects a Deferred Option Plan or terminates employment and elects a vested benefit shall include not to exceed two hundred forty (240) days of unused sick leave accumulated while a member of the System. Such credit shall be added in terms of whole months. Twenty (20) days of unused sick leave shall equal one (1) month for purposes of service credit. If unused sick leave entitles a member to an additional year or fraction thereof of service credit, the member's employer shall reimburse the System for the cost of funding the additional reserve by paying the amount determined by the Board pursuant to Section 25 of this act. Each employer shall provide the System with adequate and timely information necessary to determine additional benefits and its cost under this section. This section shall apply to members retiring or vesting on or after July 1, 1985, and shall not be retroactive. The amount of accrued sick leave available for determination of a member's monthly benefit for purpose of the deferred option election shall be limited to the accrued sick leave available as of the effective date of the deferred option election, but not to exceed two hundred forty (240) days. The member's monthly benefit determined as of the effective date of the deferred option election shall not be adjusted for additional accrued sick leave earned by the member after the deferred option election.
- B. Whenever any member is unable to perform the member's duties because of sickness or temporary disability caused or sustained while in the discharge of the member's duty as a member, is receiving a temporary total disability benefit under Section 1 et seq. of Title 85A of the Oklahoma Statutes, and does not purchase service credit as described below, such member shall only receive prorated service credit based on the contributions made by the member and the member's employer while the member is receiving a temporary total disability benefit under Section 1 et. seq. of Title 85A of the Oklahoma Statutes. Whenever any member is unable to perform the member's duties because of sickness or temporary disability caused or sustained while in the discharge of the member's duty as a member and is receiving a temporary disability benefit under Section 1 et seq. of Title 85A of the Oklahoma Statutes, such member shall have the option to purchase service credit for the time related to such leave of absence for such sickness or temporary disability.
  1. The payment for such purchase must be completed no later than three (3) years from the date the member commenced receipt of temporary total disability benefit.

2. The purchase price shall be:

- a. the actual paid base salary that the member was entitled to immediately prior to the member's sickness or temporary disability minus any vacation or sick leave payments received by the member during such sickness or temporary disability, multiplied by,
- b. the following percent:
  - (1) eighteen percent (18%) for members who are suspended without pay, or
  - (2) eight percent (8%) for members who are not suspended without pay.

If such member has not been suspended without pay, the employer shall contribute, within three (3) months of the completion of the member's purchase of service credit, ten percent (10%) of the actual paid base salary that the member was entitled to immediately prior to the member's sickness or temporary disability minus any vacation or sick leave payments received by the member during such sickness or temporary disability.

3. The member may purchase such service credit through:

- a. a cash lump-sum payment,
- b. 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,
- c. 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
- d. any combination of the above methods of payment.

*Laws 2016, c. 8, § 3, emerg. eff. April 5, 2016.*

**§ 2-307.3. Prior Law Enforcement Service Credit--Time of Application**

- A. Prior to January 1, 1991, upon payment to the Oklahoma Law Enforcement Retirement 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, any member of the System shall receive credit for not to exceed five (5) years of prior law enforcement service rendered in 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. Effective January 1, 1991, to receive credit for not to exceed five (5) years of prior law enforcement service rendered in 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, the member shall pay the amount determined by the Board pursuant to Section 2-307.5 of this title. 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.

To receive credit for such service:

1. A member who became a member of the System prior to July 1, 1988, shall make application to the Board for such service prior to January 1, 1989; and
2. A member who becomes a member of the System after June 30, 1988, shall make application to the Board for such service within two (2) years of the date the member became a member of the system.

B. Upon payment to the Oklahoma Law Enforcement Retirement System of a sum equal to 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 prior to January 1, 1991, or effective January 1, 1991, upon payment to the System of the amount determined by the Board pursuant to Section 2-307.5 of this title, any member of the System shall receive credit for not to exceed five (5) years of prior law enforcement service rendered in another state or with a federal law enforcement agency, either as a commissioned law enforcement officer or in a scientific or technical field, if the member is not receiving or eligible to receive retirement credit or benefits for such service in any other public retirement system. 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.

To receive credit for such service:

1. A member who became a member of the System prior to July 1, 1990, shall make application to the Board for such service prior to January 1, 1991; and
2. A member who became a member of the System after June 30, 1990, shall make application to the Board for such services within two (2) years of the date the member became a member of the System.

C. 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.

**§ 2-307.4. Military Service Credit**

- 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 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.

*Laws 2016, c. 8, § 5, emerg. eff. April 5, 2016. Amended by HB 3709, eff. October 1, 2022.*

## **§ 2-307.5. Transferred Credited Service--Computation of Purchase Price**

- A. The Board shall adopt rules for computation of the purchase price for transferred credited service. These rules shall base the purchase price for each year purchased on the actuarial cost of the



incremental projected benefits to be purchased. The purchase price shall represent the present value of the incremental projected benefits discounted according to the member's age at the time of purchase. Incremental projected benefits shall be the difference between the projected benefit said member would receive without purchasing the transferred credited service and the projected benefit after purchase of the transferred credited service computed as of the earliest age at which the member would be able to retire. Said computation shall assume an unreduced benefit and be computed using interest and mortality assumptions consistent with the actuarial assumptions adopted by the Board for purposes of preparing the annual actuarial evaluation.

- B. In the event that the member is unable to pay the purchase price provided for in this section by the due date, the Board shall permit the members to amortize the purchase price over a period not to exceed sixty (60) months. Said payments shall be made by payroll deductions unless the Board permits an alternate payment source. The amortization shall include interest in an amount not to exceed the actuarially assumed interest rate adopted by the Board for investment earnings each year. Any member who ceases to make payment, terminates, retires or dies before completing the payments provided for in this section shall receive prorated service credit for only those payments made, unless the unpaid balance is paid by said member, his or her estate or successor in interest within six (6) months after said member's death, termination of employment or retirement, provided no retirement benefits shall be payable until the unpaid balance is paid, unless said member or beneficiary affirmatively waives the additional six-month period in which to pay the unpaid balance. Notwithstanding anything herein to the contrary, lump-sum payments for a transferred credited service purchase may be made by a cash lump-sum payment; 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; 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); or a combination of the foregoing methods. Roth accounts, Coverdell Education Savings Accounts and after-tax contributions shall not be used to purchase transferred credited service.

A member making installment payments shall have the option of making a lump-sum payment for the balance of the actuarial purchase price with interest due through the date of payment by a cash lump-sum payment; 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; 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); or a combination of the foregoing methods. Roth accounts, Coverdell Education Savings Accounts and after-tax contributions shall not be used to purchase transferred credited service. The Board shall promulgate such rules as are necessary to implement the provisions of this subsection.

*Laws 2016, c. 8, § 6, emerg. eff. April 5, 2016.*

**§ 2-307.6. Repealed by Laws 1998, c. 256, § 11, eff. July 1, 1998**

See, now, Title 47, § 2-307.7.

**§ 2-307.7. Reduction-In-Force Termination Credit**

- A. A member of the Oklahoma Law Enforcement Retirement System who has ten (10) or more years of full-time-equivalent employment with a participating employer, and who is terminated by a state agency or other state governmental entity because the member's position is eliminated through a reduction-in-force after July 1, 1998, and is within three (3) years of a normal retirement date as defined in paragraph 7 of Section 2-300 of this title may purchase termination credit of a period not to exceed the lesser of three (3) years or the number of years or months or both years and months required in order for the member to reach normal retirement date in the same period of time and with the same service credit which would have otherwise accrued if the termination had not occurred.
- B. In order to receive the termination credit authorized by this section, the member shall be required to file an election with the System indicating intent to purchase the credit. The member shall have a period of six (6) months from the date the member is terminated as described in subsection A of this section within which to file the election.
- C. To purchase the termination credit, the member shall be required to make payment to the System of an amount equal to both the employer and employee contributions which would have been paid to the System based upon the actual paid base salary as defined in paragraph 8 of Section 2-300 of this title, which was received by the member in the last full month that the member was employed by the state agency or other state governmental entity multiplied by the number of months required in order for the combination of the participating service and member's age to equal the amount required for the member to reach normal retirement date with an unreduced benefit as if the member had not been terminated.
- D. The member must make full payment to the System of all required contribution amounts within sixty (60) days of filing the election to purchase the credit. The member must vest his or her benefits with a declared future retirement date as of the first month the member is eligible for normal retirement. Failure to make the full payment to the System of the required contribution amounts, for any reason, within the time prescribed shall result in cancellation of the election provided pursuant to this section, and return of the purchase amount tendered, without interest. Notwithstanding anything herein to the contrary, termination credit purchases may be made by:
  - 1. A cash lump-sum payment;
  - 2. A trustee-to-trustee transfer of non-Roth funds from 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.

- E. Purchased termination credit may only be used as service credit to qualify the member for normal retirement.
- F. If the member chooses to retire at any time prior to the member's normal retirement date or returns to employment with a participating employer of the System at any time prior to retirement, the purchase of termination credit pursuant to this section shall be void and the System will return the purchase amount tendered, without interest.
- G. In the event of the death of the member prior to retirement, the member's spouse, if otherwise eligible for benefits pursuant to Section 2-306 of this title, may elect to receive benefits which include the termination credit on the member's declared future retirement date, or may elect to receive a return of the purchase amount tendered, without interest.

*Laws 2016, c. 8, § 7, emerg. eff. April 5, 2016.*

## **§ 2-308. Payments on Termination of Membership—Reemployment**

- A. A member who terminates his service before normal retirement date, other than by death or disability, shall, upon application filed with the Board, be entitled to be refunded from the fund an amount equal to the accumulated contributions the member has made to the fund, but excluding any interest or any amount contributed by the state. If such member has completed ten (10) years of credited service at the date of termination, the member may elect a vested benefit in lieu of receiving his accumulated contributions.

If the member who has completed ten (10) or more years of credited service elects the vested benefit, the member shall be entitled to a monthly retirement annuity commencing on the member's normal retirement date to be determined as if the member's employment continued uninterrupted. The annual amount of such retirement annuity shall be equal to two and one-half percent (2 1/2 %) of final average salary multiplied by the number of years of credited service. The death benefits provided for under Section 2-306 of this title shall apply to any member retiring under the provisions of this subsection.

- B. A member who terminated service before the normal retirement date of such member and elected a vested benefit in lieu of receiving accumulated contributions may upon reemployment be allowed full credit toward retirement for all credited service accrued for the vested benefit. This subsection shall apply to employees of the Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Department of Public Safety and the Oklahoma Alcoholic Beverage Control Board whose benefits had vested in the Oklahoma Public Employees Retirement System prior to the establishment of the Oklahoma Law Enforcement Retirement System. Upon reemployment of said employee by an agency whose employees are now members of the Oklahoma Law Enforcement Retirement System, the Oklahoma Public Employees Retirement

System shall transfer to the Oklahoma Law Enforcement Retirement System all funds contributed by the individual member being reemployed and all funds contributed by the state for such member.

*Laws 2002, c. 399, § 6, eff. July 1, 2002.*

### **§ 2-308.1. Election to Defer Commencement of Retirement Benefits**

Any member retiring under the provisions of the System shall have the opportunity to elect to defer the commencement of retirement benefits by one-year periods by an election in writing submitted to the Board not later than thirty (30) days prior to the member's normal retirement date or the member's actual retirement date, whichever is later. Such elections may be made successively but may not be deferred later than age sixty-five (65). Retirement benefits payable to members electing to defer the commencement of payments shall be increased by five percent (5%) of the amount that would otherwise be paid for each year payments are deferred.

*Laws 1980, c. 357, § 15, eff. July 1, 1980.*

### **§ 2-308.2. Actuarial Investigations--Establishment of Tables and Rates-- Actuarial Valuation of Assets and Liabilities--Determination of Employer Contributions**

A. At least once each five (5) years the actuary shall make an actuarial investigation of the experience of the System, including the mortality, service and compensation experience of members and beneficiaries. Based on the results of such investigation the actuary shall recommend for adoption by the Board such tables and rates as are required for the operation of the System and for the preparation of annual actuarial valuations.

B. On the basis of such tables and rates as the Board shall adopt, the actuary shall prepare an annual actuarial valuation of the assets and liabilities of the System and certify the rates of contribution payable by the state under the provisions of law concerning the System.

C. Subject to the funds available to the System, the employer contributions to the System shall be determined on the basis of the most recent actuarial valuation, which amount shall be calculated as the sum of the normal cost for the fiscal year plus expected administrative expenses plus the payment required to amortize the unfunded accrued liability according to the amortization schedule recommended by the actuary and adopted by the Board.

*Laws 2014, c. 116, § 1, eff. July 1, 2014. Amended in 2022 by SB 1589, eff. November 1, 2022.*

### **§ 2-309. Proceedings on Claims--Appeal to District Court**

Claims for pensions, retirement pay, medical expenses, hospital expenses, and any other allowances or benefits provided for under the System shall be allowed and paid only upon application therefore signed and verified by the affidavit of the person claiming to be entitled thereto, filed with the Board. All such claims shall be presented at the first regular meeting of the Board, or a special meeting called for that purpose by the President and Secretary of the Board, and no claim shall be approved or allowed except by vote of a majority of the Board. The Board shall have full power and authority to determine all questions of eligibility for membership in the System, eligibility for retirement, eligibility to continue membership, injury, illness, disability, the extent of disability, the percentage of disability, ability or inability to perform the duties connected with any employment, age, length of service, credits for service, and, in connection with determining any such question, may secure and pay for the services of a minimum of two physicians or surgeons to make an examination of the member or applicant and report upon such matter. The proceedings of the Board shall be kept by the Secretary of the Board and reduced to writing in books kept for that purpose and shall include all claims filed, allowed or rejected and a copy of each resolution, action

or order of the Board. Any objection to the allowance or disallowance of any claim presented to the Board shall be presented to the Board within thirty (30) days after notification of such allowance or disallowance, and, the Board shall set a date for hearing thereon and shall cause written notice of such hearing to be mailed to the claimant and to the contestant, if the contestant be one other than a member of the Board, not less than ten (10) days prior to such hearing, at which hearing evidence bearing upon the propriety and correctness of the claim may be introduced. Any and all evidence introduced upon such a hearing shall be taken and transcribed by, or under the supervision of, the Secretary of the Board, and a copy thereof, together with a copy of the order or decision of the Board, shall be kept as a part of the official record of the Board. Any person aggrieved by any action of the Board may appeal to the district court of Oklahoma County, Oklahoma, by filing in the office of the court clerk of said county, within thirty (30) days after the signing and filing of the Board's written decision or order in the matter, a petition setting forth such order or decision and the grounds upon which such appeal is taken, together with a true and complete transcript of the proceedings before the Board, and causing summons to be issued and served, as in civil actions, upon the President of the Board. Said district court is hereby vested with final appellate jurisdiction in such matters, shall try the same wholly upon the transcript of the proceedings before the Board, and shall act solely as an appellate court in such proceedings.

*Laws 1996, c. 315, § 2, eff. July 1, 1996.*

#### **§ 2-309.1. Officers of State Bureau of Investigation and Bureau of Narcotics and Dangerous Drugs Control--Transfer to System**

Officers of the Oklahoma State Bureau of Investigation and the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control who become members of the System on July 1, 1980, shall cease accruing benefits in the Oklahoma Public Employees Retirement System as of that date and shall commence accruing benefits under this System. The Oklahoma Public Employees Retirement System shall transfer to the Oklahoma Law Enforcement System all funds contributed by the individual members being transferred and all funds contributed by the state for such members, no later than October 1980. Also, the Oklahoma Public Employees Retirement System shall give to the Oklahoma Law Enforcement System a certified statement of credited service accrued by such transferred members. Service accrued by officers of the Oklahoma State Bureau of Investigation and the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control under the Oklahoma Public Employees Retirement System shall be treated as credited service under the Oklahoma Law Enforcement Retirement System.

*Laws 1980, c. 357, § 18, eff. July 1, 1980.*

#### **§ 2-309.2. Employees of Communications Division and Waterways Patrol Division of Department of Public Safety--Transfer to System**

Employees of the Communications Division and Waterways Patrol Division of the Department of Public Safety who are members of the Oklahoma Public Employees Retirement System shall cease accruing benefits in the Oklahoma Public Employees Retirement System and shall commence accruing benefits under the Oklahoma Law Enforcement Retirement System on July 1, 1981. On January 1, 1982, the Oklahoma Public Employees Retirement System shall transfer to the Oklahoma Law Enforcement Retirement System the actual amount contributed to the Oklahoma Public Employees Retirement System by the state and by each Communications Division and Waterways Patrol Division employee transferring to the Oklahoma Law Enforcement Retirement System and the retirement records of those transferring employees. Service accrued by employees of the Communications Division and Waterways Patrol

Division of the Department of Public Safety under the Oklahoma Public Employees Retirement System shall be treated as credited service under the Oklahoma Law Enforcement Retirement System. Provided, however, that the cumulative total of credited service for such transferring employee shall not exceed the total time said employee could have accrued if his entire employment with the State of Oklahoma had been as an employee of the Department of Public Safety.

*Laws 1981, c. 227, § 6, operative July 1, 1981.*

### **§ 2-309.3. Law Enforcement Officers of the Alcoholic Beverage Laws Enforcement Commission--Transfer to System**

Law enforcement officers of the Oklahoma Alcoholic Beverage Control Board who are members of the Oklahoma Public Employees Retirement System shall cease accruing benefits in the Oklahoma Public Employees Retirement System and shall commence accruing benefits under the Oklahoma Law Enforcement Retirement System on July 1, 1982. On January 1, 1983, the Oklahoma Public Employees Retirement System shall transfer to the Oklahoma Law Enforcement Retirement System the actual amount contributed to the Oklahoma Public Employees Retirement System by the state and by each law enforcement officer of the Oklahoma Alcoholic Beverage Control Board transferring to the Oklahoma Law Enforcement Retirement System and the retirement records of those transferring employees. Service accrued by said law enforcement officers of the Oklahoma Alcoholic Beverage Control Board under the Oklahoma Public Employees Retirement System shall be treated as credited service under the Oklahoma Law Enforcement Retirement System. Provided however, that the cumulative total of credited service for such transferring employee shall not exceed the total time said employee could have accrued if his entire employment with the State of Oklahoma had been as an employee of the Oklahoma Alcoholic Beverage Control Board.

*Added by Laws 1982, c. 328, § 7, operative July 1, 1982.*

### **§ 2-309.4. Park Rangers--Transfer to System**

Park rangers of the Oklahoma Tourism and Recreation Department who are certified peace officers pursuant to the provisions of Section 3311 of Title 70 of the Oklahoma Statutes and who are members of the Oklahoma Public Employees Retirement System shall cease accruing benefits in the Oklahoma Public Employees Retirement System and shall commence accruing benefits under the Oklahoma Law Enforcement Retirement System on July 1, 1985. On January 1, 1986, the Oklahoma Public Employees Retirement System shall transfer to the Oklahoma Law Enforcement Retirement System the actual amount contributed to the Oklahoma Public Employees Retirement System by the state and by each park ranger of the Oklahoma Tourism and Recreation Department transferring to the Oklahoma Law Enforcement Retirement System and the retirement records of those transferring employees. Service accrued by said park rangers of the Oklahoma Tourism and Recreation Department under the Oklahoma Public Employees Retirement System shall be treated as credited service under the Oklahoma Law Enforcement Retirement System. Provided however, that the cumulative total of credited service for each such transferring employee shall not exceed the total time said employee could have accrued if his entire employment with the State of Oklahoma had been as an employee of the Oklahoma Tourism and Recreation Department.

*Added by Laws 1985, c. 296, § 7, emerg. eff. July 24, 1985.*

### **§ 2-309.5. Pharmacy Board Inspectors--Transfer to System**

Inspectors of the Oklahoma State Board of Pharmacy who are certified peace officers pursuant to the provisions of Section 3311 of Title 70 of the Oklahoma Statutes and who are members of the Oklahoma Public Employees Retirement System shall cease accruing benefits in the Oklahoma Public Employees Retirement System and shall commence accruing benefits under the Oklahoma Law Enforcement Retirement System on July 1, 1986. On January 1, 1987, the Oklahoma Public Employees Retirement System shall transfer to the Oklahoma Law Enforcement Retirement System the actual amount contributed to the Oklahoma Public Employees Retirement System by the state and by each inspector of the Oklahoma State Board of Pharmacy transferring to the Oklahoma Law Enforcement Retirement System and the retirement records of those transferring employees. Service accrued by said inspectors of the Oklahoma State Board of Pharmacy under the Oklahoma Public Employees Retirement System shall be treated as credited service under the Oklahoma Law Enforcement Retirement System. Provided however, that the cumulative total of credited service for each such transferring employee shall not exceed the total time said employee could have accrued if his entire employment with the State of Oklahoma had been as an employee of the Oklahoma State Board of Pharmacy.

*Added by Laws 1986, c. 253, § 6, operative July 1, 1986.*

### **§ 2-309.6. Capitol Patrol Members and Park Managers and Supervisors-- Transfer to Oklahoma Law Enforcement Retirement System from Oklahoma Public Employees Retirement System**

- A. For purposes of this section, "capitol patrol members" means law enforcement officers of the State Capitol Division of the Department of Public Safety employed on July 1, 1993, who, pursuant to the provisions of this act, transfer membership from the Oklahoma Public Employees Retirement System to the Oklahoma Law Enforcement Retirement System.
- B. Capitol patrol members are hereby transferred from the Oklahoma Public Employees Retirement System to the Oklahoma Law Enforcement Retirement System subject to the following:
  - 1. Effective July 1, 1993, capitol patrol members who are members of the Oklahoma Public Employees Retirement System shall cease accruing benefits in the Oklahoma Public Employees Retirement System and shall commence accruing benefits in the Oklahoma Law Enforcement Retirement System;
  - 2. Before January 1, 1994, the Oklahoma Public Employees Retirement System shall transfer to the Oklahoma Law Enforcement Retirement System the actual amount contributed to the Oklahoma Public Employees Retirement System from time to time by the capitol patrol members while members of the Oklahoma Public Employees Retirement System and the contributions by the participating employer or employers on behalf of each capitol patrol member to the Oklahoma Law Enforcement Retirement System along with the retirement records of said transferring capitol patrol members;
  - 3. Service credit accrued by a capitol patrol member while a member of the Oklahoma Public Employees Retirement System shall be treated as credited service for such transferring capitol patrol member in the Oklahoma Law Enforcement Retirement System if the capitol patrol member is not receiving or eligible to receive service credit or benefits from said service in any other public

retirement system and the member has not received service credit for the same years of service pursuant to Sections 2-307.1, 2-307.3 and 2-307.4 of Title 47 of the Oklahoma Statutes. Provided, however, that the total of credited service for each transferring employee shall not exceed the credited service said employee could have accrued if his or her entire employment with an agency of the State of Oklahoma had been as an employee of the Department of Public Safety. Provided further, that only transferred credited service related to actual law enforcement service with the State Capitol Patrol Division of the Department of Public Safety will be included in the determination of a capitol patrol member's normal retirement date or vesting date; and

4. All service credit with the Oklahoma Public Employees Retirement System which is ineligible for transfer to the Law Enforcement Retirement System shall be canceled.

C. 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 Oklahoma Law Enforcement Retirement System is hereby transferred from the Oklahoma Public Employees Retirement System to the Oklahoma Law Enforcement Retirement System subject to the following:

1. Effective July 1, 1996, park managers and park supervisors who are members of the Oklahoma Public Employees Retirement System and who elect on or before September 1, 1996, to participate in the Oklahoma Law Enforcement Retirement System shall cease accruing benefits in the Oklahoma Public Employees Retirement System and shall commence accruing benefits in the Oklahoma Law Enforcement Retirement System;
2. Before January 1, 1997, the Oklahoma Public Employees Retirement System shall transfer to the Oklahoma Law Enforcement Retirement System the actual amount contributed to the Oklahoma Public Employees Retirement System by the park manager or park supervisor while he or she was a member of the Oklahoma Public Employees Retirement System and the contributions by the participating employer or employers on behalf of each park manager or park supervisor who elects to become a member of the Oklahoma Law Enforcement Retirement System along with the retirement records of said transferring park manager or park supervisor;
3. To receive service credit accrued by such park manager or park supervisor prior to July 1, 1996, or prior to the date as of which the person making the election ceases to be a member of the Oklahoma Public Employees Retirement System, whichever date occurs last, the member shall pay the difference between the amount transferred by the Oklahoma Public Employees Retirement System to the Oklahoma Law Enforcement Retirement System in paragraph 2 of this subsection and the amount determined by the Board of Trustees pursuant to Section 2-307.5 of this title. The park manager or park supervisor shall elect to either pay any difference to receive full credit for the years sought to be transferred or receive prorated service credit for only the amount received from the Oklahoma Public Employees Retirement System pursuant to this subsection. Such an election shall be made in writing, filed with the System prior to receiving the credit provided for in paragraph 10 of Section 2-300 of this title, and shall be irrevocable. Payments made by park managers or park supervisors pursuant to this paragraph shall be made on or before January 1, 1997;
4. Service credit accrued by a park manager or park supervisor while a member of the Oklahoma Public Employees Retirement System shall be treated as credited service for such transferring park



managers or park supervisors in the Oklahoma Law Enforcement Retirement System if the park manager or park supervisor is not receiving or eligible to receive service credit or benefits from said service in any other public retirement system and the member has not received service credit for the same years of service pursuant to Sections 2-307.1, 2-307.3 and 2-307.4 of this title. Provided, however, that the total of credited service for each transferring employee shall not exceed the credited service the employee could have accrued if his or her entire employment with an agency of the State of Oklahoma had been as an employee of the Oklahoma Tourism and Recreation Department. Provided further, that only transferred credited service related to park ranger, park manager or park supervisor service with the Oklahoma Tourism and Recreation Department will be included in the determination of a park manager or park supervisor's normal retirement date or vesting date; and

5. All service credit with the Oklahoma Public Employees Retirement System which is ineligible for transfer to the Oklahoma Law Enforcement Retirement System shall be canceled.

*Amended by Laws 1996, c. 60, § 2, eff. July 1, 1996.*

#### **§ 2-309.7. Repealed by Laws 2007, c. 62, § 34, emrg. eff. April 30, 2007**

#### **§ 2-309.8. Service Credit**

- A. Any state employee who is employed in a commissioned officer position of the Oklahoma Highway Patrol Division, the Oklahoma State Bureau of Investigation, the Oklahoma Bureau of Narcotics and Dangerous Drugs Control, the Alcoholic Beverage Laws Enforcement Commission, a Parks Ranger of the Tourism and Recreation Department, and a Pharmacy Inspector of the Pharmacy Board shall be eligible for service credit for employment prior to July 1, 1993, if the employee was in a commissioned officer position in the former Oklahoma Capitol Patrol Division, the former Mansion Security, and the former Training Center Security of the Department of Public Safety and the employee was a full-time, active employee eligible for all state employee benefits.
- B. An eligible member of the System shall receive credit for all prior service as provided in subsection A of this section, provided the member is not receiving or eligible to receive retirement credit or benefits for such service in any other public retirement system. Service credit received pursuant to this section shall be used in determining the years of service for retirement and vesting purposes.
- C. To receive credit for such service, an eligible member, as provided in this section, who became a member of the System prior to July 1, 1993, shall make application to the Board in writing for such service prior to July 1, 2002.

*Laws 2008, c. 177, § 13, eff. July 1, 2008.*

#### **§ 2-310. Repealed by Laws 2004, c. 542, § 8, eff. July 1, 2004**

### **§ 2-310.1. Injury in the Line of Duty--Injury Review Board--Paid Leave-- Rules and Regulations**

- A. Whenever any member currently working in a position identified by paragraph 6 of Section 2-300 of this title or Section 2-314 of this title and enrolled in the Oklahoma Law Enforcement Retirement System is injured in the line of duty, an Injury Review Board consisting of one member to be appointed by the member's employer, one member to be appointed by the Director of the Office of Management and Enterprise Services and one member to be appointed by the Governor shall convene to determine if the injured member was actually injured in the line of duty and whether the injured member should be granted leave because of the injury. The Injury Review Board may, in its discretion, grant the injured member leave when necessary, not to exceed one hundred sixty-five (165) working days for the illness or injury.
- B. For the purpose of this section, "illness or injury" shall include any serious illness or serious injury caused by or contracted during the performance of the member's duty. Every state agency which employs persons eligible for membership in the Oklahoma Law Enforcement Retirement System shall participate in the joint promulgation of a rule which shall set out mutually agreeable guidelines for the categorization of an illness or injury as serious. Upon promulgation of the rule, each of the state agencies shall individually adopt the rule. The wording of the rule, as adopted and as amended by the agencies from time to time, shall remain in conformity for each of the state agencies.
- C. The three-member Injury Review Board shall be convened following a written request submitted by the injured member to the injured member's employer. The employer shall forward the request to the Director of the Office of Management and Enterprise Services. The employer may submit the request on behalf of an injured member. The Director's appointee shall then convene and chair the Injury Review Board. The Injury Review Board may request the injured member to submit to an examination by a physician selected by the Board at the employer's expense to assist the Board in making a decision. A decision to grant or deny such paid leave shall be determined by concurrence in writing of not less than two Injury Review Board members. If granted, said leave shall be paid by the employing agency.
- D. While such leave is being paid, the employee shall continue to accrue leave and service credit at the same rate as before the illness or injury. The employee's portion of health, dental, life and disability insurance premiums and the employee's contribution to the Oklahoma Law Enforcement Retirement System shall be deducted by the employing agency from the paid leave and remitted to the appropriate agencies, in the same manner as before the illness or injury.

*Laws 2012, c. 304, § 173.*

### **§2-310.2. Law Enforcement Retirement System Members-Inability to Perform Duties-Administrative Leave With Pay-Transfer of Temporary Disability Benefits**

Whenever any member of the Oklahoma Law Enforcement Retirement System currently working in a position identified by paragraph 6 of Section 2-300 of Title 47 of the Oklahoma Statutes who is enrolled in the Oklahoma Law Enforcement Retirement System is unable to perform the member's duties because of sickness or temporary disability caused or sustained while in the discharge of the member's duty as such member, notwithstanding the provisions of Section 840-2.21 of Title 74 of the Oklahoma

Statutes or the provisions of Sections 11 and 12 of Title 85 of the Oklahoma Statutes, the member may be placed on administrative leave with pay by the employing agency for a period of ninety (90) days with the employing agency having the option of extending the leave period for up to an additional ninety (90) days, not to exceed a total of one hundred eighty (180) days. The member's salary and benefits shall continue to be paid by the employing agency without any decrease or disruption of said salary and benefits. If the recovery period is longer than one hundred eighty (180) days, the member shall use sick leave, annual leave or other authorized leave. Should a member receiving a salary under this section be eligible to receive and should the salary of the member under this section exceed any temporary disability benefit paid to the member under Section 1 et seq. of Title 85 of the Oklahoma Statutes, the member shall transfer such temporary disability benefits under Section 1 et seq. of Title 85 of the Oklahoma Statutes to the employing agency while the member is sick or temporarily disabled.

*Renumbered from § 840-2.21A of Title 74 by Laws 2007, c. 62, § 29, emerg. eff. April 30, 2007. Amended by SB 745 eff. November 1, 2021.*

**§ 2-311. Repealed by Laws 1988, c. 321, § 45, operative July 1, 1988**

**§ 2-312. Fraud—Penalties**

- A. No person shall knowingly make any false statement or shall falsify or permit to be falsified any record or records of the System, in any attempt to defraud such System
- B. Should any such change in records fraudulently made, or any mistake in records inadvertently made, result in any member or beneficiary of said System receiving or paying more or less than he would have been entitled to had the records been correct, then, on the discovery of such error, the Board shall correct such error and shall adjust payments which he should have paid or received.
- C. Any person violating any provisions of subsection (a) of this section shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not exceeding Five Hundred Dollars (\$500.00) or by imprisonment in the county jail for not more than six months, or by both such fine and imprisonment.

*Laws 1980, c. 357, § 21, eff. July 1, 1980.*

**§ 2-313. Renumbered as Title 47, § 2-150 by Laws 2000, c. 378, § 5, eff. Jan. 1, 2001**

**§2-314. University of Oklahoma and/or Oklahoma State University Police Officers—  
Transfer to the System**

- A. The Board of Regents of the University of Oklahoma and/or the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges may make an irrevocable written election for the University of Oklahoma and/or Oklahoma State University to become participating employers in the Oklahoma Law Enforcement Retirement System for police officers who are CLEET certified and employed by the University of Oklahoma and/or Oklahoma State University. The Board of Regents of the University of Oklahoma and/or the Board of Regents for the Oklahoma Agricultural and Mechanical

Colleges shall send written notice of the election to the Oklahoma Law Enforcement Retirement System.

- B. Beginning the following month after the System receives the written notice, the University of Oklahoma and/or Oklahoma State University and all active police officers who are CLEET certified and hired on or after the date of the election shall participate in and make contributions to the System as other participating employers and members of the System.
- C. Upon election by the Board, pursuant to subsection A of this section, active CLEET certified police employed prior to the date of the election and who were participating in the Teachers' Retirement System of Oklahoma, may, within three (3) months of the date of the election, make an irrevocable written election to participate in the Oklahoma Law Enforcement Retirement System and file the written election with the Teachers' Retirement System of Oklahoma and the Oklahoma Law Enforcement Retirement System. Such police officers who make the election to transfer shall be transferred to the Oklahoma Law Enforcement Retirement System subject to the following:
  - 1. Upon the date of election of the police officer, the police officer shall cease accruing benefits in the Teachers' Retirement System of Oklahoma and shall commence accruing benefits in the Oklahoma Law Enforcement Retirement System;
  - 2. Prior to the beginning of the month following receipt of the police officers' election by Teachers' Retirement System of Oklahoma, the Teachers' Retirement System of Oklahoma shall transfer to the Oklahoma Law Enforcement Retirement System all employee contributions and employer contributions plus accrued interest. The Teachers' Retirement System of Oklahoma shall also send to the Oklahoma Law Enforcement Retirement System the retirement records of the transferring police officer;
  - 3. To receive service credit accrued by such police officer prior to the election, or prior to the date as of which the person making the election ceases to be a member of the Teachers' Retirement System of Oklahoma, whichever date occurs last, the member shall pay the difference between the amount transferred by the Teachers' Retirement System of Oklahoma to the Oklahoma Law Enforcement Retirement System in paragraph 2 of this subsection and the amount determined by the Board of Trustees pursuant to Section 2-307.5 of Title 47 of the Oklahoma Statutes. The police officer shall elect to either pay any difference to receive full credit for the years sought to be transferred or receive prorated service credit for only the amount received from the Teachers' Retirement System of Oklahoma pursuant to this subsection. Payments made by electing police officers pursuant to this paragraph shall be made pursuant to subsection B of Section 2-307.5 of Title 47 of the Oklahoma Statutes;
  - 4. Service credit accrued by a police officer while a member of the Teachers' Retirement System of Oklahoma shall be treated as credited service for such transferring police officer in the Teachers' Retirement System of Oklahoma if the police officer is not receiving or eligible to receive service credit or benefits from said service in any other public retirement system and the member has not received service credit for the same years of service pursuant to Sections 2-307.1, 2-307.3 and 2-307.4 of Title 47 of the Oklahoma Statutes. Provided further, that only transferred credited service

related to police service with the University of Oklahoma or Oklahoma State University shall be included in the determination of a police officer's normal retirement date or vesting date; and

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

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

*Added by Laws 2001, c. 193, § 1, eff. July 1, 2001.*

## **§2-315 - Lake Patrolmen or Dispatchers - Election of Participation in Oklahoma Law Enforcement Retirement System**

- A. Members of the Oklahoma Public Employees Retirement System who are active Lake Patrolmen or Dispatchers of the Grand River Dam Authority on June 30, 2003, may make an irrevocable written election on or before January 1, 2004, to participate in the Oklahoma Law Enforcement Retirement System. Such patrolmen and dispatchers who make the election as provided by this section shall be subject to the following:

1. Upon the date the patrolman or dispatcher makes the election pursuant to this section, he or she shall cease accruing benefits in the Oklahoma Public Employees Retirement System and shall commence accruing benefits in the Oklahoma Law Enforcement Retirement System;
2. Prior to the beginning of the month following receipt of the patrolman's or dispatcher's election by the Oklahoma Public Employees Retirement System, the Oklahoma Public Employees Retirement System shall transfer to the Oklahoma Law Enforcement Retirement System all employee contributions and employer contributions including any amounts received by the Oklahoma Public Employees Retirement System on behalf of a transferring member related to a purchase or transfer of credited service to the Oklahoma Public Employees Retirement System. The Oklahoma Public Employees Retirement System shall also send to the Oklahoma Law Enforcement Retirement System the retirement records of the transferring member;
3. To receive service credit accrued by such transferring member prior to the election, or prior to the date as of which the person making the election ceases to be a member of the Oklahoma Public Employees Retirement System, whichever date occurs last, the member shall make an irrevocable written election. The election shall be to either pay the difference between the amount transferred by the Oklahoma Public Employees Retirement System to the Oklahoma Law Enforcement Retirement System in paragraph 2 of this subsection and the amount determined by the Board of Trustees pursuant to Section 2-307.5 of Title 47 of the Oklahoma Statutes to receive full eligible credit for the years sought to be transferred or receive eligible prorated service credit for only the

amount received from the Oklahoma Public Employees Retirement System pursuant to this subsection. Payments made by such transferring members pursuant to this paragraph shall be made pursuant to subsection B of Section 2-307.5 of Title 47 of the Oklahoma Statutes;

4. Service credit shall only be transferable pursuant to this section if the transferring member is not receiving or eligible to receive service credit or benefits from said service in any other public retirement system and has not received service credit for the same years of service pursuant to Sections 2-307.1, 2-307.3 and 2-307.4 of Title 47 of the Oklahoma Statutes. Provided further, that only transferred credited service related to Lake Patrol service as a patrolman or dispatcher with the Grand River Dam Authority and any other law enforcement related service, including service with the Department of Corrections as a correctional officer or probation and parole officer or any credited service that was purchased or transferred to Oklahoma Public Employees Retirement System from the Oklahoma Law Enforcement Retirement System or the Oklahoma Police Pension and Retirement System, shall be included in the determination of an officer's normal retirement date or vesting date in the Oklahoma Law Enforcement Retirement System; and
5. All service credit with the Oklahoma Public Employees Retirement System which is ineligible for transfer to the Oklahoma Law Enforcement Retirement System shall be canceled.

- B. The Grand River Dam Authority shall be a participating employer in the Oklahoma Law Enforcement Retirement System for all Grand River Dam Lake Patrolmen and Dispatchers who participate in the Oklahoma Law Enforcement Retirement System pursuant to the provision of this section.

*Added by Laws 2003, c. 459, § 8. Amended by Laws 2016, c. 297, § 23, eff. July 1, 2016.*

## OTHER OKLAHOMA STATUTES THAT PERTAIN TO OLERS

(Relevant parts in **bold**)

### TITLE 11 – CITIES AND TOWNS

#### **§11-50-101(6). Definitions (Oklahoma Police Pension & Retirement System Statute)**

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;**

#### **§11-50-111.5. Written election - Employer and employee contributions and accrued earnings - Service.**

A. Any individual who was a member with a vested benefit with the Oklahoma Police Pension and Retirement System on or after July 1, 1987, and who becomes appointed to a position in the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of Investigation, or the Alcoholic Beverage Laws Enforcement Commission may, at the time the individual accepts such position, elect in writing to remain a member of the Oklahoma Police Pension and Retirement System as long as the individual has not begun receiving benefits from the Oklahoma Police Pension and Retirement System or the Oklahoma Law Enforcement Retirement System and shall not become a member of the Oklahoma Law Enforcement Retirement System. The agency shall send a copy of the written election to the Oklahoma Police Pension and Retirement System and the Oklahoma Law Enforcement Retirement System within five (5) business days from its signing. If such eligible individual does not elect to remain in the Oklahoma Police Pension and Retirement System pursuant to this subsection, then the individual may elect to transfer at a later date pursuant to subsection B of this section.

B. Any individual who was a member with a vested benefit with the Oklahoma Police Pension and Retirement System on or after July 1, 1987, and who subsequently entered the Oklahoma Law Enforcement Retirement System because he or she was appointed to a position in the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of Investigation, or the Alcoholic Beverage Laws Enforcement Commission or, effective July 1, 2013, through July 31, 2013, an individual who made an election under subsection A that had been accepted by the Oklahoma Police Pension and Retirement System who did not have a vested benefit may, at any time the member is an active employee of such agency and has not begun receiving benefits from the Oklahoma Police Pension and Retirement System or the Oklahoma Law Enforcement Retirement System, elect in writing to reenter the Oklahoma Police Pension and Retirement System. Such written election shall be provided to the Oklahoma Police Pension and

**Retirement System. For purposes of this section, constructive receipt of the written election shall be the first day of the month following actual receipt.**

**1. A person who elects to transfer pursuant to this subsection shall have all of his or her employer and employee contributions made to the Oklahoma Law Enforcement Retirement System transferred to the Oklahoma Police Pension and Retirement System along with accrued earnings based upon the actuarial rate of return of the Oklahoma Law Enforcement Retirement System. Upon receiving the transfer of the employer and employee contributions and earnings, and notwithstanding the provisions of Section 50-111.4 of this title, the Oklahoma Police Pension and Retirement System shall treat the service that the member accrued in the Oklahoma Law Enforcement Retirement System as service in the Oklahoma Police Pension and Retirement System; and**

**2. Upon actual receipt of the written election pursuant to this subsection, the Oklahoma Police Pension and Retirement System shall notify the Oklahoma Law Enforcement Retirement System of the transfer election and shall send to the Oklahoma Law Enforcement Retirement System a copy of the election within five (5) business days. The Oklahoma Law Enforcement Retirement System shall transfer the employer and employee contributions and earnings of the transferring member to the Oklahoma Police Pension and Retirement System on or before the first day of the month following constructive receipt of the election. The transferring member shall then reenter the Oklahoma Police Pension and Retirement System beginning on the first day of the month following the month in which constructive receipt of the written election was made to the Oklahoma Police Pension and Retirement System. Any member who transfers to the Oklahoma Police Pension and Retirement System pursuant to this subsection shall have all service credit in the Oklahoma Law Enforcement Retirement System canceled.**

**C. Notwithstanding the provisions of Section 2-300 et seq. of Title 47 of the Oklahoma Statutes, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of Investigation, and the Alcoholic Beverage Laws Enforcement Commission shall make employer contributions to the Oklahoma Police Pension and Retirement System in the same manner as participating municipalities of the Oklahoma Police Pension and Retirement System for all members who either elect to remain in or elect to transfer to the Oklahoma Police Pension and Retirement System pursuant to this section. The electing member shall make employee contributions to the Oklahoma Police Pension and Retirement System as other participating members of the Oklahoma Police Pension and Retirement System.**

Added by Laws 2000, c. 307, § 2, eff. July 1, 2000. Amended by Laws 2001, c. 199, § 2, eff. July 1, 2001; Laws 2013, c. 241, § 1, emerg. eff. May 13, 2013.



## TITLE 36 - INSURANCE

### **§36-312.1. Report, disbursement and appropriation of fees and taxes - Record and statement - Annual reports**

**A.** For the fiscal year ending June 30, 2004, the Insurance Commissioner shall report and disburse one hundred percent (100%) of the fees and taxes collected under Section 624 of this title to the State Treasurer to be deposited to the credit of the Education Reform Revolving Fund of the State Department of Education. The Insurance Commissioner shall keep an accurate record of all such funds and make an itemized statement and furnish same to the State Auditor and Inspector, as to all other departments of this state. The report shall be accompanied by an affidavit of the Insurance Commissioner or the Chief Clerk of such office certifying to the correctness thereof.

**B.** The Insurance Commissioner shall apportion an amount of the taxes and fees received from Section 624 of this title, which shall be at least One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) each year, but which shall also be computed on an annual basis by the Commissioner as the amount of insurance premium tax revenue loss attributable to the provisions of subsection H of Section 625.1 of this title and increased if necessary to reflect the annual computation, and which shall be apportioned before any other amounts, as follows:

1. The following amounts shall be paid to the Oklahoma Firefighters Pension and Retirement Fund in the manner provided for in Sections 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma Statutes:

Fiscal Year	Amount
FY 2006 through FY 2020	65.0%
FY 2021 as follows:	
a. for the month beginning July 1, 2020, through the month ending August 31, 2020	65.0%
b. for the month beginning September 1, 2020, through the month ending June 30, 2021	45.5%
FY 2022 and each fiscal year thereafter	65.0%;

2. The following amounts shall be paid to the Oklahoma Police Pension and Retirement System pursuant to the provisions of Sections 50-101 through 50-136 of Title 11 of the Oklahoma Statutes:

Fiscal Year	Amount
FY 2006 through FY 2020	65.0%
FY 2021 as follows:	
a. for the month beginning July 1, 2020, through the month ending August 31, 2020	26.0%
b. for the month beginning September 1, 2020, through the month ending June 30, 2021	26.0%
FY 2022 and each fiscal year thereafter	26.0%;

3. The following amounts shall be paid to the Law Enforcement Retirement Fund:

<b>Fiscal Year</b>	<b>Amount</b>
<b>FY 2006 through FY 2020</b>	<b>9.0%</b>

**FY 2021 as follows:**

- |    |                                                                                         |      |
|----|-----------------------------------------------------------------------------------------|------|
| a. | for the month beginning July 1, 2020,<br>through the month ending<br>August 31, 2020    | 9.0% |
| b. | for the month beginning September 1, 2020,<br>through the month ending<br>June 30, 2021 | 6.3% |

<b>FY 2022 and each fiscal year thereafter</b>	<b>9.0%; and</b>
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4. The following amounts shall be paid to the Education Reform Revolving Fund of the State Department of Education:

<b>Fiscal Year</b>	<b>Amount</b>
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**FY 2021 as follows:**

- |                                                                                         |        |
|-----------------------------------------------------------------------------------------|--------|
| for the month beginning September 1, 2020, through the<br>month ending June 30,<br>2021 | 30.0%. |
|-----------------------------------------------------------------------------------------|--------|

**C. After the apportionment required by subsection B of this section, for the fiscal years beginning July 1, 2004, and ending June 30, 2009, the Insurance Commissioner shall report and disburse all of the fees and taxes collected under Section 624 of this title and Section 2204 of this title, and the same are hereby apportioned as follows:**

1. Thirty-four percent (34%) of the taxes collected on premiums shall be allocated and disbursed for the Oklahoma Firefighters Pension and Retirement Fund, in the manner provided for in Sections 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma Statutes;

2. Seventeen percent (17%) of the taxes collected on premiums shall be allocated and disbursed to the Oklahoma Police Pension and Retirement System pursuant to the provisions of Sections 50-101 through 50-136 of Title 11 of the Oklahoma Statutes;

3. **Six and one-tenth percent (6.1%) of the taxes collected on premiums shall be allocated and disbursed to the Law Enforcement Retirement Fund; and**

4. All the balance and remainder of the taxes and fees provided in Section 624 of this title shall be paid to the State Treasurer to the credit of the General Revenue Fund of the state to provide revenue for general functions of state government. The Insurance Commissioner shall keep an accurate record of all such funds and make an itemized statement and furnish same to the State Auditor and Inspector, as to all other departments of this state. The report shall be accompanied by an affidavit of the Insurance Commissioner or the Chief Clerk of such office certifying to the correctness thereof.

**D. After the apportionment required by subsection B of this section, the Insurance Commissioner shall report and disburse all of the fees and taxes collected under Section 624 of this title and Section 2204 of this title, and the same are hereby apportioned as follows:**

1. Of the taxes collected on premiums the following shall be allocated and disbursed for the Oklahoma Firefighters Pension and Retirement Fund, in the manner provided for in Sections 49-119, 49-120 and 49-123 of Title 11 of the Oklahoma Statutes:

<b>Fiscal Year</b>	<b>Amount</b>
<b>FY 2006 through FY 2020</b>	<b>36.0%</b>

**FY 2021 as follows:**

- a. for the month beginning July 1, 2020, through the month ending

	August 31, 2020	36.0%
b.	for the month beginning September 1, 2020, through the month ending June 30, 2021	25.2%
	FY 2022	36.0%
	FY 2023 through FY 2027	37.8%
	FY 2028 and each fiscal year thereafter	36.0%;
2.	Of the taxes collected on premiums the following shall be allocated and disbursed to the Oklahoma Police Pension and Retirement System pursuant to the provisions of Sections 50-101 through 50-136 of Title 11 of the Oklahoma Statutes:	
	Fiscal Year	Amount
	FY 2006 through FY 2020	14.0%
	FY 2021 as follows:	
a.	for the month beginning July 1, 2020, through the month ending August 31, 2020	14.0%
b.	for the month beginning September 1, 2020, through the month ending June 30, 2021	9.8%
	FY 2022	14.0%
	FY 2023 through FY 2027	14.7%
	FY 2028 and each fiscal year thereafter	14.0%;
3.	<b>Of the taxes collected on premiums the following shall be allocated and disbursed to the Law Enforcement Retirement Fund:</b>	
	Fiscal Year	Amount
	FY 2006 through FY 2020	5.0%
	FY 2021 as follows:	
a.	for the month beginning July 1, 2020, through the month ending August 31, 2020	5.0%
b.	for the month beginning September 1, 2020, through the month ending June 30, 2021	3.5%
	FY 2022	5.0%
	FY 2023 through FY 2027	5.25%
	FY 2028 and each fiscal year thereafter	5.0%;
4.	The following amounts shall be paid to the Education Reform Revolving Fund of the State Department of Education:	
	Fiscal Year	Amount
	FY 2021 as follows:	
	for the month beginning September 1, 2020, through the month ending June 30, 2021	16.5%
5.	<b>In addition to the allocations made pursuant to paragraphs 1, 2 and 3 of this subsection, of the taxes collected on premiums the following amounts shall be</b>	

**allocated and disbursed annually for FY 2023 through FY 2027:**

- a. Forty Thousand Six Hundred Twenty-five Dollars (\$40,625.00) to the Oklahoma Firefighters Pension and Retirement Fund,
- b. Sixteen Thousand Two Hundred Fifty Dollars (\$16,250.00) to the Oklahoma Police Pension and Retirement System, and
- c. **Five Thousand Six Hundred Twenty-five Dollars (\$5,625.00) to the Oklahoma Law Enforcement Retirement Fund;** and

6. All the balance and remainder of the taxes and fees provided in Section 624 of this title shall be paid to the State Treasurer to the credit of the General Revenue Fund of the state to provide revenue for general functions of state government. The Insurance Commissioner shall keep an accurate record of all such funds and make an itemized statement and furnish same to the State Auditor and Inspector, as to all other departments of this state. The report shall be accompanied by an affidavit of the Insurance Commissioner or the Chief Clerk of such office certifying to the correctness thereof.

E. The disbursements provided for in subsections A, B, C and D of this section shall be made monthly. The Insurance Commissioner shall report annually to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate and the State Auditor and Inspector, the amounts collected and disbursed pursuant to this section.

F. **Notwithstanding any other provision of law to the contrary, no tax credit authorized by law enacted on or after July 1, 2008, which may be used to reduce any insurance premium tax liability shall be used to reduce the amount of insurance premium tax revenue apportioned to the Oklahoma Firefighters Pension and Retirement System, the Oklahoma Police Pension and Retirement System, the Oklahoma Law Enforcement Retirement System or the Education Reform Revolving Fund.**

*Laws 2020, c. 16, § 1, eff. Sept. 1, 2020. Amended by HB 2893, eff. July 1, 2021,*

### **§36-6470.19. Captive insurance tax rates – Definitions.**

A. Each captive insurance company, other than a sponsored captive insurance company, and each protected cell of a sponsored captive insurance company, shall pay to the Insurance Department, by March 1 of each year, a tax at the rate of two-tenths of one percent (0.2%) on the direct premiums collected or contracted for on policies or contracts of insurance written by the captive insurance company during the year ending December 31 next preceding, after deducting from the direct premiums subject to the tax the amounts paid to policyholders as return premiums which shall include dividends on unabsorbed premiums or premium deposits returned or credited to policyholders up to a maximum tax for such year of One Hundred Thousand Dollars (\$100,000.00); provided however, that no tax shall be due or payable as to consideration received for annuity contracts.

B. A captive insurance company, other than a sponsored captive insurance company, and each protected cell of a sponsored captive insurance company, shall pay to the Department, by March 1 of each year, a tax at the rate of one-tenth of one percent (0.1%) of assumed reinsurance premium. However, no reinsurance tax applies to premiums for risks or portions of risks which are subject to taxation on a direct basis pursuant to subsection A of this section. A premium tax is not payable in connection with the receipt of assets in exchange for the assumption of loss reserves and other liabilities of another insurer under common ownership and control if the transaction is part of a plan to discontinue the operations of the other insurer and if the intent of the parties to the transaction is to renew or maintain business with the captive insurance company.

C. A sponsored captive insurance company shall pay to the Department, by March 1 of each year, a tax on direct and assumed premiums equal, in the aggregate, to the minimum tax provided in subsection D of this section.

D. If the aggregate taxes to be paid by a captive insurance company or a protected cell of a sponsored captive insurance company calculated under subsections A and B of this section amount to less than Five Thousand Dollars (\$5,000.00) in any year, the captive insurance company or protected cell shall pay a minimum tax of Five Thousand Dollars (\$5,000.00) for that year. However, in the calendar year in which a captive insurance company is first licensed, or the protected cell is approved by the Commissioner, the minimum tax will be prorated on a quarterly basis. For those licensed in the first quarter, the prorated minimum tax is Five Thousand Dollars (\$5,000.00). For those licensed in the second quarter, the prorated minimum tax is Three Thousand Seven Hundred Fifty Dollars (\$3,750.00). For those licensed in the third quarter, the prorated minimum tax is Two Thousand Five Hundred Dollars (\$2,500.00). For those licensed in the fourth quarter, the prorated minimum tax is One Thousand Two Hundred Fifty Dollars (\$1,250.00). In the calendar year in which a captive insurance company is first licensed or the protected cell is first approved by the Commissioner, if the aggregate taxes to be paid calculated under subsections A and B of this section amount to less than the minimum tax prorated on a quarterly basis, the captive or protected cell shall pay the prorated minimum tax for that calendar year.

E. Subject to subsections F, G and H of this section, if the aggregate taxes on direct and assumed premiums to be paid by a captive insurance company or a protected cell of a sponsored captive insurance company calculated under subsections A and B of this section amount to more than One Hundred Thousand Dollars (\$100,000.00) in any year, the captive insurance company shall pay a maximum tax of One Hundred Thousand Dollars (\$100,000.00) for that year.

F. Two or more captive insurance companies under common ownership and control must be taxed as though they were a single captive insurance company. Two or more protected cells of a sponsored captive insurance company that are related by common ownership and control must be taxed as though they were a single protected cell.

G. As used in this section, "common ownership and control" means the direct or indirect ownership of eighty percent (80%) or more of the outstanding voting stock or other voting interests of two or more captive insurance companies or protected cells of a sponsored captive insurance company by the same person or persons.

H. A captive insurance company that has employed twenty-five or more separate qualified individuals throughout a given tax year and that otherwise would be liable under this section for tax for such year in an amount exceeding Fifty Thousand Dollars (\$50,000.00) shall pay to the Insurance Commissioner under this section a tax for such year in the amount of Fifty Thousand Dollars (\$50,000.00). For purposes of this subsection, "qualified individual" means a natural person employed in this state on a regular basis of thirty-five (35) or more hours per week either by such captive insurance company, or by a wholly-owned subsidiary of such captive insurance company that provides captive insurance company management, operating, investment or related services exclusively to such captive insurance company.

I. The tax provided for in this section constitutes all taxes collectible under the laws of this state from a captive insurance company or a protected cell of a sponsored captive insurance company, and no other occupation tax or other taxes may be levied or collected from a captive insurance company by the state or a county, city, or municipality within this state, except ad valorem taxes on real and personal property used in the production of income.

J. For the fiscal year beginning July 1, 2020, and for each fiscal year thereafter, the Insurance Commissioner shall report and disburse all fees and taxes collected pursuant to this section as follows:

1. **Of the first Five Hundred Thousand Dollars (\$500,000.00):**

- a. thirty-six percent (36%) to the Oklahoma Firefighters Pension and Retirement Fund,
- b. fourteen percent (14%) to the Oklahoma Police Pension and Retirement System,
- c. **five percent (5%) to the Law Enforcement Retirement Fund,** and
- d. forty-five percent (45%) to the State Treasury to the credit of the General Revenue Fund of the state;

2. Of the next Two Hundred Fifty Thousand Dollars (\$250,000.00), one hundred percent (100%) to the State Insurance Commissioner Revolving Fund to be used by the Department for the purposes of implementing and administering the Oklahoma Captive Insurance Company Act and any accompanying regulations; and

3. **Of all amounts in excess of Seven Hundred Fifty Thousand Dollars (\$750,000.00):**

- a. thirty-six percent (36%) to the Oklahoma Firefighters Pension and Retirement Fund,
- b. fourteen percent (14%) to the Oklahoma Police Pension and Retirement System,
- c. **five percent (5%) to the Law Enforcement Retirement Fund,**
- d. fifteen percent (15%) to the State Treasury to the credit of the General Revenue Fund of the state, and

e. thirty percent (30%) to the State Insurance Commissioner Revolving Fund to be used by the Department for the purposes of implementing and administering the Oklahoma Captive Insurance Company Act and any accompanying regulations.

*Laws 2020, c. 55, § 1, eff. July 1, 2020.*

## TITLE 37A – OKLAHOMA ALCOHOLIC BEVERAGE CONTROL ACT

### §37A-1-108. Commission Director – Powers and duties

- A. The ABLE Commission shall appoint a Director, who shall employ an Assistant Director and such other personnel as are necessary to properly enforce and administer the Oklahoma Alcoholic Beverage Control Act. The Director shall require bonds in such instances and amounts as the ABLE Commission may direct, and shall be in direct charge of all records. The Director shall further have the following specific powers and duties:
1. To issue licenses provided for in the Oklahoma Alcoholic Beverage Control Act, and to approve or reject any official bond required to be filed with the Director or the ABLE Commission;
  2. To appoint and employ, supervise and discharge such employees as may be determined necessary for the proper discharge of the duties of the office of Director, upon duties and salary fixed and determined by the ABLE Commission and subject to all the rules that may be promulgated by the ABLE Commission. The Director and the ABLE Commission, in appointing and employing personnel, shall give preference to honorably discharged members of the Armed Forces of the United States;
  3. To conduct such investigations and make such reports as may be necessary to keep the ABLE Commission advised concerning any violations of the provisions of the Oklahoma Alcoholic Beverage Control Act and make orders for its enforcement;
  4. To make recommendations to the ABLE Commission concerning the suspension or revocation of any licenses, the levying of fines against licensees for violations of the provisions of the Oklahoma Alcoholic Beverage Control Act or rules of the ABLE Commission or any action that should be filed or commenced against any official bond theretofore approved by the Director or the ABLE Commission;
  5. To regularly inspect all places of business of licensees, and all other persons, firms or corporations dealing in the manufacture, distribution, transportation, sale or service of alcoholic beverages under the provisions of the Oklahoma Alcoholic Beverage Control Act and report to the ABLE Commission concerning any and all violations with a recommendation to the ABLE Commission for its determination;
  6. To refer any evidence of a violation of any provision of the Oklahoma Alcoholic Beverage Control Act which carries a criminal penalty to the appropriate law enforcement authority for action;
  7. To aid the enforcement authorities of this state or any county or municipality of the state, or the federal government, in prosecutions of violations of the Oklahoma Alcoholic Beverage Control Act;
  8. To enforce the provisions of the Prevention of Youth Access to Tobacco Act including but not limited to the levying of administrative fines against persons violating the provisions of the Prevention of Youth Access to Tobacco Act, and to at least annually conduct random unannounced inspections at locations where tobacco products are sold or distributed and conduct targeted inspections at those locations which have been in violation of the provisions of the Prevention of Youth Access to Tobacco Act; and
  9. **To enter into interagency transfers with the Oklahoma State Bureau of Investigation, the Oklahoma Bureau of Narcotics and Dangerous Drugs and the Oklahoma Highway Patrol as provided for in Section 1 of this act.**
- B. The Director may employ or contract with attorneys, as needed, to advise the Director and the ABLE Commission on all legal matters and shall appear for and represent the Director and the

ABLE Commission in all administrative hearings and all litigation or other proceedings which may arise in the discharge of their duties. At the request of the ABLE Commission, such attorneys shall assist district attorneys in prosecuting charges of violators of the Oklahoma Alcoholic Beverage Control Act.

*Added by Laws 2016, c. 366, § 8, eff. Oct. 1, 2018. Amended by SB 684, eff. November 1, 2021.*



## TITLE 47 – MOTOR VEHICLES

### **§47-2-102. Commissioner of Public Safety - Qualifications - Appointment - Vacancy - Expenses - Bond - Oath.**

- A. 1. The Department shall be under the control of an executive officer to be known as the "Commissioner of Public Safety", who shall be appointed by the Governor with the advice and consent of the Senate.
2. The Commissioner of Public Safety shall be a professional law enforcement officer with ten (10) years' experience in the field of law enforcement or with five (5) years' experience in the field of law enforcement and a graduate of a four-year college with a degree in law enforcement administration, law, criminology or a related science.
3. Any vacancy in the office of the Commissioner shall be filled in the same manner as the original appointment is made.
4. The Commissioner shall be allowed the actual and necessary expenses incurred in the performance of official duties of the Commissioner while away from the office.
- B. The Commissioner of Public Safety, after appointment and before entering upon the discharge of duties, shall take and subscribe to the oath of office required by the Constitution. Bonding of the Commissioner of Public Safety and other employees of the Department will be provided under the provisions of Section 85.26 of Title 74 of the Oklahoma Statutes.
- C. The Commissioner of Public Safety shall be eligible to participate in either the Oklahoma Public Employees Retirement System or in the Oklahoma Law Enforcement Retirement System and shall make an irrevocable election in writing to participate in one of the two retirement systems.**
- D. Any employee of the Department of Public Safety appointed to the position of Commissioner shall have the ability to return to the previous position of the employee without any loss of rights, privileges or benefits immediately upon completion of the duties as Commissioner, provided the employee is not otherwise disqualified due to disciplinary reasons, termination of employment or inability to effectively lead the agency.

*Laws 2018, c. 60, § 1, eff. Nov. 1, 2018.*

### **§47-2-104. Commissioner to appoint subordinates - Salaries.**

- A. The Commissioner, subject to the Merit System laws, if applicable, shall appoint a Chief of Administration and such other deputies, subordinates, officers, investigators and other employees as may be necessary to implement the provisions of this title. Any employee of the Department of Public Safety appointed to the position of Chief of Administration who is otherwise statutorily eligible shall have a right to return to the previous position of the employee without any loss of rights, privileges or benefits immediately upon completion of the duties as Chief of Administration, provided the employee is not otherwise disqualified.
- B. When traveling with the Governor or at his or her request:
1. Those personnel assigned by the Commissioner for executive security shall be allowed their actual and necessary traveling expenses, upon claims approved by the Commissioner, and shall receive, in addition to base salary, an additional One Hundred Seventy-five Dollars (\$175.00) per month; and

2. Those personnel serving as noncommissioned pilots in the Department of Public Safety shall be allowed their actual and necessary traveling expenses, upon claims approved by the Commissioner.

**C. Any person appointed to the position of Chief of Administration of the Department of Public Safety shall be eligible for retirement participation as a member of the Highway Patrol Division in the Oklahoma Law Enforcement Retirement System if such person at the time of appointment satisfies the age qualifications of an Oklahoma Highway Patrolman as provided in subsection B of Section 2-105 of this title, and is otherwise eligible to participate in the retirement program; otherwise, the Chief of Administration shall participate in the Oklahoma Public Employees Retirement upon appointment. However, the Chief of Administration shall be eligible for participation in only one retirement system and shall elect in writing the system in which the Chief of Administration intends to participate.**

D. The salaries of the employees of the Department of Public Safety shall be governed by and in accordance with the procedures established by the Office of Management and Enterprise Services, unless otherwise provided by law.

*Laws 2019, c. 290, § 1, emerg. eff. May 2, 2019.*

#### **§47-2-108. Powers and duties of commissioner.**

A. The Commissioner is hereby vested with the power and is charged with the duty of observing, administering, and enforcing the provisions of this title and of all laws regulating the operation of vehicles or the use of the highways, the enforcement and administration of which are now or hereafter vested in the Department. The Commissioner may appoint any employee of the Department to serve as the personal representative of the Commissioner for the purpose of fulfilling any such duty or combination of duties.

B. The Commissioner is hereby authorized to adopt and enforce such rules as may be necessary to carry out the provisions of the Highway Safety Code and any other laws the enforcement and administration of which are vested in the Department.

C. The Commissioner may adopt an official seal for the use of the Department.

D. The Commissioner may adopt an authorized facsimile signature of the Commissioner, and may appoint any employee of the Department to serve as the personal representative of the Commissioner for the purpose of affixing the authorized facsimile signature of the Commissioner to administrative letters, notices, and orders to enforce the provisions of the law. Provided, however, it shall be unlawful and shall constitute the crime of forgery to affix or endorse the facsimile signature of the Commissioner, as herein provided, to any instrument, voucher, check, claim, or draft for the payment of money due and owing to the State of Oklahoma. In lieu of the signature of the Commissioner or the authorized facsimile signature of the Commissioner, the Commissioner may direct and authorize any employee of the Department to affix the signature of the employee to administrative letters, notices, and orders to enforce the provisions of the law.

**E. The Commissioner has the authority to enter into interagency transfers with the Oklahoma State Bureau of Investigation, the Oklahoma Bureau of Narcotics and Dangerous Drugs and the Oklahoma Alcoholic Beverages Laws Enforcement Commission as provided for in Section 1 of this act.**

*Amended by Laws 2004, c. 130, § 6, emerg. eff. April 20, 2004. Amended by SB 684, eff. November 1, 2021.*

#### **§47-1104. (A. & J.) Apportionment of fees, taxes and penalties collected.**

A. Unless otherwise provided by law, all fees, taxes and penalties collected or received pursuant to the Oklahoma Vehicle License and Registration Act or Section 1-101 et seq. of this title shall be apportioned and distributed monthly by the Oklahoma Tax Commission in accordance with this section.

J. The following percentages of the monies referred to in subsection A of this section shall be remitted to the State Treasurer to be credited to the Oklahoma Law Enforcement Retirement Fund:

1. From October 1, 2000, until June 30, 2001, one and twenty-two one-hundredths percent (1.22%);
2. For the year beginning July 1, 2001, and ending June 30, 2002, one and twenty-three one-hundredths percent (1.23%); and

**3. For the year beginning July 1, 2002, and all subsequent years, one and twenty-four one-hundredths percent (1.24%).**

*Laws 2018, 2nd Ex. Sess., c. 18, § 2, eff. July 1, 2019.*

#### **§47-1132.4. Additional fee – Apportionment of revenue.**

A. In addition to other vehicle registration fees specified by law, there is levied and there shall be paid to the Oklahoma Tax Commission a fee of One Dollar (\$1.00) upon every vehicle to be registered. The fee shall accrue and shall be collectible upon each vehicle under the same circumstances and shall be payable in the same manner and times as apply to vehicle registrations under the provisions of the Oklahoma Vehicle License and Registration Act; provided, the fee shall be paid in full for the then current year at the time any vehicle is first registered in a calendar year.

B. Revenue from the fee levied in subsection A of this section shall be apportioned as follows:

1. Fifty percent (50%) of the revenues shall be credited to the General Revenue Fund in the State Treasury; and

**2. Fifty percent (50%) of the revenues shall be deposited to the Oklahoma Law Enforcement Retirement Fund; provided, the first Eight Hundred Fifty Thousand Dollars (\$850,000.00) of the revenues apportioned pursuant to the provisions of this paragraph each fiscal year shall be deposited to the Department of Public Safety Patrol Vehicle Revolving Fund created in Section 2-143 of this title for the purpose of purchasing patrol vehicles and aircraft.**

C. The collection and payment of the fees specified in this section shall be a prerequisite to license or registration of any vehicles.

*Laws 2003, c. 461, § 13, eff. July 1, 2003.*

#### **§47-1135.5v1. (A. & B.(16. & 67.)) Special license plates - Demonstration of support and financial assistance to specific causes.**

A. The Oklahoma Tax Commission is hereby authorized to design and issue appropriate official special license plates to persons wishing to demonstrate support and provide financial assistance as provided by this section.

Special license plates shall not be transferred to any other person but shall be removed from the vehicle upon transfer of ownership and retained. The special license plate may then be used on another vehicle but only after such other vehicle has been registered for the current year with a motor license agent.

Special license plates shall be renewed each year by the Tax Commission or a motor license agent, unless authorized by the Tax Commission to be renewed for a period greater than one (1) year. The Tax

Commission shall notify by mail all persons issued special license plates. The notice shall contain all necessary information and shall contain instructions for the renewal procedure upon presentation to a motor license agent or the Tax Commission. The license plates shall be issued on a staggered system.

The Tax Commission is hereby directed to develop and implement a system whereby motor license agents are permitted to accept applications for special license plates authorized under this section. The motor license agent shall confirm the applicant's eligibility, if applicable, collect and deposit any amount specifically authorized by law, accept and process the necessary information directly into such system and generate a receipt accordingly. For performance of these duties, motor license agents shall retain the fee provided in Section 1141.1 of this title for registration of a motor vehicle. The motor license agent fees for acceptance of applications and renewals shall be paid out of the Oklahoma Tax Commission Reimbursement Fund.

If fewer than one hundred of any type of special license plates authorized prior to January 1, 2004, are issued prior to January 1, 2006, the Tax Commission shall discontinue issuance and renewal of that type of special license plate. Any such authorized special license plate registrant shall be allowed to display the license plate upon the designated vehicle until the registration expiration date. After such time the expired special license plate shall be removed from the vehicle.

For special license plates authorized on or after July 1, 2004, no special license plates shall be developed or issued by the Tax Commission until the Commission receives one hundred prepaid applications therefor. The prepaid applications must be received by the Tax Commission within one hundred eighty (180) days of the effective date of the authorization or the authority to issue shall be null and void. In the event one hundred prepaid applications are not received by the Tax Commission within such prescribed time period any payment so received shall be refunded accordingly.

B. The special license plates provided by this section are as follows:

18. Retired Oklahoma Highway Patrol Officers License Plate – such plates shall be designed and issued to any retired officer of the Oklahoma Highway Patrol. The license plate shall have the legend "Oklahoma" and shall contain, in the center of the plate, the Highway Patrol Officers patch using the same colors and pattern as used in the patch. Centered on the bottom of the license plate shall be the word "Retired". The letters "TRP" shall be used in combination with three numbers on either side of the insignia or emblem. The color of the letters and numbers shall be brown. Retirees who are eligible for such plates shall provide proof of eligibility upon initial application, but shall not be required to provide proof of eligibility annually. The surviving spouse of any deceased retired officer of the Oklahoma Highway Patrol, if the spouse has not since remarried, or if remarried, the remarriage is terminated by death, divorce, or annulment, may apply for a Retired Oklahoma Highway Patrol Officers license plate. **As provided in this section, an amount of the fee collected shall be deposited into the Law Enforcement Retirement Fund;**

67. Retired Oklahoma Highway Patrol Officers License Plates – such plates shall be designed and issued to any retired officer of the Oklahoma Highway Patrol. The license plate shall have the legend "Oklahoma" and shall contain, in the center of the plate, the Highway Patrol Officers patch using the same colors and pattern as used in the patch. Centered on the bottom of the license plate shall be the word "Retired". The letters "TRP" shall be used in combination with three numbers on either side of the insignia or emblem. The color of the letters and numbers shall be brown. Retirees who are eligible for such plates shall provide proof of eligibility upon initial application, but shall not be required to provide proof of eligibility annually. The surviving spouse of any deceased retired officer of the Oklahoma Highway Patrol, if the spouse has not since remarried, or if remarried, the remarriage is terminated by death, divorce, or annulment, may apply for a Retired Oklahoma Highway Patrol Officers license plate. The fee for each plate shall be Twenty-five Dollars (\$25.00) and shall be in addition to all other registration fees required

by the Oklahoma Vehicle License and Registration Act. The fee shall be apportioned as follows: **Twenty Dollars (\$20.00) shall be deposited into the Law Enforcement Retirement Fund**, and Five Dollars (\$5.00) shall be deposited to the Oklahoma Tax Commission Reimbursement Fund;

## **TITLE 63 – PUBLIC HEALTH & SAFETY**

### **§63-2-103. Director - Appointment and powers - Agents and reserve agents - Custody of sidearms and badges upon death or retirement.**

A. The Director shall be appointed by the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control Commission. The Director of Narcotics and Dangerous Drugs Control on January 1, 1984, shall be initially appointed as Director. The succeeding Director shall, at the time of the appointment, have a Bachelor's Degree from an accredited college or university and at least five (5) years of experience in drug law enforcement. The Director may appoint necessary assistants, agents, and other personnel to perform the work of the office and may prescribe their titles and duties and fix their compensation pursuant to Merit System rules. The Director may appoint employees to the positions of Chief of Law Enforcement Information and Technology, Public Information/Education Officer, Training Officer, Program Administrators, Grants Administrator, Criminal Analysts, Legal Secretary, and Typist Clerk/Spanish Transcriptionists. The positions shall be unclassified and exempt from the rules and procedures of the Office of Management and Enterprise Services, except leave regulations. The office of the Director shall be located at a suitable place in Oklahoma City, Oklahoma.

B. 1. Agents appointed by the Director shall have the powers of peace officers generally; provided, the Director may appoint special agents and reserve special agents, who shall be unclassified employees of the state, to meet specific investigatory needs. Special agents and reserve special agents shall not be required to meet the age and educational requirements as specified in this section.

2. Agents appointed on and after November 1, 1998, shall be at least twenty-one (21) years of age and shall have a Bachelor's Degree from an accredited college or university.

3. Each entering agent, with the exception of special agents, shall be required to serve one (1) year in a probationary status as a prerequisite to being placed on permanent status.

C. Agents appointed pursuant to the provisions of this section shall have the responsibility of investigating alleged violations and shall have the authority to arrest those suspected of having violated the provisions of the Uniform Controlled Dangerous Substances Act, as well as the crimes of money laundering and human trafficking, as otherwise set forth by laws of this state.

D. The Director may appoint reserve special agents who shall not be considered employees of the state and shall serve at the will of the Director. Reserve special agents shall complete a minimum of two hundred forty (240) hours of training pursuant to Section 3311 of Title 70 of the Oklahoma Statutes and may not serve more than one hundred forty (140) hours per calendar month. Upon completion of training, reserve special agents appointed by the Director shall have general peace officer powers and the authority to arrest those suspected of having violated the provisions of the Uniform Controlled Dangerous Substances Act. The agency may expend funds related to training and special reserve agents may receive travel expenses pursuant to the State Travel Reimbursement Act.

E. A commissioned employee of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control shall be entitled to receive, upon retirement by reason of length of service, the continued custody and possession of the sidearm and badge carried by such employee immediately prior to retirement.

F. A commissioned employee of the Bureau may be entitled to receive, upon retirement by reason of disability, the continued custody and possession of the sidearm and badge carried by such employee immediately prior to retirement upon written approval of the Director.

G. Custody and possession of the sidearm and badge of a commissioned employee killed in the line of duty may be awarded by the Director to the spouse or next of kin of the deceased employee.

H. Custody and possession of the sidearm and badge of a commissioned employee who dies while employed at the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control may be awarded by the Director to the spouse or next of kin of the deceased employee.

**I. Any Director appointed on or after July 1, 2003, shall be eligible to participate in either the Oklahoma Public Employees Retirement System or in the Oklahoma Law Enforcement Retirement System and shall make an irrevocable election in writing to participate in one of the two retirement systems.**

J. Any employee of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control in a classified position under the Merit System of the Personnel Administration who is appointed Director, Deputy Director, Acting Director or Acting Deputy Director shall have a right to return to the highest previously held classified position without any loss of rights, privileges or benefits immediately upon completion of the duties of the employee, provided the employee is not otherwise disqualified.

*Laws 2017, c. 38, § 2, eff. Nov. 1, 2017; Laws 2017, c. 390, § 1, emerg. eff. June 6, 2017.*

## **§63-2-106. Powers and duties of Director**

A. The Director of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control shall, in addition to other powers and duties vested in the Director:

1. Cooperate with federal and other state agencies in discharging the responsibilities concerning traffic in narcotics and dangerous substances and in suppressing the abuse of dangerous substances;
2. Arrange for the exchange of information between governmental officials concerning the use and abuse of dangerous substances;
3. Coordinate and cooperate in training programs on dangerous substances law enforcement at the local and state levels;
4. Cooperate with the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control by establishing a centralized unit which will accept, catalog, file and collect statistics, including records of drug-dependent persons and other dangerous substance law offenders within the state, and make such information available for federal, state and local law enforcement purposes; and may collect and furnish statistics for other appropriate purposes; and
5. Coordinate and cooperate in programs of eradication aimed at destroying wild or illicit growth of plant species from which controlled dangerous substances may be extracted.

B. Results, information and evidence received from the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control relating to the regulatory functions of this act, including results of inspections conducted by that agency, may be relied upon and acted upon by the Director in conformance with the regulatory functions under this act.

C. The Director is further authorized and directed to:

1. Coordinate and cooperate in educational programs designed to prevent and deter misuse and abuse of controlled dangerous substances;
2. Promote better recognition of the problems of misuse and abuse of controlled dangerous substances within the regulated industry and among interested groups and organizations;
3. Assist the regulated industry, interested groups and organizations in contributing to the reduction of misuse and abuse of controlled dangerous substances;
4. Consult with interested groups and organizations to aid them in solving administrative and organizational problems;

5. Assist in evaluating procedures, projects, techniques and controls conducted or proposed as part of educational programs on misuse and abuse of controlled dangerous substances;
  6. Disseminate the results of research on misuse and abuse of controlled dangerous substances to promote a better public understanding of what problems exist and what can be done to combat them;
  7. Assist in the education and training of state and local law enforcement officials in their efforts to control misuse and abuse of controlled dangerous substances;
  8. Conduct an annual seminar to be attended by selected law enforcement officers in order to teach new techniques and advances in the investigation of violations of the Uniform Controlled Dangerous Substances Act; and
  9. Supervise and direct agents appointed in the performance of their function of enforcement of the provisions of Section 2-101 et seq. of this title.
- D. The Director is further authorized and directed to:
1. Encourage research on misuse and abuse of controlled dangerous substances;
  2. Cooperate in establishing methods to assess accurately the effects of controlled dangerous substances and to identify and characterize controlled dangerous substances with potential for abuse; and
  3. Cooperate in making studies and in undertaking programs of research to:
    - a. develop new or improved approaches, techniques, systems, equipment and devices to strengthen the enforcement of Section 2-101 et seq. of this title,
    - b. determine patterns of misuse and abuse of controlled dangerous substances and the social effects thereof, and
    - c. improve methods for preventing, predicting, understanding and dealing with the misuse and abuse of controlled dangerous substances.
- E. The Director shall prepare a yearly report on all deaths and nonfatal overdoses which were the result or probable result of abuse of a controlled dangerous substance. The yearly report shall be limited to statistical information including, but not limited to, the county where the death or nonfatal overdose occurred, age, race, gender, type of controlled dangerous substances involved in the death or nonfatal overdose, and the method in which the controlled dangerous substance was obtained by the person, when available.
- F. The Director may enter into contracts with public agencies, institutions of higher education and private organizations or individuals for the purpose of conducting research, demonstrations or special projects which bear directly on misuse and abuse of controlled dangerous substances.
- G. The Director may enter into contracts for educational and research activities without performance bonds.
- H. The Director may authorize persons engaged in research or scientific activities on the use and effects of dangerous substances to withhold the names and other identifying characteristics of persons who are the subjects of such research. Persons who obtain this authorization may not be compelled in any state civil, criminal, administrative, legislative or other proceeding to identify the subjects of research for which such authorization was obtained.
- I. The Director may authorize the lawful possession, distribution and use of controlled dangerous substances by persons engaged in research or scientific activities; authorization for possession of controlled dangerous substances may be extended to persons engaged in a program of drug education or persons in the performance of an official duty. Persons who obtain this authorization shall be exempt from state prosecution for possession, distribution or use of dangerous substances to the extent authorized by the Director.



- J. The Director is authorized to accept gifts, bequests, devises, contributions and grants, public or private, including federal funds or funds from any other source for use in furthering the purpose of the office of the Director.
- K. The Director is authorized to purchase or sell real property, together with appurtenances, in the name of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control upon approval of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control Commission.
- L. The Director is authorized to purchase and maintain motor vehicles and other equipment for use by the employees of the Bureau.
- M. The Director shall be in charge of all monies appropriated for or deposited to the credit of the office of the Director and is authorized to approve claims and payrolls as provided in Section 41.26 of Title 62 of the Oklahoma Statutes.
- N. The Director shall have the authority of a peace officer and is authorized to commission assistants of the office as peace officers.
- O. The Director shall have the authority to enter into interagency transfers with the Oklahoma State Bureau of Investigation, the Oklahoma Highway Patrol and the Oklahoma Alcoholic Beverages Laws Enforcement Commission as provided for in Section 1 of this act.**
- P. Upon determining that a practitioner is prescribing a controlled dangerous substance to a person engaged in fraudulent or deceptive efforts to fill or refill multiple prescriptions for controlled dangerous substances, the Director shall provide written or electronic notification alerting the practitioner to the possibility that the person may be unlawfully obtaining prescription drugs in violation of the Uniform Controlled Dangerous Substances Act.

*Laws 2013, c. 340, § 1, eff. Nov. 1, 2013. Amended by SB 684, eff. November 1, 2021.*

## TITLE 70 – SCHOOLS

### **§70-3218.7. Waiver of tuition for children of peace officers or firefighters killed in line of duty.**

A. Within the Oklahoma State System of Higher Education, no resident tuition or nonresident tuition shall be charged to the:

1. Children of Oklahoma peace officers as defined by Section 648 of Title 21 of the Oklahoma Statutes who have given their lives in the line of duty;
2. Children of Oklahoma firefighters who have given their lives in the line of duty;
3. **Children of members of the Oklahoma Law Enforcement Retirement System who have given their lives in the line of duty or whose disability is by means of personal and traumatic injury of a catastrophic nature, as defined by Section 2-300 of Title 47 of the Oklahoma Statutes, and occurred in the line of duty; and**
4. Children of Oklahoma emergency medical technicians who have given their lives in the line of duty.

B. Such waiver of resident tuition and nonresident tuition shall be limited to a period of five (5) years.

C. Such waiver of resident tuition or nonresident tuition to the children of deceased peace officers and to the children of deceased firefighters as provided for in this section shall be a service benefit of each Oklahoma peace officer and Oklahoma firefighter.

D. For purposes of this section:

1. “Firefighter” means a volunteer firefighter or a permanent salaried professional member of any fire department within the State of Oklahoma; and
2. “Emergency medical technician” means a person volunteering or employed as an emergency medical technician and who is licensed as an emergency medical technician pursuant to Section 1-2505 of Title 63 of the Oklahoma Statutes.

*Laws 2005, c. 454, § 2, eff. July 1, 2005.*

### **§70-3218.7-1. Waiver of room and board for children of commissioned members of Oklahoma Law Enforcement Retirement System killed in line of duty.**

A. **Within The Oklahoma State System of Higher Education, no room and board shall be charged to the children of commissioned members of the Oklahoma Law Enforcement Retirement System who have given their lives in the line of duty.**

B. **Such waiver of room and board shall be limited to a period of five (5) years.**

C. **Such waiver of room and board shall be a service benefit of a commissioned member of the Oklahoma Law Enforcement Retirement System.**

*Added by Laws 2007, c. 62, § 20, emerg. eff. April 30, 2007.*

## **TITLE 74 – STATE GOVERNMENT**

### **§74-150.6. Director - Qualifications**

A. The Oklahoma State Bureau of Investigation shall be under the operational control of a Director. The Director shall be appointed or dismissed by a majority vote of the total membership of the Commission. The Director shall be a professional law enforcement officer who possesses a bachelor's degree from an accredited college or university and who shall have a minimum of five (5) years' experience in criminal investigation and/or law enforcement or five (5) years' experience as an agent with said Bureau and must have at least two (2) years' experience in an administrative position.

**B. Any Director appointed on or after July 1, 2003, may participate in either the Oklahoma Public Employees Retirement System or in the Oklahoma Law Enforcement Retirement System and shall make an irrevocable election in writing to participate in one of the two retirement systems.**

Added by Laws 1976, c. 259, § 6, operative July 1, 1976. Amended by Laws 2003, c. 199, § 14, emerg. eff. May 7, 2003.

### **§74-150.7. Director – Powers and duties**

The Director of the Oklahoma State Bureau of Investigation shall have the following powers, duties and responsibilities:

1. To appoint or dismiss a Deputy Director to assist in the administration of the Bureau;
2. To supervise the maintaining of all reports and records of the Bureau and to promulgate administrative rules concerning the destruction and retention of such records. Such records shall not be transferred to the custody or control of the Archives and Records Commission or be subject to the provisions of Section 590 of Title 21 of the Oklahoma Statutes. The Director may, pursuant to adopted and promulgated administrative rule, order destruction of records deemed to be no longer of value to the Bureau, excluding criminalistic and investigative records which shall forever be kept and maintained;
3. To report to the Commission at each regular meeting, or as directed by the Commission, the current workload of the Bureau. Such reports shall be submitted by category of the persons or entities authorized to initiate investigations as provided for in subsection A of Section 150.5 of this title, and any other category the Commission may request which does not violate the confidentiality restrictions imposed in Sections 150.1 through 152.9 of this title. Such reports shall contain the following information:
  - a. what types of investigations are pending,
  - b. what new types of investigations have been opened,
  - c. what types of investigations have been closed, and
  - d. what criminal charges have been filed as a result of Bureau investigations.

The reports shall not contain any information on the individual subjects of the investigation or persons questioned in connection with an investigation. These reports shall be open for public inspection;

4. To designate positions, appoint employees and fix salaries of the Bureau, other than the salaries established by subsection A of Section 150.6a of this title, and to authorize the payment of necessary certification expenses for the employees;

5. To authorize the purchase and issuance of uniforms for all law enforcement officers, criminalists, and other personnel of the Bureau as designated by the Director and to purchase and issue necessary equipment for all employees of the Bureau. All uniforms and equipment shall be used only in the performance of the official duties of the officers, criminalists or other personnel and shall remain the property of the Bureau except as otherwise provided by law;

6. To enter into local cooperative agreements with local law enforcement agencies for the purpose of appointing affiliate task force agents to assist the Bureau in the investigation of major crimes under the jurisdiction of the Bureau. Affiliate task force agents shall be employees and commissioned law enforcement officers of the local law enforcement agency entering into agreement with the Bureau and shall not be employees of the Bureau. Affiliate task force agents shall have general peace officer powers and the authority to arrest persons throughout the state while serving as an affiliate task force agent. Affiliate task force agents serve solely at the discretion and will of the Director. The Director may renew, suspend, or revoke any agreement appointing an affiliate task force agent at any time; and

**7. To enter into interagency transfers with the Oklahoma Highway Patrol, the Oklahoma Bureau of Narcotics and Dangerous Drugs and the Oklahoma Alcoholic Beverages Laws Enforcement Commission as provided for in Section 1 of this act.**

*Laws 2019, c. 64, § 2, eff. Nov. 1, 2019. Amended by SB 684, eff. November 1, 2021.*

**§74-1316.2. Noneducation employees who have retired or otherwise terminated service - Law enforcement retirement system members killed, injured in line of duty - Continuance of health and dental insurance benefits.**

A. Any employee, other than an education employee, who retires pursuant to the provisions of the Oklahoma Public Employees Retirement System or who has a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System may continue in force the health and dental insurance benefits authorized by the provisions of the Oklahoma Employees Insurance and Benefits Act, or other employer insurance benefits if the employer does not participate in the plans offered by the Office of Management and Enterprise Services, if such election to continue in force is made within thirty (30) days from the date of termination of service. Except as otherwise provided for in Section 840-2.27I of this title and subsection H of this section, health and dental insurance coverage may not be reinstated at a later time if the election to continue in force is declined. Vested employees other than education employees who have terminated service and are not receiving benefits and effective July 1, 1996, nonvested persons who have terminated service with more than eight (8) years of participating service with a participating employer, who within thirty (30) days from the date of termination of service elect to continue such coverage, shall pay the full cost of the insurance premium at the rate and pursuant to the terms and conditions established by the Office. Provided also, any employee other than an education employee who commences employment with a participating employer on or after September 1, 1991, who terminates service with such employer on or after July 1, 1996, but who otherwise has insufficient years of service to retire or terminate service with a vested benefit pursuant to the provisions of the Oklahoma Public Employees Retirement System or to elect to continue coverage as a nonvested employee as provided in this section, but who, immediately prior to employment with the participating employer, was covered as a dependent on the health and dental insurance policy of a spouse who was an active employee other than an education employee, may count as part of his or her

credited service for the purpose of determining eligibility to elect to continue coverage under this section, the time during which the terminating employee was covered as such a dependent.

B. 1. Health insurance benefit plans offered pursuant to this section shall include:

- a. indemnity plans offered through the Office,
- b. managed care plans offered as alternatives to the indemnity plans offered through the Office,
- c. Medicare supplements offered pursuant to the Oklahoma Employees Insurance and Benefits Act,
- d. Medicare risk-sharing contracts offered as alternatives to the Medicare supplements offered through the Office. All Medicare risk-sharing contracts shall be subject to a risk adjustment factor, based on generally accepted actuarial principles for adverse selection which may occur, and
- e. for the Oklahoma Public Employee Retirement System, other employer-provided health insurance benefit plans if the employer does not participate in the plans offered pursuant to the Oklahoma Employees Insurance and Benefits Act.

2. Health insurance benefit plans offered pursuant to this section shall provide prescription drug benefits, except for plans designed pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003, for which provision of prescription drug benefits is optional, and except for plans offered pursuant to subparagraph e of paragraph 1 of this subsection.

C. 1. Designated public retirement systems shall contribute a monthly amount towards the health insurance premium of certain individuals receiving benefits from the public retirement system as follows:

- a. a retired employee, other than an education employee or an employee who participates in the defined contribution system administered by the Oklahoma Public Employees Retirement System on or after November 1, 2015, who is receiving benefits from the Oklahoma Public Employees Retirement System after September 30, 1988, shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance benefit plan, whichever is less, paid by the Oklahoma Public Employees Retirement System to the Board or other insurance carrier of the employer if the employer does not participate in the plans offered by the Office in the manner specified in subsection G of this section,
- b. a retired employee or surviving spouse other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is under sixty-five (65) years of age and is not otherwise eligible for Medicare shall have the premium rate for the health insurance benefit plan or One Hundred Five Dollars (\$105.00), whichever is less, paid by the Oklahoma Law Enforcement Retirement System to the Office in the manner specified in subsection G of this section,**
- c. a retired employee other than an education employee who is receiving benefits from the Oklahoma Law Enforcement Retirement System after September 30, 1988, is sixty-five (65) years of age or older or who is under sixty-five (65) years of age and is eligible for Medicare shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance benefit plan, whichever is less, paid by the Oklahoma Law Enforcement Retirement System to the Office in the manner specified in subsection G of this section, and**
- d. a retired employee other than an education employee who is receiving benefits from the Uniform Retirement System for Justices and Judges after September 30, 1988, shall have One Hundred Five Dollars (\$105.00), or the premium rate of the health insurance plan, whichever is less, paid by the Uniform Retirement System for Justices and Judges to the Office in the manner specified in subsection G of this section.

2. Premium payments made pursuant to this section shall be made subject to the following conditions:

- a. the health plan shall be authorized by the provisions of the Oklahoma Employees Insurance and Benefits Act, except that if an employer from which an employee retired or with a vested benefit

pursuant to the provisions of the Oklahoma Public Employees Retirement System does not participate in the plans authorized by the provisions of the Oklahoma Employees Insurance and Benefits Act, the health plan will be the health insurance benefits of the employer from which the individual retired or vested,

b. for plans offered by the Oklahoma Employees Insurance and Benefits Act, the amount to be paid shall be determined pursuant to the provisions of this subsection and shall first be applied in whole or in part to the prescription drug coverage premium. Any remaining amount shall be applied toward the medical coverage premium,

c. for all plans, if the amount paid by the public retirement system does not cover the full cost of the elected coverage, the individual shall pay the remaining premium amount, and

d. payment shall be made by the retirement systems in the manner specified under subsection G of this section.

D. For any member of the Oklahoma Law Enforcement Retirement System killed in the line of duty, whether the member was killed in the line of duty prior to May 18, 2005, or on or after May 18, 2005, or if the member was on a disability leave status at the time of death, the surviving spouse or dependents of such deceased member of the Oklahoma Law Enforcement Retirement System may elect to continue or commence health and dental insurance benefits, provided the dependents pay the full cost of such insurance, and for deaths occurring on or after July 1, 2002, such election is made within thirty (30) days of the date of death. The eligibility for the benefits shall terminate for the surviving children when the children cease to qualify as dependents.

E. Effective July 1, 2004, a retired member of the Oklahoma Law Enforcement Retirement System who retired from the System by means of a personal and traumatic injury of a catastrophic nature and in the line of duty and any surviving spouse of such retired member and any surviving spouse of a member who was killed in the line of duty shall have one hundred percent (100%) of the retired member's or surviving spouse's health care premium cost, whether the member or surviving spouse elects coverage under the Medicare supplement or Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement Retirement System to the Office in the manner specified in subsection H of this section. For plans offered by the Office, such contributions will first be applied in whole or in part to the prescription drug coverage premium, if any.

F. Dependents of a deceased employee who was on active work status or on a disability leave at the time of death or of a participating retardant or of any person who has elected to receive a vested benefit under the Oklahoma Public Employees Retirement System, the Uniform Retirement System for Justices and Judges or the Oklahoma Law Enforcement Retirement System may continue the health and dental insurance benefits in force, provided the dependents pay the full cost of such insurance and they were covered as eligible dependents at the time of such death and such election is made within thirty (30) days of date of death. The eligibility for the benefits shall terminate for the surviving children when the children cease to qualify as dependents.

G. The amounts required to be paid by the Oklahoma Public Employees Retirement System, the Uniform Retirement System for Justices and Judges and the Oklahoma Law Enforcement Retirement System pursuant to this section shall be forwarded no later than the tenth day of each month following the month for which payment is due by the Oklahoma Public Employees Retirement System Board of Trustees or the Oklahoma Law Enforcement Retirement Board to the Office for deposit in the Health, Dental and Life Insurance Reserve Fund or to another insurance carrier as provided for in subsection H of Section 1315 of this title.

H. Upon retirement from employment of the Board of Regents of the University of Oklahoma, any person who was or is employed at the George Nigh Rehabilitation Institute and who transferred

employment pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any person who was employed at the Medical Technology and Research Authority and who transferred employment pursuant to Section 7068 of this title, and any person who is a member of the Oklahoma Law Enforcement Retirement System pursuant to the authority of Section 2-314 of Title 47 of the Oklahoma Statutes may participate in the benefits authorized by the provisions of the Oklahoma Employees Insurance and Benefits Act for retired participants, including health, dental and life insurance benefits, if such election to participate is made within thirty (30) days from the date of termination of service. Life insurance benefits for any such person who transferred employment shall not exceed the coverage the person had at the time of such transfer. Retirees who transferred employment and who participate pursuant to this paragraph shall pay the premium for elected benefits less any amounts paid by a state retirement system pursuant to this section.

Laws 2014, c. 419, § 3, eff. Nov. 1, 2014.

#### **§74-2216. Park rangers - Duties.**

Park Rangers, subject to the policies of the Commission, shall:

1. Obtain a commission as an officer or employee pursuant to the certification specified in Section 3311 of Title 70 of the Oklahoma Statutes and by the Division of State Parks;
2. Secure the parks and property of the Department and maintain law and order therein;
3. Maintain the powers of peace officers except the serving or execution of civil process, have in all parts of the state the same powers with respect to criminal matters and enforcement of the laws relating thereto as sheriffs, highway patrolmen and police officers in their respective jurisdictions and possess all immunities and matters of defense now available or hereafter made available to sheriffs, the highway patrol, and police officers in any suit brought against them resulting from acts done in the course of their employment;
4. Possess law enforcement jurisdiction over state parks, including all facilities located therein;
5. Serve a probationary period of twelve (12) months. The Division of State Parks Director may extend the probationary period for up to three (3) additional months provided that the employee and the Office of Management and Enterprise Services are notified in writing as to such action and the reasons therefor. At any time during a probationary period the employment of a park ranger may be terminated in accordance with Department procedure and at the discretion of the Director of State Parks. Retention of the employee, after expiration of the probationary period, shall entitle the employee to be classified as a permanent employee;
6. Provide law enforcement protection and enforcement pursuant to the terms of interlocal agreements authorized by the Commission with other entities of government or federally recognized tribes in the state; and
7. **Remain in the Oklahoma Law Enforcement Retirement System if promoted to the Park Manager job family classification series, provided they maintain their certification specified in Section 3311 of Title 70 of the Oklahoma Statutes, perform the requisite training required by the Chief Park Ranger, and meet all other requirements, policies, and rules of the Department and laws of the state.**

*Added by Laws 2005, c. 363, § 17, eff. Nov. 1, 2005. Amended by Laws 2012, c. 304, § 990.*

#### **§74-11000. Law enforcement interagency transfers**

The Oklahoma State Bureau of Investigation, the Oklahoma Bureau of Narcotics and Dangerous Drugs, the Oklahoma Highway Patrol and the Oklahoma Alcoholic Beverage Laws Enforcement (ABLE)

Commission are hereby authorized to enter into interagency transfers among commissioned law enforcement officers. These interagency transfers shall be bilateral agreements between the appointing authorities of each agency. No transfer shall be for a period of two (2) years or less and the temporary assignment period shall not exceed five (5) years in length. Agencies authorized by this act shall have authority to promulgate rules for the interagency transfer process.

*Created by SB 684, eff. November 1, 2021.*

#### **§74-12001. Energy Discrimination Elimination Act of 2022**

This act shall be known and may be cited as the "Energy Discrimination Elimination Act of 2022".

*Created by HB 2034, eff. November 1, 2022.*

#### **§74-12002. Definitions of Energy Discrimination Elimination Act of 2022**

A. As used in the Energy Discrimination Elimination Act of 2022:

1. "Boycott energy company" means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company:
  - a. engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil-fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law, or
  - b. does business with a company described by subparagraph a of this paragraph;
2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit;
3. "Treasurer" means the State Treasurer or their designee;
4. "Direct holdings" means, with respect to a financial company, all securities of that financial company held directly by a state governmental entity in an account or fund in which a state governmental entity owns all shares or interests;
5. "Financial company" means a publicly traded financial services, banking, or investment company;
6. "Indirect holdings" means, with respect to a financial company, all securities of that financial company held in an account or fund, such as a mutual fund, managed by one or more persons not employed by a state governmental entity, in which the state governmental entity owns shares or interests together with other investors not subject to the provisions of this act. The term does not include money invested under a plan described by Section 401(k) or 457 of the Internal Revenue Code of 1986;
7. "Listed financial company" means a financial company listed by the Treasurer; and
8. "State governmental entity" means all state retirement systems.

B. With respect to actions taken in compliance with the Energy Discrimination Elimination Act of 2022, including all good-faith determinations regarding financial companies as required by this act, a state governmental entity and the Treasurer are exempt from any conflicting statutory or common law obligations including any obligations with respect to making investments, divesting from any



investment, preparing or maintaining any list of financial companies, or choosing asset managers, investment funds, or investments for the state governmental entity's securities portfolios.

C. In a cause of action based on an action, inaction, decision, divestment, investment, financial company communication, report, or other determination made or taken in connection with the Energy Discrimination Elimination Act of 2022, the state shall indemnify and hold harmless for actual damages, court costs, and attorney fees adjudged against, and defend:

1. An employee, a member of the governing body, or any other officer of a state governmental entity;
2. A contractor of a state governmental entity;
3. A former employee, a former member of the governing body, or any other former officer of a state governmental entity who was an employee, member of the governing body, or other officer when the act or omission on which the damages are based occurred;
4. A former contractor of a state governmental entity who was a contractor when the act or omission on which the damages are based occurred; and
5. A state governmental entity.

D.

1. A person, including a member, retiree, or beneficiary of a retirement system to which the Energy Discrimination Elimination Act of 2022 applies, an association, a research firm, a financial company, or any other person shall not sue or pursue a private cause of action against the state, a state governmental entity, a current or former employee, a member of the governing body, or any other officer of a state governmental entity, or a contractor of a state governmental entity, for any claim or cause of action, including breach of fiduciary duty, or for violation of any constitutional, statutory, or regulatory requirement in connection with any action, inaction, decision, divestment, investment, financial company communication, report, or other determination made or taken in connection with this act.
2. A person who files suit against the state, a state governmental entity, an employee, a member of the governing body, or any other officer of a state governmental entity, or a contractor of a state governmental entity, is liable for paying the costs and attorney fees of a person sued in violation of this section.
3. A state governmental entity shall not be subject to any requirement of this act if the state governmental entity determines that such requirement would be inconsistent with its fiduciary responsibility with respect to the investment of entity assets or other duties imposed by law relating to the investment of entity assets.

*Created by HB 2034, eff. November 1, 2022.*

### **§74-12003. Energy Discrimination Elimination Act of 2022**

A.

1. The Treasurer shall prepare and maintain and provide to each state governmental entity a list of financial companies that boycott energy companies. In maintaining the list, the Treasurer may:
  - a. review and rely, as appropriate in the Treasurer's judgment, on publicly available information regarding financial companies including information provided by the state, nonprofit organizations, research firms, international organizations, and governmental entities, and
  - b. request written verification from a financial company that it does not boycott energy companies and rely, as appropriate in the Treasurer's judgment and without conducting further investigation, research, or inquiry, on a financial company's written response to the request.

2. A financial company that fails to provide to the Treasurer a written verification under subparagraph b of paragraph 1 of this subsection before the sixty-first day after receiving the request from the Treasurer is presumed to be boycotting energy companies.

3. The Treasurer shall update the list annually or more often as the Treasurer considers necessary, but not more often than quarterly, based on information from, among other sources, those listed in subparagraph a of paragraph 1 of this subsection.

4. Not later than the thirtieth day after the date the list of financial companies that boycott energy companies is first provided or updated, the Treasurer shall file the list with the presiding officer of each house of the Legislature and the Attorney General and post the list on a publicly available Internet website.

5. The Treasurer may retain third-party consultants to assist in the implementation of the provisions of this act.

B. Not later than the thirtieth day after the date a state governmental entity receives the list provided under paragraph 1 of subsection A of this section, the state governmental entity shall notify the Treasurer of the listed financial companies in which the state governmental entity owns direct holdings or indirect holdings.

C.

1. For each listed financial company identified under paragraph 1 of subsection A of this section, the state governmental entity shall send a written notice:

- a. informing the financial company of its status as a listed financial company,
- b. warning the financial company that it may become subject to divestment by state governmental entities after the expiration of the period described by paragraph 2 of this subsection, and
- c. offering the financial company the opportunity to clarify its activities related to companies described by paragraph 1 of subsection A of this section.

2. Not later than the ninetieth day after the date the financial company receives notice under paragraph 1 of this subsection, the financial company shall cease boycotting energy companies to avoid qualifying for divestment by state governmental entities.

3. If, during the time provided by paragraph 2 of this subsection, the financial company ceases boycotting energy companies, the Treasurer shall remove the financial company from the list maintained under paragraph 1 of subsection A of this section, and this subsection will no longer apply to the financial company unless it resumes boycotting energy companies.

4. If, after the time provided by paragraph 2 of this subsection expires, the financial company continues to boycott energy companies, the state governmental entity shall sell, redeem, divest, or withdraw all publicly traded securities of the financial company, except securities described by subsection E of this section, according to the schedule provided under subsection D of this section.

D.

1. A state governmental entity required to sell, redeem, divest, or withdraw all publicly traded securities of a listed financial company shall comply with the following schedule:

- a. at least fifty percent (50%) of those assets shall be removed from the state governmental entity's assets under management not later than the one-hundred-eightieth day after the date the financial company receives notice pursuant to paragraph 1 of subsection C of this section unless the state governmental entity determines, based on a good-faith exercise of its fiduciary discretion and subject to subparagraph b of this subsection, that a later date is more prudent, and

b. one hundred percent (100%) of those assets shall be removed from the state governmental entity's assets under management not later than the three-hundred-sixtieth day after the date the financial company receives notice pursuant to paragraph 1 of subsection C of this section.

2. If a financial company that ceased boycotting energy companies after receiving notice pursuant to paragraph 1 of subsection C of this section resumes its boycott, the state governmental entity shall send a written notice to the financial company informing it that the state governmental entity will sell, redeem, divest, or withdraw all publicly traded securities of the financial company according to the schedule in paragraph 1 of subsection D of this section.

3. Except as provided by paragraph 1 of subsection D of this section, a state governmental entity may delay the schedule for divestment under that subsection only to the extent that the state governmental entity determines, in the state governmental entity's good-faith judgment, and consistent with the entity's fiduciary duty, that divestment from listed financial companies will likely result in a loss in value or a benchmark deviation described by paragraph 1 of subsection F of this section.

4. If a state governmental entity delays the schedule for divestment, the state governmental entity shall submit a report to the Treasurer, the presiding officer of each house of the Legislature, and the Attorney General stating the reasons and justification for the delay in divestment by the state governmental entity from listed financial companies. The report shall include documentation supporting its determination that the divestment would result in a loss in value or a benchmark deviation described by paragraph 1 of subsection F of this section including objective numerical estimates. The state governmental entity shall update the report every six (6) months.

E. A state governmental entity is not required to divest from any indirect holdings in actively or passively managed investment funds or private equity funds. The state governmental entity shall submit letters to the managers of each investment fund containing listed financial companies requesting that they remove those financial companies from the fund or create a similar actively or passively managed fund with indirect holdings devoid of listed financial companies. If a manager creates a similar fund with substantially the same management fees and same level of investment risk and anticipated return, the state governmental entity may replace all applicable investments with investments in the similar fund in a time frame consistent with prudent fiduciary standards but not later than the four-hundred-fiftieth day after the date the fund is created.

F.

1. A state governmental entity may cease divesting from one or more listed financial companies only if clear and convincing evidence shows that:

- a. the state governmental entity has suffered or will suffer a loss in the value of assets under management by the state governmental entity as a result of having to divest from listed financial companies under this subsection, or
- b. an individual portfolio that uses a benchmark-aware strategy would be subject to an aggregate expected deviation from its benchmark as a result of having to divest from listed financial companies under this subsection.

2. A state governmental entity may cease divesting from a listed financial company as provided by this section only to the extent necessary to ensure that the state governmental entity does not suffer a loss in value or deviate from its benchmark as described by paragraph 1 of this subsection.

3. Before a state governmental entity may cease divesting from a listed financial company under this section, the state governmental entity shall provide a written report to the Treasurer, the presiding officer of each house of the Legislature, and the Attorney General setting forth the reason and justification, supported by clear and convincing evidence, for deciding to cease divestment or to remain invested in a

listed financial company. The state governmental entity shall update the report required by this subsection semiannually, as applicable.

4. This section does not apply to reinvestment in a financial company that is no longer a listed financial company.

G. Except as provided in subsection F of this section, a state governmental entity shall not acquire securities of a listed financial company.

*Created by HB 2034, eff. November 1, 2022.*

#### **§74-12004. Energy Discrimination Elimination Act of 2022**

A. Not later than January 1 of each year, each state governmental entity shall file a publicly available report with the Treasurer, the presiding officer of each house of the Legislature, and the Attorney General that:

1. Identifies securities sold, redeemed, divested, or withdrawn in compliance with subsection D of Section 3 of this act;

2. Identifies prohibited investments under subsection F of Section 3 of this act; and

3. Summarizes any changes made under subsection E of Section 3 of this act.

B. The Attorney General may bring any action necessary to enforce the Energy Discrimination Elimination Act of 2022.

*Created by HB 2034, eff. November 1, 2022.*

#### **§74-12005. Energy Discrimination Elimination Act of 2022**

A. As used in this section only of the Energy Discrimination Elimination Act of 2022, "governmental entity" means a state agency or political subdivision of this state.

B. 1. Except for paragraph 4 of this subsection, this section applies only to a contract that:

a. is between a governmental entity and a company with ten or more full-time employees, and

b. will pay a company One Hundred Thousand Dollars (\$100,000.00) or more over the term of the contract that is to be paid wholly or partly from public funds of the governmental entity; provided, however, the provisions of this paragraph shall apply separately to all companies in a multiple party contract.

2. Except as provided by paragraph 4 of this subsection, a governmental entity shall not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

a. does not boycott energy companies, and

b. will not boycott energy companies during the term of the contract.

3. Except as provided by paragraph 4 of this subsection, a governmental entity shall not enter into a contract for goods or services with a listed financial company under Section 3 of this act.

4. Paragraphs 2 and 3 of this subsection shall not apply to:

a. a governmental entity that determines the requirements of paragraphs 2 or 3 of this subsection are inconsistent with the governmental entity's constitutional or statutory duties related to the issuance, incurrence, or management of debt obligations or the deposit, custody, management, borrowing, or investment of funds, and

b. a contract for which a governmental body determines the supplies or services to be provided are not otherwise reasonably available from a company that is not a listed financial company under Section 3 of this act.

*Created by HB 2034, eff. November 1, 2022.*

#### **§74-12006. Energy Discrimination Elimination Act of 2022**

Section 5 of the Energy Discrimination Elimination Act of 2022 applies only to a contract entered into on or after the effective date of this act. A contract entered into before that date is governed by the law in effect on the date the contract was entered into, and the former law is continued in effect for that purpose.

*Created by HB 2034, eff. November 1, 2022.*

# **OAC 395: OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM RULES.**

## **CHAPTER 1 – ADMINISTRATIVE OPERATIONS**

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### **395:1-1-1. Purpose**

The rules of this chapter have been adopted for the purpose of facilitating the administration of the Oklahoma Law Enforcement Retirement System and to further comply with the provisions of Title 47 O. S. Section 2-300 et seq. and complying with the provisions of the Administrative Procedures Act, 75 O.S. Section 250 et seq.

### **395:1-1-2. Board Duties and Responsibilities**

The Oklahoma Law Enforcement Retirement System Board is authorized by Title 47, O.S. Section 2-300 through 2-313 as amended, and the duties and responsibilities are stated in Chapter 49, Title 74, O.S. Section 3101. [Title 47 currently includes Section 2-300 through 2-315].

### **395:1-1-3. Board Meetings and Records**

- (a) **Conduct of meetings.** The Board will normally meet on the third Thursday of each month and at such other times, dates, and locations as may be set by the Board. Special and emergency meetings will be called in accordance with the provisions of the retirement law and the Open Meeting Law. Meetings will be held in accordance with the Open Meeting Law (Title 25, O.S. Section 301-314.) Written minutes shall be an official summary of the proceedings and shall be on file in the Oklahoma Law Enforcement Retirement System's administrative office in Oklahoma City, Oklahoma, located at. 421 NW 13th, Suite.100. The minutes and other public records that are under the administration of the Oklahoma Law Enforcement Retirement System are open to the public for inspection during normal working hours of the Oklahoma Law Enforcement Retirement System.
- (b) **Voting.** Seven (7) Board members shall constitute a quorum for the transaction of business. Any official action of the Board shall be based at least a simple majority vote of the quorum.

### **395:1-1-4. Rules; Petitions for Promulgation, Amendment or Repeal of Rule**

The Board shall make the necessary rules and regulations for the administration of the Oklahoma Law Enforcement Retirement System. These rules shall be adopted in accordance with Title 75, Oklahoma Statutes. Any interested person may petition the Board requesting the promulgations, amendment or repeal of a Board rule, provided, in submitting such a petition the person must submit, in writing, the proposed changes or request to appear before the Board to present oral views on any changes to the rules. Petition should be presented to the President of the Oklahoma Law Enforcement Retirement System Board at least five (5) working days prior to the scheduled date of the public hearing. Any person interested in having advance notice of rules changes must make a request to the President in writing.

### **395:1-1-5. Actual and Necessary Expenses**

In accordance with the provisions of Title 47, O.S. Section 2- 300 through 2-315, the Oklahoma Law Enforcement Retirement System is directed to carry out the administration of the Plan and pay for the actual and necessary expenses incurred in the operation of the System, when allowed and approved by the Board. All expenses shall be paid from the Fund by vouchers drawn against the Fund.

### **395:1-1-6. Official Residence, Principal Office; Hours; Official Mailing Address**

- (a) The official residence of the Oklahoma Law Enforcement Retirement System is Oklahoma County, Oklahoma, with the principal office of the Oklahoma Law Enforcement Retirement System being located in Oklahoma City, Oklahoma.
- (b) Office hours shall be from 8:00 a. m. to 4:45 p.m., unless otherwise set by the Executive Director. Office hours will be Monday through Friday inclusive, except legal holidays established by statutes or proclamations of the Governor.

### **395:1-1-7. Change of Status**

Any request for change of address, change of tax status, change of withholding, change of direct deposit, change of beneficiaries or other requested change, must be made in writing, and received by the System at its principal place of business. Certain changes may also be completed remotely using the Member Self Service website.

## **CHAPTER 10 – RETIREMENT AND PENSION BENEFITS PROGRAM**

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### **395:10-1-1. Purpose**

The rules of this chapter have been adopted for the purpose of identifying the procedures and policies regarding retirement and pension benefits of the System.

### **395:10-1-2. Definitions**

The following words or terms when used in this Chapter, shall have the following meaning unless the context already indicates otherwise:

**"Board"** means the Oklahoma Law Enforcement Retirement Board of the System.

- (A) The Board shall consist of thirteen (13) members: The Assistant Commissioner of Public Safety or their Designee, the Director of the Oklahoma Management and Enterprise Services or their Designee, three (3) members appointed by the Governor, a member to be appointed by the Speaker of the House of Representatives, one (1) member to be appointed by the President Pro-Tempore of the Senate, all terms to be for four years and/or coterminous with the term of office of the office of the appointing authority, two (2) members of the Highway Patrol Division, one (1) member of the Communications Division, one (1) member of the Oklahoma State Bureau of Investigation, one (1) member of the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, and one (1)

member of the Alcoholic Beverage Laws Enforcement Commission, elected by and from the membership of the System.

(B) When an elected Board member's term expires, or they retire or resign causing a vacancy on the Board, the active members of said agency shall, by popular vote, nominate two (2) candidates, and present said candidates' names to the office of the President of the Board. The President will then prepare a ballot with the two (2) named candidates and same shall be mailed to all members of the System. The person receiving the majority vote will be elected to serve on the Board as provided by Statute and/or completes the resigned or retired member's term, whichever the case may be.

(C) Members elected shall serve for terms of three (3) years. Every two (2) years, one of the elected members of the Board shall be selected by the Board as President and another elected member shall be selected as Secretary of the Board.

(D) Any member of the Board elected by the membership of the System maybe recalled for cause at a special election held for that purpose by the members of the System. Such an election shall be called and held by the President and Secretary of the Board upon written request therefor signed by not less than one-third (1/3) of the members and shall be held pursuant to notice given to all members of the System, stating the date for such election which shall not be less than ten (10) days from the date of the issuance of such notice. All members of the System shall be entitled to vote by secret ballot and, if two-thirds (2/3) or more of the membership votes for their recall, the elected member of the Board designated in such request, notice and secret ballot, shall cease to be a member of the Board and the President and Secretary shall call and hold a special election by the members of the System to fill the remainder of the term of the member so recalled.

(E) The President and Secretary of the Board are appointed by the Board and are the Executive Officers for the Board. They are responsible for the general administration of the Retirement System.

**"Inactive vested member"** means a member who has completed at least ten (10) years of vesting service and is no longer employed and is not receiving benefits.

**"Retired member"** means a member who has reached normal retirement date and is collecting benefits.

**"Vested member"** means a member who has completed at least (ten) 10 years of vesting service.

**"Vesting service"** means the period of service in which a member has been employed by an agency currently in this System and the member is still contributing.

### **395:10-1-2.1. Receipt of Documents**

Any notices, letters, payments or other documents will be considered received on the date actually received in the offices of the System, as evidenced by the Oklahoma Law Enforcement Retirement System date stamp.

### **395:10-1-2.2. Failure to Submit Documents**

(a) A retiree's required documents must be received by the fifteenth day of the month in which the first retirement voucher is to be paid.

(b) Required documents include, but are not limited to, forms found on the OLERS website, approved agency personnel action indicating retirement and date of termination of employment.



### **395:10-1-2.3. Authorized Member Signature**

A signature other than that of the member will not be accepted on System forms, applications or requests for confidential information except by order of the court or a durable power of attorney.

### **395:10-1-2.4. Recordkeeping Requirements**

- (a) The System reserves the right to use any information contained in a member's file, in the appropriate format, for the recordkeeping, data processing and administrative use of the System. All formatting and data requirements shall be determined by the System.
- (b) Any participating employer shall furnish all required information reasonably requested by the System in order to ensure compliance with all applicable federal and state laws, rules and regulations. The System reserves the right to withhold benefits, including but not limited to, refunds, withdrawal payments and retirement payments, pending timely receipt of this information.

### **395:10-1-3. Hearing Procedures**

The Board shall conduct hearings in accordance with the Administrative Procedures Act and the Open Meeting Laws of the State of Oklahoma. In regards to the Oklahoma Law Enforcement Retirement System, procedures for such hearings are as follows:

- (1) Any person aggrieved by action or order of the Board may make request for a hearing to the Board in writing within thirty (30) days after notification of such allowance or disallowance of claim. The Board then shall schedule time for a hearing, and give written notice of said hearing to contestant not less than twenty (20) days prior to hearing date. The hearing shall be held in Oklahoma City, Oklahoma, unless otherwise directed by the Board. The person requesting a hearing before the Board shall supply to the Executive Director, not less than ten (10) days prior to the hearing, a copy of all exhibits that the person will offer during the hearing, together with a list of all witnesses that the person anticipates calling as a witness with a detailed description of the witnesses' proposed testimony. Failure to supply the foregoing information to the Executive Director shall result in the exclusion of exhibits and witness testimony being presented on behalf of the person requesting the hearing. After such hearing the Board shall affirm, reverse, or modify its previous action, specifying the reasons therefor, and written notice of the action taken by the Board shall be forwarded immediately to the interested parties by the President of the Board.
- (2) Hearings may be conducted by the President of the Board, or a hearing officer, or a hearing officer may be assigned to assist the President of the Board in conducting the hearing.
- (3) Pre-hearing Conference: A pre-hearing conference may be used to determine legal or factual issues. When a pre-hearing conference is used, said conference may be conducted by the President of the Board, a designee of the President of the Board, or a hearing officer designated by the President of the Board. Said conference shall be conducted at least five (5) days prior to the hearing. Exhibits to be used at the hearing shall be marked and numbered. Exhibits will be exchanged at the pre-hearing conference. The admissibility or inadmissibility of exhibits to be used during the hearing will be determined by the individual presiding over the pre-hearing conference. Each exhibit used during the hearing must be produced in sufficient quantities for every Board Member to receive a copy at the time of hearing. Witnesses intended to be called at the hearing will be identified at the pre-hearing conference and the admissibility of their proposed testimony determined by the individual presiding over the pre-hearing conference. The issues to

be determined at the hearing will be identified at the pre-hearing conference. A record of the pre-hearing conference may be made by tape recording.

(4) In such hearing, opportunity shall be afforded the party or parties requesting same to respond and present evidence and argument on all issues involved. The hearing shall be conducted in an orderly manner. The party or parties requesting the hearing shall be heard first; those, if any who oppose the relief sought by the requesting party shall then be heard.

(A) Unless precluded by law, informal disposition may be made of any individual proceedings by stipulation, agreed settlement, consent order or default.

(B) Any party shall at all times have the right to counsel, provided such counsel is duly licensed to practice law by the Supreme Court of Oklahoma.

(5) Rulings on admissibility of evidence shall be made by the President of the Board or a hearing officer selected by the Board. The President of the Board or the hearing officer may recess and reconvene the hearing at their discretion.

(6) Should the party or parties contesting the Board's actions desire a full verbatim record of the proceedings, it shall be the full responsibility of the contestant to employ and pay for the services of a competent court reporter to record the proceedings. If transcribed, the record shall be a part of the Board's record of the hearing. Otherwise, the record will be taken by employees of the System as provided in Title 47, O.S. Section 2-309 as amended.

(7) The President of the Board or their designee shall have authority for purpose of the hearing to administer oaths; and with the approval of the Board, shall have the authority to issue subpoenas for witnesses or subpoenas duces tecum to compel the production of books, records, papers, and other objects, which subpoenas may be served, by any duly qualified officer of the law or any employee of the Board in any manner prescribed for the service of a subpoena in a civil action.

(8) Any request for continuance received five (5) days or more before the scheduled hearing date may be granted by the Executive Director. Reasons for granting a continuance may include one of the following reasons: illness of the party requesting the hearing, or illness of a material witness, or unavoidable conflict in the schedule of the legal counsel. If the request for continuance is received, the Executive Director will decide whether to grant such a continuance. Said request for continuance must be mailed to the Executive Director and must be simultaneously mailed to all other interested parties and so indicated on the request. If the continuance is granted, all parties will be notified by the Secretary of the Board, or the Secretary of the Board's designee.

(9) All final orders in any hearing shall be made within thirty (30) days after the conclusion of the hearing. Parties shall be notified of such orders either in person or by registered mail. A final order shall include findings of fact and conclusion of law, separately stated.

#### **395:10-1-4. Benefits**

All benefits shall be paid in accordance with Title 47 O.S. Section 2-305.

(1) Each new member shall make written application for membership and said application shall be presented to the Board at the next meeting of the Board for approval.

(2) Each application for membership may be approved effective on the first (1st) of the month following date of employment, so long as the applicant meets the qualifications for membership stated in Title 47 O.S. Section 2-300(6).

(3) Written requests for retirement benefits must be received in the administrative office located at 421 NW 13TH Street, Suite,100, Oklahoma City, Oklahoma, by the first Wednesday of

the month prior to the desired effective date of retirement, in order that such matters may be properly posted on the agenda as required by the Open Meeting Laws.

(4) The Board shall have the authority to call a disabled member for a complete physical examination by two (2) physicians selected by the Board, any time between the regularly called for examination; provided the Board has reason to believe that such member has or may have recovered to the extent that he can again perform service in any division covered by the System. After complete evaluation by the examining physicians, if the member is found no longer disabled for performance of duties, the member shall be required to return to duty and complete twenty (20) years of service.

(5) Retirement pursuant to Title 47 O.S. Section 2-305, has at all times included reemployment of a member by a state agency in a position which is not covered by OLERS. Thus, in-service distributions from OLERS to such a member are permitted. Prior to September 19, 2002, if such member was reemployed by a state agency in a position which is covered by OLERS, such member will continue to receive in-service distributions from OLERS and will not accrue any further credited service. On and after September 19, 2002, if a retired member is reemployed by a state agency in a position which is covered by OLERS, 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 OLERS.

#### **395:10-1-4.1. Refund of Contributions**

Any member who applies for a refund of their contributions and is eligible for a vested benefit shall be notified of the value of the benefit and when he or she would be eligible to begin receiving a benefit. The member must sign a written waiver of such benefit before such refund will be processed for payment.

#### **395:10-1-4.2. Health Insurance Contribution**

The Oklahoma Law Enforcement Retirement System shall contribute the amount required by law towards the cost of health insurance coverage under the State and Education Employees Group Insurance Plan only for retirees or survivors who actually receive a monthly retirement benefit for that month. This contribution shall not be made directly to the retiree. Title 74 O.S. Section 1316.2; Title 47 O.S. Section 2-301.

#### **395:10-1-4.3. Qualified Health Insurance Premiums**

If the requirements of Title 47 O.S. 2-305.1C are satisfied, a member who, by reason of disability or attainment of normal retirement date or age, separates from service as a public safety officer with their participating employer, may elect to have payment made directly to the provider for qualified health insurance premiums by deduction from the member's monthly disability benefit or monthly retirement payment, after December 31, 2006.

#### **395:10-1-5. Survivor Benefits**

All survivor benefits shall be paid in accordance with Title 47, O.S. Section 2-306 or OAC 395:10-1-11(b)(7).

### **395:10-1-6. Contributions**

Contributions shall be paid in accordance with Title 47, O.S. Section 2-304.

### **395:10-1-7. [REVOKED]**

#### **395:10-1-7.1. Involuntary Furlough**

In computing the final average salary, a retiring member's monthly base salary including excess benefits, shift differential and skill-based pay will be used for each month the retiring member was placed on involuntary furlough under OPM Rule 530:10-15-48, Involuntary leave without pay (furlough).

### **395:10-1-8. [REVOKED]**

#### **395:10-1-9. Purchase of Prior Service Credit**

(a) A member may receive service credit not to exceed five (5) years of participating service accumulated by the member while an employee of a state agency, or as a commissioned officer with an in-state law enforcement agency. In addition, a member may purchase service credit as a commissioned officer with an out-of-state law enforcement agency, or with a federal law enforcement agency, either as a commissioned officer or in a scientific or technical field, if the member is not receiving or eligible to receive retirement credit or benefits for such service from any other public retirement System. The cost shall be computed in accordance with Title 47 O.S. Section 2-307.5. Application for such prior service must be submitted to the administrative office of the system for computation of purchase cost and must be paid for in full within two (2) years of the member's effective date of membership in OLERS. Such service credit shall not be used in determining the eligibility of the member for retirement or vesting purposes.

(b) Effective January 1, 1991, all purchases of transferred credited service pursuant to Title 47 O.S. Section 2-307.5, 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 fiscal year, shall be based on the actuarial assumptions utilized in the actuarial valuation report in effect at the time.

(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 the Board's 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 1975 Group Annuity Mortality weighted 90% male.

- (5) In the event a member who chooses to purchase service has been employed less than twelve (12) months, their salary shall be annualized based upon the most current completed calendar months of payroll information.
- (c) Military service may be granted in accordance with Title 47 O.S. Section 2-307.4. To receive credit for such service, a DD214 or military discharge should be submitted along with the application for membership in OLERS, or any time prior to commencement of retirement benefits. Such service shall not be used in determining the eligibility of the member for retirement or vesting purposes.

### **395:10-1-9.1. Purchase Price Payments/Transfer of Credited Service**

- (a) An active member of the System may elect the payment of the actuarial purchase price, repayment of a previous withdrawal or any other purchase or repayment permitted and authorized by the statutes governing the System, to be amortized in monthly installments to the extent allowed by law.
- (1) A payment schedule may be established allowing the member to make monthly payments through payroll deductions by the member's employer if the employer agrees to make the deductions and remit payment to the System. Payments remitted by an employer for its employees must be kept separate from employer's regular retirement contributions or any other payments to the System. Such payments do not qualify as "pre-tax" contributions under "employer pick-up" provisions of Section 414(h) of the Internal Revenue Code.
- (2) The installment payment schedule provided for in this section must be in monthly increments. The minimum total monthly payment is \$25.00. The member shall be responsible for maintaining the payment schedule. The payment due date will be based on the payroll schedule set by the member's employer. Any installment not paid within sixty (60) days of the due date will result in termination of the installment payment schedule with the member given the option of paying the balance of the actuarial purchase price with interest due through date of payment or receiving partial credit for payments made under the installment schedule as provided for in subsection (4) of this section.
- (3) The monthly payment will be determined by amortizing the total amount due for the service to be purchased over the period of the installment schedule using an interest rate equal to the actuarially assumed interest rate adopted by the Board of Trustees for investment earnings for the year in which the payment schedule is commenced.
- (4) If the installment payment is terminated for any reason, including termination of employment, death of the member or by cessation of payments, the member or his beneficiary will have the option of paying the remaining balance within the original contract period. In the event the actuarial purchase price is paid prior to the end of the contract period, the amount to be paid shall be the balance of the actuarial purchase price with interest due through the date of payment. If the balance is not paid, the member will receive credit for service prorated for only the actuarial purchase price paid and rounded to the last full month paid for. No refunds will be paid to the member.
- (5) Credit for service purchased on an installment schedule will not be added to the member's account until the entire balance is paid, except as provided for in subsection (4) of this section. All payments must be completed in the month prior to the effective retirement date of the member. If any member or beneficiary elects to pay the balance, during the original contract period provided for in subsection (4) of this section, no benefits will be payable until the completion of the original contract period, or receipt of a signed waiver. In no event will retroactive benefit payments be

made, and the effective retirement date will be adjusted to the first day of the month following the completion of payments or receipt of waiver.

- (6) Payments may be made directly to the System by the member, or beneficiary of the member who is in an unpaid leave status, in the following circumstances:
  - (A) if payroll is insufficient to handle the entire payment,
  - (B) in the event of payroll error where employer fails to withhold the proper amount, or
  - (C) during the original contract period referred to in subsection (4) of this section.
- (7) If the purchase is terminated for any reason, the purchase cannot be made at anytime in the future, following the original contract period referred to in subsection (4) of this section. By failing to complete this purchase, the member or beneficiary forfeits the right to the purchase at any other time.
- (b) 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 funds from a qualified plan described in Section 401(a) of the Internal Revenue Code of 1986, as amended.
- (c) 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 OLERS by use of a direct trustee-to-trustee transfer funds from an eligible 457(b) plan and/or a 403(b) tax sheltered annuity program.
- (d) Notwithstanding (b) and (c) of this subsection above, purchases may be made by a cash lump sum payment of the actuarial purchase price with interest due through the date of payment, installment payments (where otherwise allowed by Oklahoma state statutes), and/or by trustee-to-trustee transfer as described in (b) and (c) above.
- (e) OLERS will transfer credited service to another state retirement system upon request of a former member. Upon transfer, the former member will have forfeited all rights in OLERS.
- (f) The purchase of service or transfer of credited service shall be completed in the time and manner prescribed by the Board.

### **395:10-1-10. Sick Leave as Credited Service**

Effective July 1, 2008, a member, upon retirement, electing a Deferred Option Plan or electing a vested benefit, shall be credited with not more than 1,920 hours of unused accumulated sick leave. For the purpose of this computation, 1,920 hours shall total twelve (12) months, with 20 days totaling one month of credit.

#### **395:10-1-10.1. Allowable Adjustments**

Adjustments made to the initial retirement benefit calculations based on credit for unused sick leave and/or longevity payment shall be retroactive to the effective date of retirement.

## **395:10-1-11. Deferred Option Plan**

### **(a) Forward DROP.**

(1) **Purpose.** The Oklahoma Law Enforcement Deferred Option Plan allows an active participating member of OLERS who has not less than twenty (20) years of participating service, who is eligible to receive a service retirement pension, to make an election to participate in the OLERS Deferred Option Plan. In lieu of terminating employment and accepting a service retirement pension, the eligible member defers the receipt of benefits in accordance with Title 47 O.S., Section 2-305.2A, B, C, D, E and F and the provisions of this section.

(2) **Definitions.** Reserved.

### **(3) Application.**

(A) The applicant must have twenty (20) years or more of participating service with OLERS to be eligible.

(B) The applicant must submit their completed application to OLERS on forms provided by OLERS.

(C) OLERS must receive the application a minimum of thirty (30) days prior to the effective date.

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

(E) 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 OLERS Deferred Option Plan is irrevocable as long as the member remains employed.

(F) OLERS will provide the applicant a Plan Summary. In addition, the applicant will be asked to sign a statement acknowledging receipt and understanding of the Plan Summary.

### **(4) Contributions.**

(A) The final member contribution made to OLERS shall be for the last pay period prior to the first of the month in which the member becomes a participant in the OLERS Deferred Option Plan.

(B) The employer's contribution will continue to OLERS.

(C) The employer's contribution shall be credited as follows:

(i) fifty percent (50%) to the member's option account. The credit to the member's option account shall be made the same day as the monthly retirement benefit credit is made; and

(ii) fifty percent (50%) to OLERS.

(D) Neither the member nor anyone on their behalf may make any other contribution to the member's option account. Only the employer's contribution will be added to the member's option account.

(E) When a member has participated in the OLERS 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.

### **(5) Benefits.**

(A) 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.

(B) The formula for calculating the pension benefit is two and one-half percent (2 1/2%) of the final average salary multiplied by the years of creditable service including partial

years of service (based on completed months of service). Final average salary is the average paid base salary of the member for the highest salaried thirty (30) consecutive months, excluding pay for any accumulated leave or uniform allowance.

(C) The amount of the member's service retirement benefit is frozen at the inception of their participation in the OLERS Deferred Option Plan. No increase will be made to that benefit due to any changes in the member's salary whether for cost of living increases, promotions or otherwise, while still actively employed with the agency. The pension benefit may be increased, however, by cost of living increases as provided by the legislature for all retired members of OLERS.

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

(6) **Interest.**

(A) The member's option account shall earn interest at a rate of two percentage (2%) points below the rate of return of the total investment portfolio of OLERS, but no less than the actuarial assumed interest rate in accordance with Title 47 O.S., Section 2-305.2 (E)(2) at the beginning of the fiscal year. The fiscal year is July 1 through June 30.

(B) The Fund's rate of return shall be calculated monthly and certified by the Fund's Executive Director.

(i) For the purpose of calculating earnings for a member's account, deposits and withdrawals will be deemed to have occurred at the close of business on the last day of the month in which the transaction occurred in the system.

(ii) Earnings on a member's account will be calculated on a monthly basis using two methods.

(I) Method I Earnings I = Account balance at beginning of month times (the fund actual internal rate of return (less one twelfth (1/12) of 2%)).

(II) Method II Earnings II = Account balance at beginning of month times (Actuarial assumed earnings rate (divided by three hundred sixty-five days) times (the number of days in the month)).

(iii) Earnings credited to a member's account as of the fiscal year end shall be the greater of the sum of Method I or the sum of Method II calculated earnings.

(C) 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 applicable interest rate, less two percentage (2%) points, divided by 365 days, times the number of days the deposit was credited to the member's option account for the fiscal year.

(D) Each member shall receive an itemized statement on an annual basis each fiscal year. If a member terminates employment, interest calculated and certified by the Fund's Executive Director will be credited no later than the end of the following month to the member's option account for the partial year, provided the rate of return is greater than the actuarial assumed interest rate established in accordance with Title 47 O.S., Section 2-305.2(E)(2). If the rate of return is less than such actuarial assumed rate, then the member's option account will be credited at the assumed interest rate established in accordance with Title 47 O.S., Section 2-305.2(E)(2).



(E) When a member has participated in the OLERS 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 ceases to earn interest.

(F) At the conclusion of a member's participation in the OLERS Deferred Option Plan, the member must terminate employment and shall start receiving the member's accrued monthly retirement benefit from OLERS. A member who terminates employment pursuant to the Deferred Option Plan will not be eligible for active participation in OLERS; provided, however that a member may be reemployed by a state agency in a position not covered under OLERS and receive in-service distributions of such member's accrued monthly retirement benefit from OLERS.

(7) **Payment.**

(A) The member must make payment selection in writing.

(B) The member may select a lump sum payment, equal to the member's option account, which will be paid directly to the member by OLERS. This payment will be made no later than the end of the month following the month the last contribution has been received following termination of employment.

(C) The member may select a direct rollover of their distribution in accordance with Title 47 O.S. Section 2 305.1A.

(D) The member may select a true annuity to be provided by a third party selected by the participant. OLERS shall not be subject to any fees or charges from the annuity provider.

(E) Once the member's option account has been paid to the member as a Direct Rollover or to the member's annuity provider, the member shall not have any recourse against OLERS, its Executive Director, staff, and/or the OLERS Board.

(8) **Beneficiaries.** Upon the death of a participant, a lump sum payment equal to the member's option account balance shall be paid to the designated beneficiary of the participant or if there is no designated beneficiary or if the designated beneficiary predeceases the participant, the payment shall be paid to the estate of the participant. If the member's spouse is not designated as the sole primary beneficiary, the member's spouse must sign consent. A designated beneficiary who is a surviving spouse of a member may elect a Direct Rollover of the account balance in accordance with Title 47 O.S. Section 2-305.1A. A designated beneficiary who is not a surviving spouse may elect a Direct Rollover in accordance with Title 47 O.S. Section 2-305.1A and Title 47 O.S. Section 2-305.1B.

(b) **Back DROP.**

(1) **Purpose.** In lieu of participating in the Oklahoma Law Enforcement Deferred Option Plan pursuant to Title 47 O.S. Section 2-305.2 A, B, C, D and E, a member may elect to participate in the Oklahoma Law Enforcement Deferred Option Plan pursuant to Title 47 O.S. Section 2-305.2H ("Back DROP") and the provisions of this subsection.

(2) **Definitions.** For purposes of this subsection, the definitions as stated in Title 47 O.S. Section 2-305.2(H)(1) shall apply.

(3) **Application for Back DROP / Conversion from Forward DROP.**

(A) The applicant must have twenty (20) years or more of participating service with OLERS to be eligible.

(B) The applicant must submit their completed application to OLERS on forms provided by OLERS.

- (C) OLERS must receive the application a minimum of thirty (30) days prior to the effective date.
  - (D) The effective date of membership will be the first day of the month.
  - (E) Once the Board has approved a member's application, the member's participation in the OLERS Back DROP is irrevocable.
  - (F) OLERS will provide the applicant a Plan Summary. In addition, the applicant will be asked to sign a statement acknowledging receipt and understanding of the Plan Summary.
- (4) **Contributions and Benefits.**
- (A) At the termination date, a member's monthly pension benefit will be determined based on the earlier attained participating service and on the final average salary as of the back drop date.
  - (B) The member's individual deferred option account will be credited with an amount equal to the deferred benefit balance; the member will terminate employment and will start receiving the member's accrued monthly retirement benefit from OLERS.
  - (C) The member will, upon application filed with the Board, be refunded from the fund an amount equal to the accumulated contributions the member made to the fund from the back drop date to the termination date, but excluding any interest.
  - (D) Such member will not be eligible for active participation in OLERS. Termination has at all times included reemployment of a member by a state agency but only in a position not covered under OLERS.
  - (E) The provisions of Title 47 O.S. Section 2-305.2B, C, E, F and G apply to the Back DROP.
- (5) **Conversion to Back DROP from Deferred Option Plan.**
- (A) A member may participate in the Back DROP even if the member has elected to participate in the Oklahoma Law Enforcement Deferred Option Plan pursuant to Title 47 O.S. Section 2-305.2A, B, C, D, E and F.
  - (B) Such a member may select a back drop date which is up to five (5) years prior to the termination date but not before the date at which the member completes 20 years of participating service. Such a member's participation in the Oklahoma Law Enforcement Deferred Option Plan may not exceed five (5) years when combined with such a member's prior period of participation in the Oklahoma Law Enforcement Deferred Option Plan.
  - (C) The provisions of Title 47 O.S. Section 2-305.2B, C, E, F and G apply to a member who converts from the Oklahoma Law Enforcement Deferred Option Plan to Back DROP.
- (6) **Interest, Payment.** Interest and payments described in OAC 395:10-1-11(a)(6)(7) applies with regard to this subsection.
- (7) **Death.** If a member dies and was eligible for Back DROP, the eligible spouse will be allowed to act as the member and may elect either Back DROP or Conversion from Front DROP. If the eligible spouse does not elect Back DROP or Conversion from Front DROP then Title 47 O.S. Section 2-306 applies.

**395:10-1-11.1. [REVOKED]**

### **395:10-1-11.3. Direct Trustee-to-Trustee Transfer By Nonspouse Beneficiary[REVOKED]**

### **395:10-1-12. Physical and Psychological Testing Requirements**

- (a) Prior to hiring an applicant, the hiring agency will supply the essential job functions of the position and/or physical requirements along with the OLERS New Hire Forms Packet to the applicant.
- (b) The applicant/hiring agency will take the essential job functions and the OLERS New Hire Forms Packet to the hiring agencies examining medical professional at the hiring agencies expense. (This medical professional should be different from the OLERS Boards medical professional.)
- (c) The hiring agency will submit the completed OLERS New Hire Forms Packet to OLERS. Incomplete packets as determined by the Executive Director or their designee shall be returned and shall not be processed.
- (d) The essential job functions and the physical and psychological tests will be evaluated by the OLERS Board reviewing medical professional who was selected and employed by the Board for approval or disapproval for membership into the System. The OLERS Board reviewing medical professional may request additional tests and/or information.
- (e) The Executive Director shall have the authority to approve applications for membership on an interim status after reviewing the system physician reports until the Board has the opportunity to vote. The hiring agency is now approved to employ the applicant.
- (f) The Board will vote to approve or disapprove membership at the Board meeting following receipt of completed physical or psychological examination results from the Board's reviewing medical professional. Upon approval of the OLERS Board, the applicant will become a member of OLERS starting the 1st of the month after the hire date and contributions would start being withheld. If the applicant qualifies for reinstatement, then they would start immediately contributing on their hire date.
- (g) All medical and psychological records shall be sealed by the Board upon approval. These records are deemed confidential and shall not be made public by the Board. The Board may use these records for the defense of the System or as otherwise required by law.
- (h) Failure of agencies and/or applicants to comply with the rules specified here shall result in denial of membership into the System.
- (i) Any member that transfers from one OLERS covered position to another which involves a change in job functions may be required by the OLERS Board to complete new physical or psychological testing at the discretion of the Board and at the expense of the agency.

### **395:10-1-13. Application for Disability Retirement Requirements**

- (a) Complete the System's Application for Disability Retirement questionnaire under oath.
- (b) If the claim is for a service related disability, a copy of the collision, accident or incident report must be provided and the findings of the §2-310.1 & §2-310.2 Injury Review Board, if any.
- (c) An executed authorization for release of medical information for all treating or evaluating physicians.
- (d) An executed authorization for release of employment records.
- (e) A letter from the Agency Head expressing the employers opinion as to whether the injury did or did not occur within the scope of the applicant's employment.
- (f) No application for service related disability retirement shall be placed on the Board's agenda until all documents required under this section have been received by the System.

**395:10-1-14. [REVOKED]**

**395:10-1-15. Qualified Domestic Order – QDRO**

- (a) No Qualified Domestic Order shall be processed or acted upon by the System unless such order specifically complies with the statutory provisions of Title 47 O.S. Section 2-303.3.
- (b) The Oklahoma Law Enforcement Retirement System shall submit only that information which reflects the member's contribution history and /or benefit amount.
- (c) Said information shall not be furnished to any person unless prior written consent of the member is obtained or a subpoena or court order is issued by a court of competent jurisdiction.

**395:10-1-16. [REVOKED]**

## **OLERS Military Credit Board Resolution**

**Approved by the Board during a regular meeting on February 20, 2020.**

1. Title 47 O.S. § 2-307.4(A) provides that any member shall be entitled to prior service credit, not to exceed five years, for those periods of military service on active duty prior to membership in OLERS.

2. Title 47 O.S. § 2-307.4(B)(1) defines “military service” as service in the Armed Forces of the United States by honorable discharged persons in specified wars, conflicts and periods.

3. Title 47 O.S. § 2-307.4(B)(2) further defines military service to also include a period of war or combat military operation, other than a conflict, war or era listed in subsection (B)(1), beginning on the date of Congressional authorization, Congressional resolution, or Executive Order of the President of the United States, in a war or combat military operation lasting ninety days or more, for a person who served in the area of responsibility of the war or combat military operation.

4. The OLERS Board finds that credited service under 47 O.S. § 2-307.4(B)(2) includes, but is not limited to, service in the areas of responsibility of the following wars, campaigns, or combat military operations and time periods:

1. Kosovo Campaign Operations (Kosovo Air Campaign or Kosovo Defense Campaign) area from March 24, 1999 to December 31, 2013;
2. Operation Enduring Freedom in the Afghanistan Campaign area from September 11, 2001 to December 31, 2014;
3. Operation Freedom’s Sentinel in the Afghanistan Campaign area from January 1, 2015 to a date to be determined;
4. Operation New Dawn of the Iraq Campaign area from March 19, 2003 to December 31, 2011;
5. Operations Inherent Resolve area in Iraq and Syria, from June 15, 2014 to a date to be determined.

## Frequently Asked Questions

### 1. HOW MUCH OF MY SALARY DO I PAY TOWARDS RETIREMENT?

Members of the Oklahoma Law Enforcement Retirement System contribute 8% of their gross pensionable salary towards retirement. Their employing agency contribute 11% of the gross pensionable salary.

### 2. WHEN AM I ELIGIBLE FOR RETIREMENT?

A member of the Oklahoma Law Enforcement Retirement System is eligible for retirement after completing 20 years of actual service.

### 3. WHAT IS CREDITED SERVICE?

Credited Service is the period during which the member participated in the System as an eligible employee of one of the participating agencies.

### 4. WHAT IF I AM INJURED AND ON WORKERS COMPENSATION, WILL THIS AFFECT MY SERVICE TIME?

Yes, if you are injured and on workers compensation and not receiving your full salary from your agency, you will not receive credited service for that time unless you pay the member 8% contributions to OLERS on the difference to bring your salary up to your normal full-time salary. Once we receive the 8% member contributions, OLERS will bill your agency for the 11% employer contributions. **Please contact OLERS if you are on workers compensation.**

### 5. SHOULD I CONTACT OLERS IF I AM ON WORKERS COMPENSATION?

Yes, please contact OLERS if you are on workers compensation.

### 6. DOES MY TIME IN OTHER SYSTEMS COUNT TOWARDS MY CREDITED SERVICE?

If you were initially in the Oklahoma Public Employees Retirement System “OPERS” and were transferred into OLERS by legislation, that time with OPERS is treated as credited service. This service time will count as credit service and will count towards your necessary 20 years of service for retirement or vesting.

If you changed positions that moved you from OPERS, another state pension plan, or other law enforcement retirement system to OLERS, then the service time (up to 5 years of service time) must be purchased within two (2) years of entering OLERS. However, this service does not count towards your twenty years for retirement. Once again you must purchase this time within two (2) years of becoming a member of OLERS.

7. DOES MY PRIOR LAW ENFORCEMENT TIME COUNT TOWARDS MY CREDITED SERVICE?

You can purchase up to 5 years of prior law enforcement time. However, you must purchase the time within two (2) years of entering OLERS. This time will not count towards your initial twenty (20) years of service for retirement.

8. HOW DOES MY SICK LEAVE AFFECT MY RETIREMENT?

You can use up to one (1) year (1,920 hours) of sick leave towards your retirement. You cannot use the year of sick leave to reach the necessary twenty (20) years of credited service. The sick leave only increases the years for benefit calculation purposes. If you enter the Forward DROP plan, you can only use the sick leave that you have accrued at the time of electing Forward DROP.

9. CAN I USE SICK LEAVE IF I VEST?

Yes. You can use sick leave if you vest. However, the sick leave time will not entitle you to begin receiving vested benefits any earlier. The sick leave will only increase your monthly benefit once you begin to receive it. If you return to work under a position covered by OLERS you will not be able to use sick leave a second time.

10. DO I HAVE TO COMPLETE 20 YEARS OF SERVICE TO BE ENTITLED TO A BENEFIT?

No. If you are sixty-two (62) years of age and you have 10 years of service, you are eligible for a retirement benefit. Also, if you are sixty-two (62) years of age and would have been vested had the member remained in OPERS instead of transferring to OLERS.

11. WHAT IS VESTING AND HOW MANY YEARS DOES IT TAKE TO VEST?

Vesting is when you complete ten (10) years of service with OLERS. If you have completed ten (10) years of service, you are entitled to terminate service and elect a vested benefit. This benefit will be based on 2.5% for each year of credited service, multiplied by your final average salary. You are not entitled to begin to draw this benefit until which time you would have completed twenty (20) years of service. You can also use any accrued sick leave to increase your monthly benefit.

12. WHAT IF I HAVE LESS THAN 10 YEARS OF SERVICE?

If you have less than 10 years of credited service, you can request a refund of your accumulated 8% contributions. Once your contributions are paid to you, your credited service goes to zero.

13. WHAT IF I RETURN TO WORK UNDER OLERS AND I HAD PREVIOUSLY REFUNDED ALL MY CONTRIBUTIONS?

If you return to work WITHIN 3 years of your previous termination, you can repay the amount of refunded contributions and regain your credited service. If you return to work AFTER 3 years, you will have to purchase your prior law enforcement time. (see FAQ #5)

#### 14. WHAT IS FINAL AVERAGE SALARY?

Final Average Salary is the average of the 30 highest, consecutive paid gross salaries. It is commonly called “High 30”.

#### 15. I HAVE COMPLETED MY TWENTY (20) YEARS OF SERVICE. WHAT AM I ENTITLED TO?

You are entitled to a monthly benefit based on your final average salary, multiplied by 2.5% of each year of credited service. This monthly benefit is pro-rated on a monthly basis as well. At 20 years of credited service, you are eligible to enroll in Forward DROP. You can run estimates from the OLEERS website.

#### 16. DO I HAVE TO RETIRE AT TWENTY (20) YEARS OF SERVICE?

No, you can continue to work until you choose to quit.

#### 17. WHAT IS DROP?

“DROP” stands for Deferred Retirement Option Plan. The Deferred Retirement Option Plan was started to give retirees more options when it came to retirement. DROP allows the members with more than twenty (20) years of service the opportunity to save their monthly retirement benefit and continue to work for their employing agency for a maximum of five (5) additional years. When you enter DROP your monthly benefit amount is calculated and frozen at that time. The only increases that will be made to your benefit will be COLAs granted by the legislature. Your monthly benefit will be put into an account for you along with half of the 11% employer contributions made by your employing agency. This account will accrue interest. The interest rate will be 2% points less than the investment return of the fund for the fiscal year, or at a minimum, the assumed interest rate which is currently 7.5%.

#### 18. WHAT IS BACK DROP?

Back Drop is the same thing as DROP, only you do not have to elect to enter the plan until you are ready to actually leave the service of your agency. Back DROP gives you more freedom with your retirement decisions. The accumulated total and monthly benefit are the same for both DROP and Back DROP when you are looking at the same five-year period. You will also receive a refund of member contributions that you paid during the Back DROP period.

#### 19. IF I WISH TO DO THE BACK DROP AND SOMETHING HAPPENS TO ME BEFORE I ELECT TO PARTICIPATE IN BACK DROP, DOES MY SPOUSE HAVE THIS OPTION?

Yes. If something happens to you before you make the Back DROP election and you have at least 20 years of service, your spouse will be able to elect Back DROP or a DROP conversion.



## 20. DO I HAVE TO WITHDRAW MY DROP MONEY FROM OLERS?

Yes. Once your five (5) years is completed, you must withdraw your total accumulated monies from DROP. You have the option to take cash payment or roll it directly into some other type of financial vehicle. When making the decision of what to do with your DROP money, please seek financial advice. There are serious tax consequences if you do not make wise decisions.

## 21. HOW DO I RETIRE?

Contact the OLERS office around 60 days prior to your last day you will be paid, and we will assist you with all the necessary steps to retire.

## 22. WHAT SHOULD I KNOW ABOUT INSURANCE IN RETIREMENT?

There are many things to keep in mind regarding insurance once you retire. OLERS provides a monthly \$105 medical benefit that helps you, the member, pay for the member's health insurance in retirement as long as you stay with one of Oklahoma's state health insurance plans. OU/OUHSC/OSU Police do NOT receive the \$105 medical benefit as they are not covered by the Oklahoma state insurance plans.

If you are going to work for another agency covered by state insurance OR your spouse is currently covered by another Oklahoma state agency, you will want to "defer" your insurance with OLERS so that once you terminate your employment with that agency, you can start your insurance deduction with us. You MUST notify OLERS once you plan on returning your insurance to OLERS. Once that happens, you will receive the \$105 medical benefit.

If you were using a Health Savings Account (HAS) when active,

If you want to keep life insurance with OLERS you must continue to have it deducted from your OLERS monthly benefit unless you go to work at another state agency.

## 23. WHAT IF I WANT TO FIND MY OWN HEALTH INSURANCE?

You can find your own health insurance coverage, BUT you will lose the \$105 medical benefit and you will NOT be able to return to any of the state's insurance plans.

## 24. I'M OVER 65, WHAT DO I NEED TO KNOW?

If you are over age 65, you are Medicare eligible and will need to be enrolled in Medicare Part A & B at least 60-90 days before your retirement. Once you retire, you will be able to sign up for one of the state's Medicare Supplement plans or MAPD plans, and you will get the \$105 medical benefit.

## 25. IS THERE AN OLERS INSURANCE GUIDE AVAILABLE?

Yes, it can be found on the OLERS website, you can request a copy to be emailed or stop by our office.

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## OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM

OLERS is a defined benefit pension plan which provides benefits to you when you retire, are disabled, or to your qualified beneficiaries after your death.

### HOW DO YOU PARTICIPATE?

Once approved by the OLERS Board you will start contributing 8% and your agency will contribute 11% of your gross salary. Every year you work is worth 2.5% of your final average salary, so once you have 20 years you will receive 50% of your final average salary for the rest of your life and your eligible spouse's life. Also, use Sick Leave sparingly as it can boost your pension calculation up to one extra year (1,920 hours).

### WHAT ARE THE BENEFITS? (Visit [olers.ok.gov](http://olers.ok.gov) for more detailed information and online access.)

- REFUND:** If you terminate employment with less than 10 years of credited service and you do not plan on returning to a position covered by OLERS, you are eligible to request a refund of your 8% contributions to OLERS.
- VESTING:** After you have 10 years of credited service you are eligible to receive a lifetime monthly pension benefit if you quit your job. Your monthly pension calculation is Years of Service x Final Average Salary x 2.5%. You will receive your monthly pension once you would have completed 20 years of credited service. Your eligible spouse is also entitled to receive this benefit after your death for the rest of their life.
- RETIREMENT:** After you have 20 years of credited service you are eligible to retire and receive a lifetime monthly pension benefit. Your monthly pension calculation is Years of Service x Final Average Salary x 2.5%. You will start drawing your monthly pension within a month of your retirement date. Your eligible spouse is also entitled to receive this benefit after your death for the rest of their life.
- DROP PLANS:** After you attain 20 years of credited service you are eligible to participate in the Deferred Retirement Option Plans (DROP). There are two types of DROP, Forward DROP & Back DROP. You can participate with 1 month or up to a maximum of 5 years in either DROP plan. DROP plans give you a monthly pension benefit AND a lump sum at retirement.  
**Forward DROP** – If you have at least 20 years of service, instead of immediately receiving your retirement benefit, the benefit is deferred by OLERS while you continue working for up to 5 years. You will no longer make member contributions to OLERS and your account will be credited with your deferred retirement benefit plus one-half of the employer's contributions plus interest.  
**Back DROP** – If you attain more than 20 years of service, you may consider participating in Back DROP. If you elect this option, your retirement benefit will be calculated as if you had retired 5 years earlier (or back to your 20-year anniversary) and deferred your monthly retirement benefits and one-half of the employer contributions into an account credited with interest. Your accumulated member contributions during the DROP period will be refunded to you, excluding any interest.
- HEALTH INSURANCE:** Upon your retirement you are eligible to stay with the Insurance provided by the State of Oklahoma. OLERS will pay up to \$105 a month towards the cost of Insurance provided by the State of Oklahoma.
- DISABILITY:** There are three types of Disability; Catastrophic, Service and Non-Service Connected. Once approved by the OLERS Board you will receive your monthly pension within a month of approval. With all types, your eligible spouse is also entitled to receive this benefit after your death for the rest of their life.

**Catastrophic Service Connected** – If you are catastrophically disabled in the performance of your job duties you are eligible to receive a 20-year monthly pension benefit (50% of your Final Average Salary) or if you have MORE THAN 20 YEARS then you will receive Years of Service x Final Average Salary x 2.5%. If you have any children under 18 years of age, you will receive \$400 a month for each child. OLSERS will fully cover the cost of Health Insurance provided by the State of Oklahoma. Also, your pension will receive favorable tax treatment.

**Service Connected** – If you are disabled in the performance of your job duties you are eligible to receive a 20-year monthly pension benefit (50% of your Final Average Salary) or if you have MORE THAN 20 YEARS then you will receive Years of Service x Final Average Salary x 2.5%. Also, your pension will receive favorable tax treatment.

**Non-Service Connected** – If you have LESS THAN 20 YEARS OF SERVICE and are disabled outside of your job duties, then you are eligible to receive a monthly benefit based upon Years of Service x Final Average Salary x 2.5%.

#### **\$5,000 DEATH BENEFIT:**

Upon your death your designated beneficiary will receive a \$5,000 Death Benefit.

#### **DEATH:**

There are two types of Death pension benefits if you should die while an active member, Service and Non-Service Connected, once approved by the OLSERS Board your eligible beneficiary will receive a monthly pension within a month of approval.

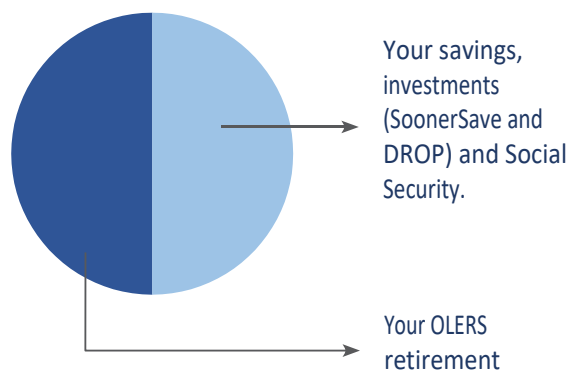
**Service Connected** – If you die in the performance of your job duties your eligible beneficiary will receive a 20-year monthly pension benefit (50% of your Final Average Salary) or if you have MORE THAN 20 YEARS then your eligible beneficiary can elect Back DROP. If you have any children under 18 years of age, your eligible beneficiary will receive \$400 a month for each child. OLSERS will fully cover the cost of Health Insurance provided by the State of Oklahoma. Also, the pension will receive favorable tax treatment.

**Non-Service Connected** – If you die your eligible beneficiary will receive a 20-year monthly pension benefit (50% of your Final Average Salary) or if you have MORE THAN 20 YEARS then your eligible beneficiary will receive Years of Service x Final Average Salary x 2.5%. If you have any children under 18 years of age, your eligible beneficiary will receive \$400 a month for each child.

#### **ESTIMATES:**

Once you are a member of the system, you can use the OLSERS MSS Website located at [olers.ok.gov](http://olers.ok.gov) to view/update contact information, beneficiaries on file, run benefit estimates and more.

### **Your income in retirement is a shared responsibility between OLSERS and you**



#### **Your OLSERS retirement benefit— will it be enough?**

At 20 years of service, OLSERS retirement benefit replaces about 50% of your salary. Consider closing any gap between your target retirement income goal and your retirement benefit with savings and investments, such as SoonerSave.

\*Invest sooner rather than later, it is never too early to start investing for retirement. At the very minimum you should be putting \$25 into SoonerSave as the State of Oklahoma will match \$25.