

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.:	HB 1935
Version:	2nd Conf. Comm. Sub.
Author:	Rep. Watson/ Sen. Stanislawski
Date:	5/27/2010
Impact:	\$0

Bill Summary

Research Analyst: Dawn Marks

The second Conference Committee Substitute to House Bill 1935 restores the title.

The substitute allows a member who chose the maximum retirement benefit plan at the time of retirement to make a one-time election to change benefit options and to name the member's spouse as the beneficiary if the member marries after making the initial benefit choice. Such an election shall be made by July 1, 2011, or within one year of the date of marriage, whichever is first.

The measure is used to merge duplicate versions of the same section of law, which were passed in Senate Bill 1662 and SB859 this session. The change allows a member who retires after the effective date of this act and has selected a retirement allowance for a reduced amount to make a one-time irrevocable election to select a different option within 60 days of the retirement date. The beneficiary designated by the member at the time of retirement shall not be changed if the member later makes the change provided for in the measure.

The substitute allows beneficiaries to assign death benefits to a licensed funeral director or business providing funeral services for a deceased member of the Oklahoma Teachers' Retirement System. The death benefit is \$18,000 for an active member and \$5,000 for a retired member.

The substitute also allows the State Superintendent of Public Instruction and the Director of State finance to send designees to the Board of Trustees of the Oklahoma Teachers' Retirement System.

The measure removes the right of a member teaching past the age of 70 to make up the 5 percent contributions plus interest for the years taught past 70. It also removes the right of the beneficiary to take benefits of a member who chose a reduced retirement payment for life but died within 25 years from the commencement of retirement payments.

Fiscal Summary

Fiscal Analyst: John McPhetridge

HB 1935 in its current form provides clarifying language for the Teachers' Retirement System of Oklahoma (OTRS), eliminates ineffective language related to a certain group of teachers teaching beyond age 70, eliminates ineffective language related to a certain retirement option,

allows OTRS retirees within 60 days of retirement to make a one time irrevocable election to select a different retirement option, allows the State Superintendent of Public Instruction and the Director of State Finance to appoint a designee to participate in their place on the OTRS Board of Trustees, eliminates ineffective language related to employer contributions tied to Gross Production Taxes OTRS no longer receives, changes the agency director's title from Executive Secretary to Executive Directory, clarifies language concerning certain confidential information contained in a member's retirement file, and deletes a duplicate section of law.

Fiscal Analysis

HB 1935 in its current form has been reviewed by the Legislative Actuary as required by the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA), who has deemed it to be a non fiscal retirement bill with no actuarial impact. OTRS also anticipates no fiscal impact as a result of the measure.

Long Term Fiscal Considerations

None

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director

May 27, 2010

Representative Watson
Room 302
Representative Cannaday
Room 322
Representative Tibbs
Room 303-A

Re: 2nd Conference Committee Substitute for Engrossed House Bill No. 1935
RBH No. 10996

2nd Conference Committee Substitute for Engrossed House Bill No. 1935 removes the requirement that the OTRS Board of Trustees calculation a contribution amount to amortize the unfunded accrued liability over 40 years plus the normal cost.

2nd Conference Committee Substitute for Engrossed House Bill No. 1935 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

Thomas E. Cummins

Thomas E. Cummins, MAAA