

BILL SUMMARY
2nd Session of the 52nd Legislature

Bill No.: SB 1580
Version: Conf.CommitteeSub.
Author: Rep. Miller/ Sen. Mike Johnson
Date: 5/26/2010
Impact: FY-11 Agency Savings: \$12.6 Million
OPERS Funded Ratio Decrease: 0.1%

Bill Summary

Research Analyst: "Click and type"
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Fiscal Summary

Fiscal Analyst: John McPhetridge

SB 1580 in its current form, amends the employer contribution rate schedule paid to the Oklahoma Public Employees Retirement System (OPERS). The measure freezes the rate at 15.5% of compensation. The rate was previously scheduled to increase on July 1, 2010 to 16.5%.

Fiscal Analysis

SB 1580 in its current form, would allow state agencies to cumulatively avoid additional employment costs of an estimated \$12,570,000 in FY-11, based on calculations provided by the Legislative Actuary. Though state agencies would experience a sizeable savings it would be at the dollar for dollar expense of OPERS. The lost FY-11 revenue is estimated to cause the funded ratio of the plan to decrease by 0.1%, as calculated by the Legislative Actuary.

As required by the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA), the measure was sent to the Legislative Actuary for review. SB 1580 was deemed a non fiscal retirement bill under OPLAAA, because though the bill reduces anticipated revenue for the system it does not add additional liability. OPLAAA safeguards the retirement systems against measures increasing liability.

Long Term Fiscal Considerations

The measure would reduce OPERS's anticipated revenue. The funded ratio as of the most recent OPERS actuarial report was 66.8%.

Fiscal Analysis Reviewed By:

Janice Buchanan

House Fiscal Director