BILL SUMMARY
2nd Session of the 53rd Legislature

Bill No.:	**HB 2747**
Version:	**Proposed Comm. Sub. 1**
Request Number:	**9302**
Author:	**Rep. Kirby**
Date:	**2/29/2012**
Impact:	**OSEEGIB Estimated Premium Rate Increase: 0.5-1.0%**

Research Analysis

The proposed committee substitute to HB 2747 adds the Teachers Retirement System to the eligible agencies under which the former employee requesting reinstated coverage retired or vested.

The measure provides for a one-time reinstatement of health, dental and other authorized insurance benefits for public employees who retire or have elected a vested benefit and who were participating in a qualified state plan at the time of retirement or vestment and later ended coverage if the member or dependent requesting coverage is Medicare eligible and within 30 days of a loss of coverage. The member also may elect to again be covered during the 2012 option period offered by the State and Education Employees Group Insurance Board. Former employees must have retired or vested under OPERS, URSJJ, OLERS, OFPRS, OPPRS or OTRS. The reinstated former employee must pay for the insurance premiums and is subject to the same rate changes as those available to other vested and retired participants. The former employee may elect coverage for current dependents within 30 days of reinstatement. The measure requires OSEEGIB to notify the individual’s retirement system upon reinstatement so it can make timely payments to the board.

Prepared By: Robin McAlister

Fiscal Analysis

Officials from the State and Education Employees Group Insurance Board, a division of the Office of State Finance (OSF-OSEEGIB); estimate the measure in its current form would result in an estimated increased to premium rates payers of 0.5-1.0%, at a total annual cost of $3.5-7.0 Million. OSF-OSEEGIB attributes the rate increase to the risk of adverse migration of healthier pre-Medicare retirees from the plan. Under the provisions of the measure members could choose to not maintain continuous OSEEGIB coverage yet be able to reacquire OSEEGIB coverage later in life when they are presumably less healthy.

Prepared By: John McPhetridge

Other Considerations

Under the procedures and provisions of the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA), HB 2747 in its current form has been deemed a non fiscal retirement bill by the Legislative Actuary, meaning the bill neither grants a benefit increase, adds actuarial liability, nor increases the normal cost of a retirement system.

The potential adverse migration described by OSEEGIB, could result in an indirect savings for the Teachers' Retirement System (OTRS), the Public Employees Retirement System (OPERS), the Law Enforcement Retirement System (OLERS) and the Uniform Retirement System for Justices and Judges (URSJJ), since such individuals dropping OSEEGIB coverage would be forfeiting a monthly $100-105 insurance premium subsidy paid by the retirement systems.