

BILL SUMMARY
1st Session of the 53rd Legislature

Bill No.:	SB 840
Version:	Engrossed
Request Number:	N/A
Author:	Rep. R. McDaniel/ Sen. Aldridge
Date:	3/29/2011
Impact:	OPERS: Late Fee Revenue less than \$10,000

Research Analysis

Engrossed SB 840, which relates to the Oklahoma Public Employees Retirement System (OPERS), modifies certain provisions related to proceedings against the System. The measure specifies that certain proceedings are to be brought in Oklahoma County, authorizes the hearing examiner to conduct certain proceedings and make recommended findings and conclusions to the Board, requires that the Board enter final orders on all matters considered pursuant to the Administrative Procedures Act, and gives the Board jurisdiction on certain matters. Engrossed SB 840 also increases, from 1.5% to 3.0%, the late fee charged by OPERS to employers who fail to remit the employer and employee contributions to the System within a certain time period. The measure also repeals Section 1701.1 of Title 74 of Oklahoma Statutes, which relates to untimely posting of contributions to the deferred compensation program.

Prepared By: Alexandra Edwards

Fiscal Analysis

Sections 1 and 3 amend administrative procedures of the Oklahoma Public Employees retirement System (OPERS). OPERS anticipates no impact to the agency's budget related to the change.

Section 2 increases, from 1.5% to 3.0%, the late fee assessed by OPERS to employers who fail to remit contributions to OPERS within a certain period. According to OPERS officials, over the last 6 years, the late fee assessment of 1.5% has generated approximately \$10,000 per year. Increasing the late fee to 3.0% is expected to generate less than \$10,000 per year in late fee revenue because the increase is designed to greater deter the practice of late remittance of contributions by employers.

Prepared By: John McPhetridge

Other Considerations

SB 840 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 the retirement system affected.