

THOMAS E. CUMMINS CONSULTING ACTUARY, INC.

2512 E. 71st Street , Suite D · Tulsa, Oklahoma 74136

(918) 492-9658 · (918) 492- 9659

January 20, 2011

Representative Kris Steele
Room 411

Re: RBH No. 6519

RBH No.6519 modifies the Oklahoma Pension Legislation Actuarial Analysis Act by removing the provision that allows Cost of Living Adjustments to be considered nonfiscal.

.

RBH No. 6519 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

Thomas E. Cummins

Thomas E. Cummins, MAAA

THOMAS E. CUMMINS CONSULTING ACTUARY, INC.

2512 E. 71st Street , Suite D · Tulsa, Oklahoma 74136

(918) 492-9658 · (918) 492- 9659

February 21, 2011

John McPhetridge
Room 109
House of Representatives
2300 N. Lincoln Blvd.
Oklahoma City, OK 73105

Re: House Bill No. 2132
RBH No. 6519

Dear Mr. McPhetridge,

House Bill No. 2132 modifies OPLAAA. Under this bill all Cost of Living Adjustments would become Fiscal Bills. Currently COLA less than are equal the actuarial assumption are considered nonfiscal bills.

The systems will no longer have any cost of living adjustment assumptions.

Impact:

Removing the COLA assumption from the various systems results in an approximate reduction in their accrued liability of 15% except for Law Enforcement. Law Enforcement COLA's are based on the salaries of active participants.

By system:

System	Reduction
OPERS	\$1,400,000,000
URSJJ	43,400,000
Police	414,300,000
Firefighters	472,400,000
OTRS	2,900,000,000
Total	\$5,230,100,000

If you have any questions, please contact me.

Sincerely,

Thomas E. Cummins

Thomas E. Cummins, MAAA