THOMAS E. CUMMINS CONSULTING ACTUARY, INC.
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February 25, 2016

Representative Todd Thomsen
Room 410

Re: Committee Substitute for House Bill No. 1538
RBH No. 9305

Under Committee Substitute for House Bill No. 1538 OLERS members who have retired or with a service connected disability would have their benefit equal to the greater of (a) and (b) where:

(a) Is 2.5% times the number of years of credit service times the top base pay currently paid to an active member for the following positions:
    1. Oklahoma Highway Patrolman
    2. Communications Dispatcher
    3. Capitol Patrolman
    4. Lake Patrolman
    5. OSBI Special Agent or Criminalist

(b) Is 2.5% times credited service times the member's final average salary.

This bill would treat those that have or will retire due to a service connected disability the same as other service retirements and would be effective January 1, 2015.

The Systems actuaries determined the increase in accrued liability is $3,694,000. The bill calls for an appropriation from the Special Cash Fund of $3,694,000 fully fund the increase in liability as called for under OPLAAA.

Committee Substitute for House Bill No. 1538 is a non fiscal retirement bill as defined by the Oklahoma Pension Legislation Analysis Act

I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Thomas E. Cummins

Thomas E. Cummins, MAAA