

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB1340
Version:	CS
Request Number:	9740
Author:	McDaniel
Date:	2/18/2018
Impact:	See Fiscal Analysis Below

Research Analysis

The measure modifies the definition of the term *nonfiscal retirement bill* as found in the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA). The modification would authorize one-time retirement benefit increases to retired members of the state's public retirement systems under certain conditions. As such, the bill directs the state's public retirement systems to provide a one-time distribution to members who have been retired for at least five years as of October 1, 2018.

The distribution would affect the following systems:

- The Oklahoma Firefighters Pension and Retirement System;
- The Oklahoma Police Pension and Retirement System;
- The Uniform Retirement System for Justices and Judges;
- The Teachers' Retirement System of Oklahoma; and
- The Oklahoma Public Employees Retirement System.

Prepared By: Kyle Meade

Fiscal Analysis

The Committee Substitute for HB 1340, modifies the definition of "nonfiscal retirement bill" for purposes of the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA). The modifications treat as nonfiscal, bills authorizing one-time increases in retirement benefits, under certain conditions.

The measure also provides for a one-time distribution to certain retirees of:

- The Oklahoma Firefighters Pension and Retirement System (Firefighters),
- The Oklahoma Police Pension and Retirement System (Police)
- The Uniform Retirement System for Justices and Judges (URSJJ)
- The Oklahoma Law Enforcement Retirement System (OLERS)
- The Teachers' Retirement System of Oklahoma (TRS), and
- The Oklahoma Public Employees Retirement System (OPERS).

The Legislative Actuary estimates the impact on the retirement systems of the one-time distribution as follows:

<u>System</u>	<u>Estimated Cost of Benefit</u>	<u>Estimated Decrease in Funded Ratio</u>
Firefighters	\$3,155,038	0.1%
Police	\$2,062,966	less than 0.1%

URSJJ	\$341,132	0.2%
OLERS	\$889,459	0.1%
TRS	\$22,046,178	0.1%
OPERS	\$14,263,427	0.2%

Prepared By: John McPhetridge

Other Considerations

None.

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