

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	SB527
Version:	CS
Request Number:	9744
Author:	Rep. McDaniel/ Sen. Stanislawski
Date:	2/18/2018
Impact:	OTRS: No Actuarial Impact
	OPERS: No Actuarial Impact
	OLERS: UAAL Increase of \$2,835,880

Research Analysis

The committee substitute modifies the definition of *nonfiscal retirement bill* as found in the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA). The new definition would allow the purchase of up to two years of service credit by a participant at actuarial cost. The credit could only be used for reaching normal or early retirement date. Also, it would allow members of the Oklahoma Law Enforcement Retirement System who were disabled in the line of duty who had not completed 20 years of service to have their benefit calculated at 20 years. Finally, the new definition would allow elected officials appointed on or after November 1, 2018 who had previous service with the Oklahoma Public Retirement System defined benefit program prior to November 1, 2015 to remain a participant in that program.

Prepared By: Kyle Meade

Fiscal Analysis

Section 1 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 the purchase of service credit under certain conditions, bills providing for certain benefit computations related to service-connected disability, and bills requiring membership in defined benefit plans for certain persons. These amendments alone create no fiscal impact or actuarial impact for Oklahoma’s public retirement systems.

Section 2 authorizes the purchase of up to two years of Teachers’ Retirement System of Oklahoma (OTRS) service credit by certain Higher Education employees. The purchase price for such service credit is the actuarial cost of the service credit; for this reason, the provisions of this section have no actuarial impact on OTRS.

Section 3 modifies the calculation of Oklahoma Law Enforcement Retirement System (OLERS) benefits for members forced to retire due to a service-connected disability prior to 20 years of service. The Legislative Actuary estimates the changes in this section would result in an increase in OLERS unfunded actuarially accrued liability (UAAL) of \$2,835,880.

Section 4 requires participation in the Oklahoma Public Employees Retirement System (OPERS) defined benefit plan for certain elected officials entering office on or after November 1, 2018. Officials at OPERS anticipate no actuarial impact as a result of the provisions this section.

Prepared By: John McPhetridge

Other Considerations

None.

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