

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	HB4123
Version:	Committee Substitute
Request Number:	
Author:	Rep. Frix
Date:	3/7/2022
Impact:	OPERS Funded Ratio Decrease of 0.2-0.4%

Research Analysis

The committee substitute for HB 4123 allows retired members of the Oklahoma Public Employees Retirement System to be rehired by their former employer after six months, rather than one year, and still maintain their monthly benefit.

The measure amends the Oklahoma Pension Legislation Actuarial Analysis Act to make the provisions of the measure nonfiscal.

Prepared By: Emily McPherson

Fiscal Analysis

Section 1 of HB 4123 in its current form, amends the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA), providing safe-harbor treatment for provisions such as the ones included in HB 4123.

Section 2 reduces from one year to six months, the waiting time for retirees of the Oklahoma Public Employees Retirement System (OPERS) to return to work for the same employer from which they retired. Actuaries for OPERS anticipate such a change would accelerate retirements in the system by 2-4%, and generate 50-100 additional retirements each year. Such a change is expected to result in the following actuarial impacts to OPERS:

- Unfunded Actuarially Accrued Liability (UAAL) increase of \$20,000,000 to \$50,000,000,
- Funded Ratio decrease of 0.2% to 0.4%.

Prepared By: John McPhetridge

Other Considerations

None.