

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	SB 1188
Version:	Committee Substitute
Request Number:	11250
Author:	Rep. Newton/Sen. Taylor
Date:	4/6/2022
Impact:	No Impact to OPPRS or State Budget

Research Analysis

The committee substitute for SB 1188 sets the minimum interest rate credited to a member's Oklahoma Deferred Option Plan (DROP) account within the Oklahoma Police Pension and Retirement System (OPERS) at 7.5 percent, effective July 1, 2022. The measure also allows municipalities with a population of 4,500 or less to hire any person receiving retirement benefits from a state pension system to fulfill the duties of a police officer. Such persons will not be subject to the requirements of OPERS, nor will they be eligible to enter into the System.

Prepared By: Emily McPherson

Fiscal Analysis

Section 1 of SB 1188 modifies the benchmark for the guaranteed rate of return for deferred option plans offered by the Oklahoma Police Pension and Retirement System (OPPRS). Actuaries for OPPRS anticipate no actuarial impact as a result of the provisions of this provision, since the current assumed rate of return for such drop plans remains higher than the guaranteed rate established in the measure.

Sections 2 and 3 SB 1188 authorizes the employment of certain police officers by certain municipalities and exempts such officer from participation in the Oklahoma Police Pension and Retirement System (OPPRS). Since the officers will not be participating in OPPRS, there is not actuarial impact on the retirement system or the state budget as a result of these provisions of SB 1188.

Prepared By: John McPhetridge

Other Considerations

None.