

February 28, 2022

Representative Hasenbeck
Room 452.2

Re: Proposed Committee substitute for House Bill No. 2686
RBH No. 10766

House Bill No. 2686 would reduce the vesting service requirement for Oklahoma Teachers Retirement System to 5 years from 7 years.

This bill would increase the unfunded actuarial accrued liability by \$2,000,000 and increase the normal cost by .02% according to GRS the system's actuarial firm.

This bill will not increase the number of years until the system is fully funded(17).

This bill currently effects about 25% of the participants. As the current participants retire and are replaced by new participants who become a larger portion the participants the normal cost will increase.

The bill appropriates \$2,000,000 to OTRS to fully fund the increase in accrued liability.

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