

February 28, 2022

Representative Ford
Room 300.2

Re: Proposed Committee substitute for House Bill No. 2745
RBH No. 10764

Re: Proposed Committee Substitute for House Bill No. 2745 revised

This bill would change the in service disability benefit calculation for participants of the Oklahoma Police Pension and Retirement System.

This would use the compensation paid to nonsupervisory patrol officer in the municipality where the officer was employed or the officer's final average salary whichever produces the higher benefit. Currently the calculation uses the final average salary.

Every member earning less than the highest nonsupervisory patrol officer would have a higher in service total disability benefit under the new formula.

The system received salaries for the highest paid nonsupervisory patrol officer from 42 cities out of the 144 cities that participate in OPPRS. Those cities provide 2,094 participants out of the 4,920 active participants as of 6/30/2021. This bill increased the disability benefit 5.53% for the 2,094 participants.

Applying the 5.53% increase to the present value of disability benefits contained in the 2/30/2021 actuarial valuation, the increase equals \$362,000.

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OPLAAA is amended to treat the above as a non fiscal bill.

This bill is a non fiscal bill under OPLAAA as amended.

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 CONSULTING ACTUARY, INC.

2512 E. 71st Street , Suite D · Tulsa, Oklahoma 74136

(918) 492-9658 · (918) 492- 9659

Thomas E. Cummins, MAAA