

**Senate Fiscal Summary**  
2<sup>nd</sup> Session of the 60<sup>th</sup> Legislature



**Senate Bill 172**

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<b>Version:</b>	<b>CS</b>
<b>Agency:</b>	<b>OFPRS, URSJJ, OPERS, OLERS, TRSO, OPPRS</b>
<b>Senate Author:</b>	<b>Bullard</b>
<b>House Author:</b>	<b>Wolfley</b>
<b>FY'27 Impact:</b>	<b>\$ Pending</b>
<b>Full Year Impact:</b>	<b>\$ Pending</b>

**Bill Summary and  
Fiscal Analysis:**

SB 172 authorizes Oklahoma Firefighters Pension and Retirement System (OFPRS), Uniform Retirement System for Justices and Judges (URSJJ), Oklahoma Public Employees Retirement System (OPERS), Oklahoma Law Enforcement Retirement System (OLERS), Teachers' Retirement System of Oklahoma (TRSO), and the Oklahoma Police Pension and Retirement System (OPPRS) boards to approve a 2% cost-of-living adjustment (COLA) when each respective System's funding ratio exceeds 80%, provided the COLA does not cause the System to fall below the 80% funding ratio. A subsequent COLA may be approved each time the ratio increases by 5%.

The OFPRS estimates an impact of \$245 million with a reduction in the funding ratio about 4%.

The OLERS is estimated to be eligible for the COLA about 25% of the time. Using a 0.5% annual COLA and the July 1, 2025 valuation, the actuarial accrued liabilities would increase \$7.4 million, and the funded ratio would decrease about 0.3%. This results in a 0.97% increase to the payroll contribution rate, but the contribution rate is expected to decline as active member receiving "half-pay" benefits are replaced by those who are not.

The OPPRS is estimated to be eligible for the COLA about 45% of the time. Using a 0.9% annual COLA and the July 1, 2025 valuation, the unfunded actuarial accrued liability (UAAL) would increase \$256 million, and the funded ratio would decrease about 6.4%. This results in a 15.2% increase to the payroll contribution rate consisting of a 1.7% increase in the cost rate and a 13.5% increase to the UAAL amortization payment. This required contribution is about \$42 million more than the current funding levels. The OPPRS is estimated to take at least 10-15 years to return to full funding status.

The TRSO, based on the June 30, 2025 valuation, is estimated to be eligible for the COLA beginning after the June 30, 2027 valuation and then about every two to three years. The system is currently at 80% and expected to be fully funded at fiscal year 2034. The total value of the first five COLAs (paid at funded ratio 80%, 85%, 90%, 95%, and 100%) is estimated at \$1 billion. The system would take an additional two years to achieve fully-funded status.

Fiscal Impacts provided by CavMac Actuarial Consulting Services, GRS Consulting, OFPRS, OLERS, OPPRS, and TRSO.

URSJJ and OPERS are pending.