

**BILL SUMMARY**  
1<sup>st</sup> Session of the 59<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB2171</b>
<b>Version:</b>	<b>FA2</b>
<b>Request Number:</b>	<b>8002</b>
<b>Author:</b>	<b>Ford</b>
<b>Date:</b>	<b>3/22/2023</b>
<b>Impact:</b>	<b>See Below</b>

**Research Analysis**

The second floor substitute for HB2171 requires the board of trustees of each of the state's six retirement systems to provide a one-time stipend, valued between \$1500 and \$3200, to retirees who have been retired for two or more years. Eligible retirees who are 75 or older will receive an additional \$500 with the exception of retired volunteer firefighters who will receive an additional \$150.

The measure also includes a safe harbor clause that allows the bill to be treated as a nonfiscal retirement bill in the legislative process.

**CHANGES IN FLOOR SUB VERSION FROM INTRODUCED:**

The floor substitute adds the additional \$500 or \$150 stipend for retirees that are 75 years of age or older and provides that the benefit increases will go into effect November 1, 2023 if the emergency clause does not pass. The floor substitute also requires the pension systems to provide the stipend, whereas the introduced version made the decision to provide the stipend discretionary. The floor substitute also added a safe harbor amendment to exempt the bill from the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA).

Prepared By: Quyen Do

**Fiscal Analysis**

In its current form, HB2171 requires that a one-time stipend, valued between \$1500 and \$3200, be provided to certain retirees. Eligible retirees who are 75 or older will receive an additional \$500, excluding retired volunteer firefighters, who will receive an additional \$150. The pension systems have provided estimates on the impact to their institutions:

**Oklahoma Police Pension and Retirement System:** \$12,186,554.46

**Oklahoma Law Enforcement Retirement System:**

- Increase of actuarial accrued liability of \$4,200,000
- Increase of unfunded actuarial accrued liability of \$4,200,000
- Reduction of funded ratio from 91.5% to 91.2%

**Teacher's Retirement System of Oklahoma:** \$140,000,000

**Oklahoma Public Employees Retirement System:**

- \$63,000,000
- Reduction of funded ratio from 101.5% to 100.97%

**Uniform Retirement system for Justices and Judges:**

- \$776,000

Reduction of funded ratio from 110.9% to 110.61%

Prepared By: Zachary Penrod, House Fiscal Staff

**Other Considerations**

None.

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