

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	SB 102
Version:	ENGR
Request Number:	
Author:	Rep. Bashore
Date:	4/1/2024
Impact:	See Analysis Below

Research Analysis

Engrossed SB102 increases the benefit multiplier, employee contributions rates and employer contribution rates for members of the Oklahoma Police Pension Retirement System. The benefit multiplier is increased from 2.5 percent to 2.75, whereas the employer and employee contribution rate is increased by 1 percent each to 14 percent and 9 percent, respectively.

Current members under the 2.5 percent benefit structure may also retire with the increased 2.75 percent multiplier as long they that meet a minimum waiting period and/or have a minimum number of credited service years.

- members with at least 25 years of credited service must wait at least 1 year after the effective date of the act to retire with the 2.75 percent multiplier;
- members with at least 20 years of credited service must wait at least 2 years after the effective date of the act to retire with the 2.75 percent multiplier;
- all other must wait at least 5 years after the effective date of the act to retire at 2.75 percent or opt to retire at 2.5 percent without the 5 year waiting period.

The measure also amends the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA) to include a safe harbor clause to allow the bill to be treated as a nonfiscal retirement bill in the legislative process.

Prepared By: Quyen Do

Fiscal Analysis

SB 102 increases the benefit multiplier from 2.5% to 2.75% for participants of the Oklahoma Police Pension and Retirement System (OPPRS). In addition, member and employer contribution rates increase from 8% to 9% and from 13% to 14%, respectively. The measure includes an amendment to the Oklahoma Pension Legislation Actuarial Analysis Act (OPLAAA), allowing the rate increases to be considered non-fiscal. However, officials with OPPRS anticipate the 2.75% multiplier to impact the actuarial required contribution rate, resulting in an increase to the Required State Contribution Rate according to the most recent valuation completed in 2022. The valuation estimated an increase to the required contribution rate by 4.7% of pay, or Sixteen Million Five Hundred Thousand Dollars (\$16,500,000) and the Required State Contribution Rate to increase from 0.0% to 1.9% of pay, or about Six Million Seven Hundred Thousand Dollars (\$6,700,000).

Officials from OPPRS stated the system's funding has increased since the valuation was completed, however, SB 102 is still anticipated to have an actuarial impact on the system.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.

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