

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	SB 1520
Version:	CCR A
Request Number:	3788
Author:	Rep. Hays
Date:	5/21/2024
Impact:	TRS:
	Increase UAAL \$18,000,000

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

The CCR to SB 1520 temporarily increases the earnings limitation for retirees of the Teachers' Retirement System of Oklahoma (TRS) who return to work as a classroom teacher, provided the sixty-day (60) employment break has been fulfilled.

Officials from TRS provided the following actuarial impact according to TRS's actuary. "The current provisions generally require retirees returning to work to make reductions to their schedule or responsibilities in order to meet earnings limits. The proposed changes would allow, if retiring over the next three years, active members the opportunity to retire and return to work with fewer changes in their schedule and/or responsibilities. The 60 days is short enough that members could retire at the end of one school year and return to employment by the beginning of the next school year. Therefore, TRS anticipates a slight increase in retirement rates as many active members would seek the opportunity to maintain a similar salary while also drawing their retirement benefits from TRS."

Due to this change in future behavior, TRS anticipates the unfunded actuarial accrued liability (UAAL) to increase by Eighteen Million Dollars (\$18,000,000) and decrease TRS's funded ratio by .1%, from 75.1% to 75%. The measure is not anticipated to impact the funding period, which remains at twelve (12) years.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.