

**TITLE 590. OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM
CHAPTER 10. PUBLIC EMPLOYEES RETIREMENT SYSTEM**

RULE IMPACT STATEMENT

A. BRIEF DESCRIPTION OF PURPOSE OF PROPOSED RULES:

A new rule is added at 590:10-2-2 defining normal retirement age. The rule sets forth the statutory eligibility requirements for retirement. This amendment was required by the Internal Revenue Service for plan qualification and to comply with the Internal Revenue Code.

A new rule is added at 590:10-5-9 setting forth a long-standing agency policy of requiring local participating employers to submit to OPERS changes to contribution rates by June 30 of each year for the next fiscal year.

The amendment to 590:10-7-9 prohibits rounding of service years for members who join the System after November 1, 2012, and for elected officials first elected or appointed on or after November 1, 2011. This amendment complies with newly enacted provisions of Enrolled House Bill 2321 (2012) amending 74 O.S. §§913 and 913.4.

A new rule is added at 590:10-7-14.1 and defines seasonal or temporary employment for purposes of determining eligible employees in the System. The rule also sets forth how the System calculates and determines the 1,000 hour threshold necessary to be an eligible member.

The amendment to 590:10-17-2 incorporates new law which permits elected officials elected or appointed on or after November 1, 2011, to participate in the Step-Up program. The amendment complies with newly enacted provisions of Enrolled House Bill 2322 (2012) amending 74 O.S. §913.4.

B. CLASS OF PERSONS AFFECTED:

All members of OPERS and their beneficiaries, as well as certain participating employers are affected. Members of the Oklahoma Public Employees Retirement System are expected to be positively affected by these proposed rules because these rules make certain that the System will be in compliance with federal tax laws and that the System will maintain its status as a qualified government pension plan. Members also benefit because these rules allow for more efficient operation of the System.

C. CLASS OF PERSONS BENEFITED:

See item "B" above.

D. DESCRIPTION OF ECONOMIC IMPACT:

These proposed rules will provide for a more uniform and efficient management of the agency in compliance with statutory provisions and federal regulations governing the qualified status of the retirement system which should have a positive economic impact.

E. COST TO AGENCY AND EFFECT ON STATE REVENUE:

No additional cost is expected to be incurred by this or any other state agency as a result of these rules. The rules reflect or clarify existing state and federal statutory or administrative requirements and, therefore, there is no anticipated effect on state revenues associated with these rules.

F. ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS:

These proposed rules will have no additional economic impact upon any political subdivision.

G. EFFECT ON SMALL BUSINESS:

None.

H. LESS COSTLY OR INTRUSIVE METHODS:

None.

I. EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT:

None.

J. DETRIMENTAL EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT:

None.

K. DATE RULE IMPACT STATEMENT PREPARED:

December 17, 2012.