

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

RULE IMPACT STATEMENT

A. BRIEF DESCRIPTION OF PURPOSE OF PROPOSED RULES:

The amendment to 590:10-3-8 requires the member's exact age to be used when calculating the actuarial cost for service credit purchases. This rule is intended to prevent illogical actuarial results that could occur as a result of rounding.

The amendment to 590:10-3-9 requires lump sum payments for purchases of service or repayments of withdrawn service to be made no less than 30 days prior to the retirement date. This deadline is consistent with the deadline for installment payments and is intended to prevent a delayed retirement date or a delayed benefit payment.

The amendment to 590:10-3-10 clarifies inconsistencies between OPERS' rules and statutes. Elected officials are permitted to purchase incentive credit similar to regular employees and are no longer limited to purchases to reach the Rule of 80 only. The amendment also clarifies that Hazardous Duty members can make incentive purchases, but cannot use the purchases to reach the 20 years and out requirement.

The amendment to 590:10-3-14 clarifies the statutes relating to how the benefit of an elected official, elected on or after November 1, 2011, is calculated. Statutory cross-references have been updated to be consistent with recent law changes and to remove any confusion on which compensation or salary is used in the benefit calculation.

The amendment to 590:10-7-3 is necessary to comply with Enrolled House Bill 1325, amending 74 O.S. §902 and §915, which was effective July 1, 2013. This amendment brings the rule dealing with longevity payments into compliance with the new definition of final average compensation for members whose first participating service occurs on or after July 1, 2013. This amendment was approved as an emergency rule.

The amendment to 590:10-7-6 requires all documents necessary to retire to be received by OPERS within 6 months after the requested retirement date or the retirement will be cancelled. The member must reapply and request a new retirement date, but will not be required to meet the 60-day notice requirement. The amendment also requires members to provide all required documents to OPERS when a benefit estimate is requested.

The amendment to 590:10-7-10 is necessary to comply with the newly enacted provisions of Enrolled House Bill 1325, amending 74 O.S. §917, which became effective July 1, 2013. This amendment sets forth the process for paying a deceased member's final benefit. This amendment was approved as an emergency amendment.

The amendment to 590:10-7-14 is necessary to comply with the newly enacted provisions of Enrolled House Bill 1325, amending 74 O.S. §902 and §915, which was effective July 1, 2013. This rule sets forth how the final average compensation is calculated for permanent part-time employees. The amendment incorporates the new definition of final average compensation for those members whose first participating service occurs on or after July 1, 2013. This amendment was approved as an emergency amendment.

The amendment to 590:10-9-4 is necessary to comply with the newly enacted provisions of Enrolled House Bill 1325, amending 74 O.S. §916.1, which was effective July 1, 2013. This rule sets forth how OPERS can pay benefits or unpaid contributions to a member's heirs without the appointment of an administrator or an executor. The amendment increases the amount that can be paid without the appointment. This amendment was approved as an emergency amendment.

B. CLASS OF PERSONS AFFECTED:

All members of OPERS and their beneficiaries 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 state law and 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:

January 6, 2014.