

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Question and Answer Document

**Actuarial Consulting Services
RFP #515-19-100**

1. **QUESTION:** *Please provide fees for services during the last two years. If possible, please provide a breakout of fees between retainer and special projects.*

ANSWER:

Fiscal Year End June 30, 2019 \$97,850
Fiscal Year End June 30, 2020 \$97,850

Fees for the Triennial Experience Study:

Conducted during the Fiscal Year End June 30, 2019 \$46,350

2. **QUESTION:** *How are assets and cash flows allocated to the Plan Net Position under GASB 67/68 and 74/75*

ANSWER: OPERS' actuary provides a breakdown of the actuarial accrued liability between the pension benefits and the health insurance subsidy benefits. This ratio is used for financial statement purposes to allocate assets for Plan Net Position between the pension plan and the OPEB plan. The basis for the allocation of the pension and OPEB liabilities to OPERS' participating employers is contributions paid by each participating employer.

3. **QUESTION:** *Was it determined by your auditor that the \$105 per month healthcare subsidy needed a separate GASB 74/75 valuation and that it could not be included under GASB 67/68?*

ANSWER: Yes

4. **QUESTION:** *Is the Medicare supplement premium currently more or less than \$105?*

ANSWER: The insurance subsidy provided to retirees who elect to maintain State provided insurance during retirement is statutorily set at \$105 or the premium rate of the health insurance benefit plan, whichever is less. It has not always been \$105, but over 90% of current retirees eligible for the subsidy are receiving the \$105.

5. **QUESTION:** *Please provide these amounts for FY 2018 and FY 2019:*

- a. *Pathfinder payroll*
- b. *Pathfinder contributions to the defined benefit plan*

ANSWER:

- a. The estimated payroll for Pathfinder was \$175 million and \$259 million for FY 2018 and FY 2019, respectively.
- b. Pathfinder contributions to the defined benefit plan were approximately \$15 million and \$22 million FY 2018 and FY 2019, respectively.

6. **QUESTION:** *Why are you going out to bid (procurement rules or looking for a change)? Are there any issues with the current providers? If so, please elaborate.*

ANSWER: The current contract was for a five year period ending June 30, 2020. There are no issues with the current provider.

7. **QUESTION:** *Will the current actuary be participating in this RFP?*

ANSWER: Yes

8. **QUESTION:** *Will large plan experience in the private sector demonstrate substantial compliance with the minimum qualifications outlined in the RFP?*

ANSWER: No, all minimum criteria set forth in the RFP must be met for the vendor to be considered.

9. **QUESTION:** *What special and/or out of scope services have been billed in the last two years, in addition to the fixed fees? How much was charged for these services?*

ANSWER: During the past two fiscal years, OPERS has not paid for additional services outside of the defined scope of the existing agreement.

10. **QUESTION:** *Our standard consulting agreement terms and conditions include some limitation on liability for mere negligence or from consequential damages.*

- a. *Is Oklahoma open to accepting mutually-agreeable contract terms, which include some limitation of liability on the work performed by the contracting actuarial firm?*
- b. *Also, are there any statutory requirements regarding limitation of liability of which we should be aware?*

ANSWER:

- a. No
- b. No. The State of Oklahoma and its agencies are prohibited from holding a private entity harmless from liability or providing indemnity to a private entity.

11. **QUESTION:** *What are the current fees paid for the Scope of Services in the RFP?*

ANSWER: See the answer to question number 1.

12. **QUESTION:** *What are the current billing rates that the actuarial firm is charging for special projects?*

ANSWER: Hourly Rates:

For services that are not included in the fees for actuarial services outlined in our existing Agreement, the hourly rates shall be as follows:

Senior Actuary	\$320 - 396
Senior Consultant	\$276 - 320
Actuary	\$276 - 320
Consultant	\$240 - 276
Senior Actuarial Analyst	\$240 - 276

Actuarial Analyst	\$180 - 240
Administrative/Other	\$116

13. **QUESTION:** *How long has current actuary been providing actuarial services?*

ANSWER: 10 years