STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 2707

By: Roberts of the House

and

Monson of the Senate

COMMITTEE SUBSTITUTE

An Act relating to deferred compensation programs; amending 74 O.S. 1991, Sections 1701, as amended by Section 12, Chapter 359, O.S.L. 1993, and 1705 (74 O.S. Supp. 1995, Section 1701), which relate to a deferred compensation program; authorizing Oklahoma Public Employees Retirement System to adopt rules for certain deferred compensation programs; restricting multiple deferred compensation plans for local government employers; modifying name of certain fund; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 74 O.S. 1991, Section 1701, as amended by Section 12, Chapter 359, O.S.L. 1993 (74 O.S. Supp. 1995, Section 1701), is amended to read as follows:

Section 1701. A. The State of Oklahoma, its agencies and the political subdivisions thereof and the employees of a duly

constituted authority or instrumentality of the State of Oklahoma, its agencies and the political subdivisions thereof, municipalities and any local governmental entity may enter into a written agreement to defer a portion of any employee's compensation which is derived from a state or local government. The compensation to be deferred shall be subject to any federal limitations imposed by the Internal Revenue Code, Sections 1 et seq. of Title 26 of the United States Code. The state or local governments may, under a written agreement, invest the deferred compensation in life insurance, annuities, United States Treasury Bills, Notes or Bonds, savings accounts and/or mutual funds with a company licensed to do business in the state or in a contract trust or program maintained by a nonprofit organization classified as tax exempt by the Internal Revenue Service of the United States government. Deferred compensation programs shall exist and be in addition to, and not be a part of, any existing retirement, pension or Social Security system provided for the benefit of state and local government employees.

B. The Oklahoma Public Employees Retirement System Board shall offer a deferred compensation program and shall be responsible for establishing rules and regulations and participation agreement forms for said program. The Employee Benefits Council shall communicate this program with eligible participants.

C. The Office of the Attorney General of this state shall be responsible for interpreting all applicable laws and fiduciary responsibilities for the deferred compensation programs of state and local governments.

D. Prior to January 1, 1991, the Board of Trustees of the Oklahoma Public Employees Retirement System, the Plan Administrator, and the Office of State Finance shall jointly develop a system that provides for state employee participation amounts in the deferred compensation plan be posted and transferred to the investment option

selected by the state employee within ten (10) business days of the payday, the end of the payroll period, or the process date for supplemental payrolls, whichever is later.

E. Prior to January 1, 1997, the Board of Trustees of the Oklahoma Public Employees Retirement System shall establish procedures and adopt administrative rules to enable any employer participating in the Oklahoma Public Employees Retirement System to also participate in the Oklahoma Public Employees Deferred Compensation Plan. Provided, however, a participating local government employer may not provide more than one deferred compensation plan as authorized by this section.

Any local government employer electing to participate in the Oklahoma Public Employees Deferred Compensation Plan must continue such participation for a minimum of sixty (60) continuous months. Following the initial mandatory participation period, a local government employer may discontinue participation in the Plan; provided, however, said employer may not elect subsequent participation in the Plan for at least sixty (60) continuous months.

SECTION 2. AMENDATORY 74 O.S. 1991, Section 1705, is amended to read as follows:

Section 1705. There is hereby created in the State Treasury a revolving fund for the Oklahoma ~~State~~ Public Employees Deferred Compensation Plan. The fund shall be designated ~~"The~~ the "Oklahoma ~~State~~ Public Employees Deferred Compensation Plan Fund". The revolving fund shall be a continuing fund and shall consist of all monies other than appropriated funds received by the Oklahoma ~~State~~ Public Employees Deferred Compensation Plan pursuant to statutory authority. Monies accruing to the fund may be expended by the Oklahoma Public Employees Retirement System pursuant to the laws of this state. Disbursements from the fund created herein shall be made on warrants issued by the State Treasurer against claims submitted to the Director of State Finance for payment.

SECTION 3. This act shall become effective July 1, 1996.

SECTION 4. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

45-2-2619 SLM