

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

HOUSE BILL 1558

By: Staggs

AS INTRODUCED

An Act relating to schools; directing school districts to establish a deferred compensation plan; providing for deferment and investment of compensation; directing school districts to establish a deferred savings incentive plan; providing for payment of certain amount by the school district to certain plans; defining certain term; requiring designation of an administrator for the deferred savings incentive plan; providing for investment of certain funds; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-101.1a of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Beginning January 1, 2006, each school district shall establish a deferred compensation plan and, upon written request of an employee of the school district, defer a portion of the compensation of the employee and invest the deferred compensation as provided for in Section 1701 of Title 74 of the Oklahoma Statutes. A school district shall be in compliance with the provisions of this section if the district has a deferred compensation plan in place prior to January 1, 2006, that meets the requirements of Section 1701 of Title 74 of the Oklahoma Statutes.

B. Effective January 1, 2006, each school district shall implement a deferred savings incentive plan. The plan shall provide that for each qualified participant, as defined in this section who is a school district employee, the school district shall pay each

month the sum of Twenty-five Dollars (\$25.00) to a plan established pursuant to the Internal Revenue Code, Section 401(a), for the benefit of the employee.

C. For purposes of this section, "qualified participant" means a school district employee who is an active participant in the school district deferred compensation plan making deferrals of at least Twenty-five Dollars (\$25.00) per month.

D. The school district shall designate an administrator for the deferred savings incentive plan who shall determine eligibility for the plan, provide for appropriate payroll transactions to accomplish contributions, for distributing information about the plan to employees, and informing school district employees about the plan.

E. Funds credited to the deferred savings incentive plan by the school district shall be held and invested in the same manner as the deferred compensation plan as provided for in Section 1701 of Title 74 of the Oklahoma Statutes.

SECTION 2. This act shall become effective July 1, 2005.

SECTION 3. 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.

50-1-5333

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