

STATE OF OKLAHOMA

1st Session of the 50th Legislature (2005)

SENATE BILL 765

By: Eason McIntyre

AS INTRODUCED

An Act relating to Teachers' Retirement System; creating Task Force for the Study of the Feasibility of Implementing a Hybrid Benefit Plan within the Teachers' Retirement System of Oklahoma; providing for membership of task force; setting forth purpose of task force; providing criteria for study of matters related to hybrid benefit plans; providing for selection of chair and vice-chair; authorizing meetings; providing for applicability of Oklahoma Open Meeting Act and Oklahoma Open Records Act; providing for travel reimbursement; providing for staffing and assistance; requiring final report; specifying requirement for final report; 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 17-301 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Task Force for the Study of the Feasibility of Implementing a Hybrid Benefit Plan within the Teachers' Retirement System of Oklahoma.

B. The task force shall consist of eight (8) members to be selected as follows:

1. Two members to be appointed by the Governor. One shall be a retired teacher currently receiving benefits from the Teachers' Retirement System of Oklahoma, and the other shall be an active classroom teacher who is a member of the System;

2. Two members to be appointed by the Speaker of the House of Representatives;

3. Two members to be appointed by the President Pro Tempore of the State Senate;

4. The Executive Director, or designee, of the Teachers' Retirement System of Oklahoma; and

5. The Director of the Office of State Finance, or designee.

C. The purpose of the task force shall be to conduct a comprehensive study of combined defined benefit/defined contribution plans, or "hybrid benefit plans" and the effect that implementation of a hybrid benefit plan would have on the System.

D. The comprehensive review to be conducted by the task force shall include, but shall not be limited to:

1. A comparison of various types of hybrid benefit plans, including but not limited to cash-balance plans, combination plans, floor offset plans and pension equity plans;

2. A comparison of the benefits, contributions, costs, investment options, liabilities, portability, risks and vesting options of defined benefit plans, defined contribution plans and hybrid benefit plans;

3. An analysis of the process of converting from a traditional defined benefit plan to a hybrid benefit plan including but not limited to the cost to the employer and employees, obligations, risks, and length of time required for conversion;

4. An analysis of the financial condition of other states' public employee retirement systems which have implemented hybrid benefit plans;

5. A comparison of the effect on older workers of defined benefit plans and hybrid benefit plans; and

6. Such other matters relevant to a thorough study and analysis of hybrid benefit plans as the task force may select.

E. The task force shall select from among its membership a chair and vice-chair.

F. The task force shall hold its first meeting on or before August 1, 2005, and shall be authorized to meet thereafter as required in order to perform the duties imposed upon it. The business of the task force may be conducted by an affirmative vote of a simple majority of the members in attendance.

G. The task force shall be subject to the provisions of the Oklahoma Open Meeting Act and the Oklahoma Open Records Act. Travel reimbursement for members of the task force shall be the responsibility of the appointing authority and subject to the provisions of the State Travel Reimbursement Act. Legislators appointed to serve on the task force shall be reimbursed as provided by Section 456 of Title 74 of the Oklahoma Statutes.

H. Staffing for the task force shall be provided by the Oklahoma House of Representatives and the Oklahoma State Senate. Additional assistance shall be provided by the Teachers' Retirement System of Oklahoma and, to the extent practical, by actuarial and legal advisors retained by the System.

I. The task force shall summarize the information required by the provisions of subsection D of this section in a Final Report as well as any recommendations the task force may have on the advisability of implementation of a hybrid benefit plan by the System.

J. The Final Report of the task force shall be submitted to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate not later than January 31, 2006.

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.