

STATE OF OKLAHOMA

2nd Session of the 51st Legislature (2008)

HOUSE BILL 2262

By: Bengé and Miller of the
House

and

Crutchfield, Johnson
(Mike), Adelson and Myers
of the SenateAS INTRODUCED

An Act relating to public retirement systems; amending 74 O.S. 2001, Sections 920, as last amended by Section 26, Chapter 536, O.S.L. 2004 and 920A, as last amended by Section 140, Chapter 1, O.S.L. 2005 (74 O.S. Supp. 2007, Sections 920 and 920A), which relate to employer contribution rates for the Oklahoma Public Employees Retirement System; modifying references; amending 20 O.S. 2001, Section 1103.1, as last amended by Section 7, Chapter 536, O.S.L. 2004 (20 O.S. Supp. 2007, Section 1103.1), which relates to Administrative Director contribution rates for the Uniform Retirement System for Justices and Judges; modifying reference; amending 70 O.S. 2001, Section 17-108.1, as last amended by Section 1, Chapter 366, O.S.L. 2007 (70 O.S. Supp. 2007, Section 17-108.1), which relates to employer contribution rates for the Teachers' Retirement System of Oklahoma; modifying references; amending 11 O.S. 2001, Section 49-122, which relates to municipal contribution rates for the Oklahoma Firefighters Pension and Retirement System; modifying references; amending 11 O.S. 2001, Section 50-109, which relates to municipal appropriation rates for the Oklahoma Police Pension and Retirement System; modifying reference; amending 47 O.S. 2001, Section 2-304, which relates to agency contribution rates for the Oklahoma Law Enforcement Retirement System;

1 modifying reference; providing an effective date; and
2 declaring an emergency.

3
4 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

5 SECTION 1. AMENDATORY 74 O.S. 2001, Section 920, as last
6 amended by Section 26, Chapter 536, O.S.L. 2004 (74 O.S. Supp. 2007,
7 Section 920), is amended to read as follows:

8 Section 920. (1) Effective July 1, 1994, every state agency
9 which is a participating employer shall contribute to the System an
10 amount equal to eleven and one-half percent (11 1/2%) of the monthly
11 compensation of each member, but not in excess of Forty Thousand
12 Dollars (\$40,000.00).

13 (2) Effective July 1, 1995, every state agency which is a
14 participating employer shall contribute to the System an amount
15 equal to eleven and one-half percent (11 1/2%) of the monthly
16 compensation of each member, not to exceed the allowable annual
17 compensation as defined in paragraph (9) of Section 902 of this
18 title.

19 (3) Effective July 1, 1996, every state agency which is a
20 participating employer shall contribute to the System an amount
21 equal to twelve percent (12%) of the monthly compensation of each
22 member, not to exceed the allowable annual compensation defined in
23 paragraph (9) of Section 902 of this title.

1 (4) Effective July 1, 1999, and through the fiscal year ending
 2 June 30, 2005, every state agency which is a participating employer
 3 shall contribute to the System an amount equal to ten percent (10%)
 4 of the monthly compensation of each member, not to exceed the
 5 allowable annual compensation defined in paragraph (9) of Section
 6 902 of this title.

7 (5) Effective July 1, 2005, every state agency which is a
 8 participating employer shall contribute an amount to the System
 9 equal to a percentage of monthly compensation of each member, not to
 10 exceed the allowable annual compensation defined in paragraph (9) of
 11 Section 902 of this title as follows:

12	July 1, 2005 - June 30, 2006	11 1/2%
13	July 1, 2006 - June 30, 2007	12 1/2%
14	July 1, 2007 - June 30, 2008	13 1/2%
15	July 1, 2008 - June 30, 2009	14 1/2%
16	July 1, 2009 - June 30, 2010	15 1/2%
17	July 1, 2010 - June 30, 2011	
18	and each <u>every fiscal year</u>	
19	thereafter	16 1/2%

20 (6) The Board shall certify, on or before July 15 of each year,
 21 to the Office of State Finance in the case of the state and to the
 22 retirement coordinator for each participating employer an
 23 actuarially determined estimate of the rate of contribution which
 24 will be required, together with all accumulated contributions and

1 other assets of the System, to be paid by each such participating
2 employer to pay all liabilities which shall exist or accrue under
3 the System, including amortization of the past service cost over a
4 period of not to exceed forty (40) years from June 30, 1987, and the
5 cost of administration of the System, as determined by the Board,
6 upon recommendation of the actuary.

7 (7) The Office of State Finance and the Governor shall include
8 in the budget and in the budget request for appropriations the sum
9 required to satisfy the state's obligation under this section as
10 certified by the Board and shall present the same to the Legislature
11 for allowance and appropriation.

12 (8) Each other participating employer shall appropriate and pay
13 to the System a sum sufficient to satisfy the obligation under this
14 section as certified by the Board.

15 (9) Each participating employer is hereby authorized to pay the
16 employer's contribution from the same fund that the compensation for
17 which said contribution is paid from or from any other funds
18 available to it for such purpose.

19 (10) Forfeitures arising from severance of employment, death or
20 for any other reason may not be applied to increase the benefits any
21 member would otherwise receive under the System's law. However,
22 forfeitures may be used to reduce an employer's contribution.

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1 SECTION 2. AMENDATORY 74 O.S. 2001, Section 920A, as
2 last amended by Section 140, Chapter 1, O.S.L. 2005 (74 O.S. Supp.
3 2007, Section 920A), is amended to read as follows:

4 Section 920A. A. Any county, county hospital, city or town,
5 conservation district, circuit engineering district or any public or
6 private trust in which a county, city or town participates and is
7 the primary beneficiary, which is a participating employer and any
8 eligible employee shall contribute to the System. The total
9 employer and employee contributions shall be based on the allowable
10 annual compensation as defined in paragraph (9) of Section 902 of
11 this title. Except as provided for in this section, the employer
12 shall not pay for the employee any of the employee contribution to
13 the System.

14 B. For the fiscal year ending June 30, 2005, the total employer
15 and employee contributions shall equal thirteen and one-half percent
16 (13 1/2%) of the allowable monthly compensation of each member;
17 provided, however, each participating employer listed in this
18 section may set the amount of the employer and employee contribution
19 to equal thirteen and one-half percent (13 1/2%) of the allowable
20 monthly compensation of each member for compensation as provided in
21 paragraph (9) of Section 902 of this title; provided, the employer
22 contribution shall not exceed ten percent (10%) and the employee
23 contribution shall not exceed eight and one-half percent (8 1/2%).
24

1 C. The total employer and employee contributions for fiscal
 2 years following the fiscal year ending June 30, 2005, shall be as
 3 follows:

4	July 1, 2005 - June 30, 2006	15%
5	July 1, 2006 - June 30, 2007	16%
6	July 1, 2007 - June 30, 2008	17%
7	July 1, 2008 - June 30, 2009	18%
8	July 1, 2009 - June 30, 2010	19%
9	July 1, 2010 - June 30, 2011	
10	and each <u>every</u> fiscal year	
11	thereafter	20%

12 Such employee and employer contributions shall be based upon the
 13 allowable monthly compensation of each member for compensation as
 14 provided in paragraph (9) of Section 902 of this title. The maximum
 15 employer contribution of ten percent (10%) in subsection B of this
 16 section shall increase by one and one-half percent (1.5%) beginning
 17 in the fiscal year ending June 30, 2006, and one percent (1%) for
 18 each fiscal year thereafter until it reaches sixteen and one-half
 19 percent (16.5%). For such years, the employee contribution shall
 20 not exceed eight and one-half percent (8 1/2%).

21 D. For members who make the election pursuant to paragraph (2)
 22 of subsection A of Section 915 of this title, the employee
 23 contribution shall increase by two and ninety-one one-hundredths

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1 percent (2.91%). Such employee contribution increase shall be paid
2 by the employee.

3 E. Each participating employer pursuant to the provisions of
4 this section may pick up under the provisions of Section 414(h)(2)
5 of the Internal Revenue Code of 1986 and pay the contribution which
6 the member is required by law to make to the System for all
7 compensation earned after December 31, 1989. Although the
8 contributions so picked up are designated as member contributions,
9 such contributions shall be treated as contributions being paid by
10 the participating employer in lieu of contributions by the member in
11 determining tax treatment under the Internal Revenue Code of 1986
12 and such picked up contributions shall not be includable in the
13 gross income of the member until such amounts are distributed or
14 made available to the member or the beneficiary of the member. The
15 member, by the terms of this System, shall not have any option to
16 choose to receive the contributions so picked up directly and the
17 picked up contributions must be paid by the participating employer
18 to the System.

19 F. Member contributions which are picked up shall be treated in
20 the same manner and to the same extent as member contributions made
21 prior to the date on which member contributions were picked up by
22 the participating employer. Member contributions so picked up shall
23 be included in gross salary for purposes of determining benefits and
24 contributions under the System.

1 G. The participating employer shall pay the member
 2 contributions from the same source of funds used in paying salary to
 3 the member, by effecting an equal cash reduction in gross salary of
 4 the member.

5 SECTION 3. AMENDATORY 20 O.S. 2001, Section 1103.1, as
 6 last amended by Section 7, Chapter 536, O.S.L. 2004 (20 O.S. Supp.
 7 2007, Section 1103.1), is amended to read as follows:

8 Section 1103.1 A. On and after January 1, 2001, the
 9 Administrative Director of the Courts, in addition to the members'
 10 contributions, shall transfer monthly amounts for deposit in the
 11 State Judicial Retirement Fund as set out in Section 1309 of this
 12 title equal to two percent (2.0%) of the monthly total actual paid
 13 gross salaries of the members of the Uniform Retirement System for
 14 Justices and Judges. Effective July 1, 2005, such amounts
 15 transferred by the Administrative Director of the Courts shall be as
 16 follows:

Fiscal Year Ending	Percentage of Contribution
June 30, 2006	3.0%
June 30, 2007	4.0%
June 30, 2008	5.5%
June 30, 2009	7.0%
June 30, 2010	8.5%
June 30, 2011	10.0%
June 30, 2012	11.5%

1	June 30, 2013	13.0%
2	June 30, 2014	14.5%
3	June 30, 2015	16.0%
4	June 30, 2016	17.5%
5	June 30, 2017	19.0%
6	June 30, 2018	20.5%
7	June 30, 2019 and <u>every</u>	
8	<u>fiscal year</u> thereafter	22.0%

9 B. Regardless of the contribution rate as set out in subsection
10 A of this section, the State Judicial Retirement Fund shall not be
11 allowed to have a funded ratio below one hundred percent (100%).
12 The Board of Trustees of the Oklahoma Public Employees Retirement
13 System is authorized to adjust such contribution rate annually, upon
14 the consideration of an actuarial recommendation, to prevent a
15 funded ratio below one hundred percent (100%). The Board of
16 Trustees shall make an annual report concerning its decision to
17 increase the contribution rate. The report shall be distributed to
18 the Governor, the Chief Justice of the Supreme Court, the
19 Legislative Service Bureau, the Speaker of the House of
20 Representatives and the President Pro Tempore of the Senate.

21 C. The Administrative Director of the Courts shall remit to the
22 System all required retirement contributions due on a monthly basis.
23 All required court and employee contributions and supporting
24 documentation are due and must be received by the System on or

1 before the fifteenth day of the month following the month for which
2 the contributions are due. Court and employee contributions
3 remitted to the System after thirty (30) days from the above due
4 date shall be subject to a monthly late charge of one and one-half
5 percent (1.5%) of the unpaid balance to be paid by the
6 Administrative Director of the Courts to the System.

7 SECTION 4. AMENDATORY 70 O.S. 2001, Section 17-108.1, as
8 last amended by Section 1, Chapter 366, O.S.L. 2007 (70 O.S. Supp.
9 2007, Section 17-108.1), is amended to read as follows:

10 Section 17-108.1 A. 1. Except as provided in paragraph 2 of
11 this subsection, the employer of any member of the Teachers'
12 Retirement System of Oklahoma shall make the following contributions
13 to the System:

- 14 a. beginning July 1, 1998, through June 30, 1999, eleven
15 and one-half percent (11 1/2%) of the regular annual
16 compensation of the member not in excess of any
17 applicable maximum compensation level of the member,
18 b. beginning July 1, 1999, through June 30, 2000, four
19 and eight-tenths percent (4.8%) of the regular annual
20 compensation of the member not in excess of any
21 applicable maximum compensation level of the member,
22 c. beginning July 1, 2000, through June 30, 2001, five
23 and eight-tenths percent (5.8%) of the regular annual
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- 1 compensation of the member not in excess of any
2 applicable maximum compensation level of the member,
- 3 d. beginning July 1, 2001, through June 30, 2002, six and
4 eight-tenths percent (6.8%) of the regular annual
5 compensation of the member not in excess of any
6 applicable maximum compensation level of the member,
- 7 e. beginning July 1, 2002, through December 31, 2006,
8 seven and five-hundredths percent (7.05%) of the
9 regular annual compensation of the member not in
10 excess of any applicable maximum compensation level of
11 the member,
- 12 f. beginning January 1, 2007, through June 30, 2007,
13 seven and six-tenths percent (7.6%) of the regular
14 annual compensation of the member not in excess of any
15 applicable maximum compensation level of the member,
- 16 g. beginning July 1, 2007, through December 31, 2007,
17 seven and eighty-five hundredths percent (7.85%) of
18 the regular annual compensation of the member not in
19 excess of any applicable maximum compensation level of
20 the member,
- 21 h. beginning January 1, 2008, through June 30, 2008,
22 eight and thirty-five hundredths percent (8.35%) of
23 the regular annual compensation of the member not in
24

1 excess of any applicable maximum compensation level of
2 the member,

3 i. beginning July 1, 2008, through December 31, 2008,
4 eight and five-tenths percent (8.5%) of the regular
5 annual compensation of the member not in excess of any
6 applicable maximum compensation level of the member,

7 j. beginning January 1, 2009, through December 31, 2009,
8 nine percent (9%) of the regular annual compensation
9 of the member not in excess of any applicable maximum
10 compensation level of the member,

11 k. beginning January 1, 2010, through June 30, 2010, nine
12 and five-tenths percent (9.5%) of the regular annual
13 compensation of the member not in excess of any
14 applicable maximum compensation level of the member,
15 and

16 l. beginning July 1, 2010, through June 30, 2011, and for
17 ~~each~~ every fiscal year thereafter, nine and five-
18 tenths percent (9.5%) of the regular annual
19 compensation of the member not in excess of any
20 applicable maximum compensation level of the member.

21 The employer contribution rate increase that would otherwise be
22 effective, as provided by subparagraphs f, g, h, i, j, k and l of
23 this paragraph, shall not become effective as law unless funding
24 levels to each of the affected participating employers within the

1 System are increased so that the additional employer contribution
2 obligation is funded through an appropriation or transfer of monies
3 instead of requiring the additional employer contribution to be paid
4 for from existing budgetary resources of such participating
5 employers. The participating employers shall use any monies
6 specifically made available for purposes of making employer
7 contributions for such purpose and to the extent of the funds made
8 available for that purpose.

9 2. a. Beginning January 1, 2007, through December 31, 2007,
10 a participating employer that employs an employee of a
11 comprehensive university or a regional institution
12 offering a four-year degree program as designated or
13 authorized by the Oklahoma State Regents for Higher
14 Education shall make contributions to the System with
15 respect to such employees at the rate of seven and
16 five-hundredths percent (7.05%) of the regular annual
17 compensation of the member not in excess of any
18 applicable maximum compensation level.

19 b. Beginning January 1, 2008, through December 31, 2008,
20 a participating employer that employs an employee of a
21 comprehensive university or a regional institution
22 offering a four-year degree program as designated or
23 authorized by the Oklahoma State Regents for Higher
24 Education shall make contributions to the System with

1 respect to such employees at the rate of seven and
2 fifty-five hundredths percent (7.55%) of the regular
3 annual compensation of the member not in excess of any
4 applicable maximum compensation level of the member.

5 c. Beginning January 1, 2009, through December 31, 2009,
6 a participating employer that employs an employee of a
7 comprehensive university or a regional institution
8 offering a four-year degree program as designated or
9 authorized by the Oklahoma State Regents for Higher
10 Education shall make contributions to the System with
11 respect to such employees at the rate of eight and
12 five hundredths percent (8.05%) of the regular annual
13 compensation of the member not in excess of any
14 applicable maximum compensation level of the member.

15 d. Beginning January 1, 2010, through June 30, 2010, a
16 participating employer that employs an employee of a
17 comprehensive university or a regional institution
18 offering a four-year degree program as designated or
19 authorized by the Oklahoma State Regents for Higher
20 Education shall make contributions to the System with
21 respect to such employees at the rate of eight and
22 fifty-five hundredths percent (8.55%) of the regular
23 annual compensation of the member not in excess of any
24 applicable maximum compensation level of the member.

1 e. Beginning July 1, 2010, through June 30, 2011, and for
2 each every fiscal year thereafter, a participating
3 employer that employs an employee of a comprehensive
4 university or a regional institution offering a four-
5 year degree program as designated or authorized by the
6 Oklahoma State Regents for Higher Education shall make
7 contributions to the System with respect to such
8 employees at the rate of eight and fifty-five
9 hundredths percent (8.55%) of the regular annual
10 compensation of the member not in excess of any
11 applicable maximum compensation level of the member.

12 The employer contribution rate increase that would otherwise be
13 effective as provided by subparagraphs b, c, d and e of this
14 paragraph shall not become effective as law unless funding levels
15 are increased so that the additional employer contribution
16 obligation is funded through such an appropriation or transfer of
17 monies instead of requiring the additional employer contribution to
18 be paid for from existing budgetary resources of such participating
19 employers. The participating employers shall use any monies
20 specifically made available for purposes of making employer
21 contributions for such purpose and to the extent of the funds made
22 available for that purpose.

23 3. Any employer contribution paid to the System pursuant to
24 this subsection shall not be considered as salary, fringe benefit,

1 or total compensation due to members for the purpose of meeting any
2 legislative or contractual obligation of the employer.

3 B. For entities or institutions within The Oklahoma State
4 System of Higher Education, the contributions to the System shall be
5 made on regular annual compensation of a member who is an employee
6 of such entity or institution not to exceed the maximum compensation
7 level in effect for the member as prescribed by law.

8 C. Employers paying contributions to the System pursuant to
9 subsection A or B of this section shall receive credit for that
10 portion of the gross production tax on natural gas and/or casinghead
11 gas apportioned to the System pursuant to subsection 2 of Section
12 1004 of Title 68 of the Oklahoma Statutes in meeting the total
13 required employer contribution. On an annual basis, the Board of
14 Trustees of the Teachers' Retirement System of Oklahoma shall
15 estimate the net additional cost required to be paid by the
16 contributing employers in order to meet the total employer
17 contribution as provided in subsection A or B of this section. The
18 Board of Trustees shall approve the amount of the additional
19 contribution required to be paid by contributing employers as a
20 percentage of total member salaries and fringe benefits for each
21 fiscal year ending June 30, no later than April 1 of the previous
22 fiscal year. In no event shall the additional contribution required
23 to be paid by the contributing employer under this subsection be
24 less than the contribution required under this subsection in the

1 prior year. In the event actual contributions do not equal the
2 required total contribution as provided in subsection A or B of this
3 section, the net difference between the actual contributions and the
4 required total contributions shall be determined and shall be
5 included in the amount of the additional contribution required to be
6 paid by contributing employers for the next fiscal year. All
7 contributing employers shall pay the same percentage of total member
8 salaries and fringe benefits during each fiscal year. The
9 provisions of this subsection shall terminate June 30, 1999.

10 D. Any school district, state college or university, State
11 Board of Education, State Board of Career and Technology Education,
12 or other state agency may, for and on behalf of any member of the
13 System, pay all or any portion of the contribution required by
14 Section 17-108 of this title. Provided, the contribution so paid by
15 any school district, state college or university, State Board of
16 Education, State Board of Career and Technology Education, or other
17 state agency shall be and remain subject to the withdrawal
18 provisions set forth under the System. Wherever the term
19 "contribution" is used, it shall be deemed to include contributions
20 paid for and on behalf of a member by a school district, state
21 college or university, State Board of Education, State Board of
22 Career and Technology Education, or other state agency.

23 E. All participating employers shall provide a complete record
24 of the total compensation paid to each employee, including any

1 person who is a retired member of the System, whether or not
2 employer and employee contributions are made with respect to such
3 compensation. The employer shall provide the report required by
4 this subsection on a monthly basis on a form or using such method as
5 the Teachers' Retirement System of Oklahoma may require.

6 SECTION 5. AMENDATORY 11 O.S. 2001, Section 49-122, is
7 amended to read as follows:

8 Section 49-122. A. ~~Each~~ Every municipality having a paid
9 member of a fire department shall deduct monthly from the salary of
10 each member of the fire department of such municipality an amount
11 equal to eight percent (8%) of the actual paid gross salary of each
12 member of the fire department. The deduction shall be considered
13 the minimum deduction. At the option of the municipality, the
14 municipality may pay all or any part of the member's required
15 contribution. The members of a fire department, by a majority vote
16 of its paid members, may vote to increase the amount of the
17 deduction. The treasurer of each municipality shall deduct the
18 authorized deductions from the salary of each paid member of the
19 fire department. The treasurer of the municipality shall deposit
20 within ten (10) days from each ending payroll date in the System the
21 amount deducted from the salary of each member of the fire
22 department. Amounts deducted from the salary of a member and not
23 paid to the System after thirty (30) days from each ending payroll
24 date shall be subject to a monthly late charge of one and one-half

1 percent (1 1/2%) of the unpaid balance to be paid by the
2 municipality to the System.

3 ~~Each~~ Every municipality shall pick up under the provisions of
4 Section 414(h)(2) of the Internal Revenue Code of 1986 and pay the
5 contribution which the member is required by law to make to the
6 System for all compensation earned after December 31, 1988.

7 Although the contributions so picked up are designated as member
8 contributions, such contributions shall be treated as contributions
9 being paid by the municipality in lieu of contributions by the
10 member in determining tax treatment under the Internal Revenue Code
11 of 1986 and such picked up contributions shall not be includable in
12 the gross income of the member until such amounts are distributed or
13 made available to the member or the beneficiary of the member. The
14 member, by the terms of this system, shall not have any option to
15 choose to receive the contributions so picked up directly and the
16 picked up contributions must be paid by the municipality to the
17 System.

18 Member contributions which are picked up shall be treated in the
19 same manner and to the same extent as member contributions made
20 prior to the date on which member contributions were picked up by
21 the municipality. Member contributions so picked up shall be
22 included in salary for purposes of the System.

23 The municipality shall pay the member contributions from the
24 same source of funds used in paying salary to the member, by

1 effecting an equal cash reduction in gross salary of the member, or
2 by an offset against future salary increases, or by a combination of
3 reduction in gross salary and offset against future salary
4 increases.

5 The treasurer of each municipality shall deduct the picked up
6 contributions from the salary of each paid member of the fire
7 department. The treasurer of the municipality shall deposit monthly
8 in the System the amount picked up from the salary of each member of
9 the fire department.

10 B. ~~Each~~ Every municipality having a paid member of a fire
11 department shall deposit monthly with the State Board an amount
12 equal to the following:

13 1. Prior to July 1, 1991, ten percent (10%) of the total actual
14 paid gross salaries of the members of the fire department;

15 2. Beginning July 1, 1991 through June 30, 1992, ten and one-
16 half percent (10 1/2%) of the total actual paid gross salaries of
17 the members of the fire department;

18 3. Beginning July 1, 1992 through June 30, 1993, eleven percent
19 (11%) of the total actual paid gross salaries of the members of the
20 fire department;

21 4. Beginning July 1, 1993 through June 30, 1994, eleven and
22 one-half percent (11 1/2%) of the total actual paid gross salaries
23 of the members of the fire department;

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1 5. Beginning July 1, 1994 through June 30, 1995, twelve percent
2 (12%) of the total actual paid gross salaries of the members of the
3 fire department;

4 6. Beginning July 1, 1995 through June 30, 1996, twelve and
5 one-half percent (12 1/2%) of the total actual paid gross salaries
6 of the members of the fire department; and

7 7. Beginning July 1, 1996, thirteen percent (13%) of the total
8 actual paid gross salaries of the members of the fire department.

9 C. ~~Each~~ Every county or municipality having a volunteer member
10 of a fire department shall deposit yearly with the State Board Sixty
11 Dollars (\$60.00) for each volunteer member of the department.

12 Provided, the above-mentioned volunteer county or municipal
13 contributions shall be reevaluated by the next scheduled actuarial
14 study and the amounts adjusted so that in a nine-year period of
15 time, the amounts would reflect the actuarial recommendations at
16 that time. Any county or municipality with an income of less than
17 Twenty-five Thousand Dollars (\$25,000.00) to its general fund during
18 a fiscal year shall be exempt from the provisions of this
19 subsection.

20 Any municipality that fails to comply with the provisions of
21 this section shall not be entitled to its proportionate share of the
22 Motor Fuel Excise Tax which is received through the Oklahoma Tax
23 Commission. Any county or municipality may exceed the amount of
24 contribution required by this section.

1 The provisions of this section shall supercede any city charter
2 provision in direct conflict with this section.

3 SECTION 6. AMENDATORY 11 O.S. 2001, Section 50-109, is
4 amended to read as follows:

5 Section 50-109. ~~Any~~ Every municipality participating in the
6 System shall appropriate funds, for the use and benefit of the
7 System, as provided in the following schedule:

8 1. Prior to July 1, 1991, a minimum of ten percent (10%) of the
9 actual paid base salary of each member of the System employed by the
10 municipality;

11 2. Beginning July 1, 1991, a minimum of ten and one-half
12 percent (10 1/2%) of the actual paid base salary of each member of
13 the System employed by the municipality;

14 3. Beginning July 1, 1992, a minimum of eleven percent (11%) of
15 the actual paid base salary of each member of the System employed by
16 the municipality;

17 4. Beginning July 1, 1993, a minimum of eleven and one-half
18 percent (11 1/2%) of the actual paid base salary of each member of
19 the System employed by the municipality;

20 5. Beginning July 1, 1994, a minimum of twelve percent (12%) of
21 the actual paid base salary of each member of the System employed by
22 the municipality;

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1 6. Beginning July 1, 1995, a minimum of twelve and one-half
2 percent (12 1/2%) of the actual paid base salary of each member of
3 the System employed by the municipality; and

4 7. Beginning July 1, 1996, a minimum of thirteen percent (13%)
5 of the actual paid base salary of each member of the System employed
6 by the municipality.

7 The sum appropriated shall be paid to the System within ten (10)
8 days following the payroll period on which the contribution is
9 based.

10 The state shall make such appropriation as is necessary to
11 assure the retirement benefits provided by the article.

12 SECTION 7. AMENDATORY 47 O.S. 2001, Section 2-304, is
13 amended to read as follows:

14 Section 2-304. A. The Department of Public Safety, the
15 Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of
16 Narcotics and Dangerous Drugs Control, the Oklahoma Alcoholic
17 Beverage Control Board, the Oklahoma Tourism and Recreation
18 Department and the Oklahoma State Board of Pharmacy shall make
19 contributions to the fund as follows:

20 The Department of Public Safety, Oklahoma State Bureau of
21 Investigation, Oklahoma State Bureau of Narcotics and Dangerous
22 Drugs Control, the Oklahoma Alcoholic Beverage Control Board, the
23 Oklahoma Tourism and Recreation Department and the Oklahoma State
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1 Board of Pharmacy shall contribute to the fund an amount equal to
2 ten percent (10%) of the actual paid base salary of each member.

3 B. Each member of the System shall make contributions to the
4 fund in an amount equal to eight percent (8%) of the actual paid
5 base salary of the member.

6 Member contributions shall be deducted by each participating
7 employer for such benefits as the Board is by law authorized to
8 administer and shall be remitted monthly, or as the Board may
9 otherwise provide, for deposit in the fund.

10 C. ~~Each~~ Every employer shall pick up under the provisions of
11 Section 414(h)(2) of the Internal Revenue Code of 1986 and pay the
12 contribution which the member is required by law to make to the
13 System for all compensation earned after December 31, 1989. Although
14 the contributions so picked up are designated as member
15 contributions, such contributions shall be treated as contributions
16 being paid by the employer in lieu of contributions by the member in
17 determining tax treatment under the Internal Revenue Code of 1986
18 and such picked up contributions shall not be includable in the
19 gross income of the member until such amounts are distributed or
20 made available to the member or the beneficiary of the member. The
21 member, by the terms of this System, shall not have any option to
22 choose to receive the contributions so picked up directly and the
23 picked up contributions must be paid by the employer to the System.

24

1 Member contributions which are picked up shall be treated in the
2 same manner and to the same extent as member contributions made
3 prior to the date on which member contributions were picked up by
4 the participating employer. Member contributions so picked up shall
5 be included in gross salary for purposes of determining benefits and
6 contributions under the System.

7 The employer shall pay the member contributions from the same
8 source of funds used in paying salary to the member, by effecting an
9 equal cash reduction in gross salary of the member.

10 SECTION 8. This act shall become effective July 1, 2008.

11 SECTION 9. It being immediately necessary for the preservation
12 of the public peace, health and safety, an emergency is hereby
13 declared to exist, by reason whereof this act shall take effect and
14 be in full force from and after its passage and approval.

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