

STATE OF OKLAHOMA

1st Session of the 52nd Legislature (2009)

SENATE BILL 727

By: Gumm

AS INTRODUCED

An Act relating to the Teachers' Retirement System of Oklahoma; 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. 2008, Section 17-108.1), which relates to employer contribution rates; requiring certain appropriation to be made to the Teachers' Retirement System of Oklahoma; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 70 O.S. 2001, Section 17-108.1, as last amended by Section 1, Chapter 366, O.S.L. 2007 (70 O.S. Supp. 2008, Section 17-108.1), is amended to read as follows:

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

- a. beginning July 1, 1998, through June 30, 1999, eleven and one-half percent (11 1/2%) of the regular annual

- 1 compensation of the member not in excess of any
2 applicable maximum compensation level of the member,
3 b. beginning July 1, 1999, through June 30, 2000, four
4 and eight-tenths percent (4.8%) of the regular annual
5 compensation of the member not in excess of any
6 applicable maximum compensation level of the member,
7 c. beginning July 1, 2000, through June 30, 2001, five
8 and eight-tenths percent (5.8%) of the regular annual
9 compensation of the member not in excess of any
10 applicable maximum compensation level of the member,
11 d. beginning July 1, 2001, through June 30, 2002, six and
12 eight-tenths percent (6.8%) of the regular annual
13 compensation of the member not in excess of any
14 applicable maximum compensation level of the member,
15 e. beginning July 1, 2002, through December 31, 2006,
16 seven and five-hundredths percent (7.05%) of the
17 regular annual compensation of the member not in
18 excess of any applicable maximum compensation level of
19 the member,
20 f. beginning January 1, 2007, through June 30, 2007,
21 seven and six-tenths percent (7.6%) of the regular
22 annual compensation of the member not in excess of any
23 applicable maximum compensation level of the member,
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- 1 g. beginning July 1, 2007, through December 31, 2007,
2 seven and eighty-five hundredths percent (7.85%) of
3 the regular annual compensation of the member not in
4 excess of any applicable maximum compensation level of
5 the member,
- 6 h. beginning January 1, 2008, through June 30, 2008,
7 eight and thirty-five hundredths percent (8.35%) of
8 the regular annual compensation of the member not in
9 excess of any applicable maximum compensation level of
10 the member,
- 11 i. beginning July 1, 2008, through December 31, 2008,
12 eight and five-tenths percent (8.5%) of the regular
13 annual compensation of the member not in excess of any
14 applicable maximum compensation level of the member,
- 15 j. beginning January 1, 2009, through December 31, 2009,
16 nine percent (9%) of the regular annual compensation
17 of the member not in excess of any applicable maximum
18 compensation level of the member,
- 19 k. beginning January 1, 2010, through June 30, 2010, nine
20 and five-tenths percent (9.5%) of the regular annual
21 compensation of the member not in excess of any
22 applicable maximum compensation level of the member,
23 and
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1 1. beginning July 1, 2010, through June 30, 2011, and for
2 each fiscal year thereafter, nine and five-tenths
3 percent (9.5%) of the regular annual compensation of
4 the member not in excess of any applicable maximum
5 compensation level of the member.

6 The Except as otherwise provided in this paragraph, the employer
7 contribution rate increase that would otherwise be effective, as
8 provided by subparagraphs f, g, h, i, j, k and l of this paragraph,
9 shall not become effective as law unless funding levels to each of
10 the affected participating employers within the System are increased
11 so that the additional employer contribution obligation is funded
12 through an appropriation or transfer of monies instead of requiring
13 the additional employer contribution to be paid for from existing
14 budgetary resources of such participating employers. The
15 participating employers shall use any monies specifically made
16 available for purposes of making employer contributions for such
17 purpose and to the extent of the funds made available for that
18 purpose. The appropriation to fund the employer contribution rate
19 increase provided by subparagraphs k and l of this paragraph shall
20 be made directly to the System.

21 2. a. Beginning January 1, 2007, through December 31, 2007,
22 a participating employer that employs an employee of a
23 comprehensive university or a regional institution
24 offering a four-year degree program as designated or

1 authorized by the Oklahoma State Regents for Higher
2 Education shall make contributions to the System with
3 respect to such employees at the rate of seven and
4 five-hundredths percent (7.05%) of the regular annual
5 compensation of the member not in excess of any
6 applicable maximum compensation level.

7 b. Beginning January 1, 2008, through December 31, 2008,
8 a participating employer that employs an employee of a
9 comprehensive university or a regional institution
10 offering a four-year degree program as designated or
11 authorized by the Oklahoma State Regents for Higher
12 Education shall make contributions to the System with
13 respect to such employees at the rate of seven and
14 fifty-five hundredths percent (7.55%) of the regular
15 annual compensation of the member not in excess of any
16 applicable maximum compensation level of the member.

17 c. Beginning January 1, 2009, through December 31, 2009,
18 a participating employer that employs an employee of a
19 comprehensive university or a regional institution
20 offering a four-year degree program as designated or
21 authorized by the Oklahoma State Regents for Higher
22 Education shall make contributions to the System with
23 respect to such employees at the rate of eight and
24 five hundredths percent (8.05%) of the regular annual

1 compensation of the member not in excess of any
2 applicable maximum compensation level of the member.

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

13 e. Beginning July 1, 2010, through June 30, 2011, and for
14 each fiscal year thereafter, a participating employer
15 that employs an employee of a comprehensive university
16 or a regional institution offering a four-year degree
17 program as designated or authorized by the Oklahoma
18 State Regents for Higher Education shall make
19 contributions to the System with respect to such
20 employees at the rate of eight and fifty-five
21 hundredths percent (8.55%) of the regular annual
22 compensation of the member not in excess of any
23 applicable maximum compensation level of the member.

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1 ~~The~~ Except as otherwise provided in this paragraph, the employer
2 contribution rate increase that would otherwise be effective as
3 provided by subparagraphs b, c, d and e of this paragraph shall not
4 become effective as law unless funding levels are increased so that
5 the additional employer contribution obligation is funded through
6 such an appropriation or transfer of monies instead of requiring the
7 additional employer contribution to be paid for from existing
8 budgetary resources of such participating employers. The
9 participating employers shall use any monies specifically made
10 available for purposes of making employer contributions for such
11 purpose and to the extent of the funds made available for that
12 purpose. The appropriation to fund the employer contribution rate
13 increase provided by subparagraphs d and e of this paragraph shall
14 be made directly to the System.

15 3. Any employer contribution paid to the System pursuant to
16 this subsection shall not be considered as salary, fringe benefit,
17 or total compensation due to members for the purpose of meeting any
18 legislative or contractual obligation of the employer.

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

1 C. Employers paying contributions to the System pursuant to
2 subsection A or B of this section shall receive credit for that
3 portion of the gross production tax on natural gas and/or casinghead
4 gas apportioned to the System pursuant to subsection 2 of Section
5 1004 of Title 68 of the Oklahoma Statutes in meeting the total
6 required employer contribution. On an annual basis, the Board of
7 Trustees of the Teachers' Retirement System of Oklahoma shall
8 estimate the net additional cost required to be paid by the
9 contributing employers in order to meet the total employer
10 contribution as provided in subsection A or B of this section. The
11 Board of Trustees shall approve the amount of the additional
12 contribution required to be paid by contributing employers as a
13 percentage of total member salaries and fringe benefits for each
14 fiscal year ending June 30, no later than April 1 of the previous
15 fiscal year. In no event shall the additional contribution required
16 to be paid by the contributing employer under this subsection be
17 less than the contribution required under this subsection in the
18 prior year. In the event actual contributions do not equal the
19 required total contribution as provided in subsection A or B of this
20 section, the net difference between the actual contributions and the
21 required total contributions shall be determined and shall be
22 included in the amount of the additional contribution required to be
23 paid by contributing employers for the next fiscal year. All
24 contributing employers shall pay the same percentage of total member

1 salaries and fringe benefits during each fiscal year. The
2 provisions of this subsection shall terminate June 30, 1999.

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

16 E. All participating employers shall provide a complete record
17 of the total compensation paid to each employee, including any
18 person who is a retired member of the System, whether or not
19 employer and employee contributions are made with respect to such
20 compensation. The employer shall provide the report required by
21 this subsection on a monthly basis on a form or using such method as
22 the Teachers' Retirement System of Oklahoma may require.

23 SECTION 2. This act shall become effective July 1, 2009.
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1 SECTION 3. It being immediately necessary for the preservation
2 of the public peace, health and safety, an emergency is hereby
3 declared to exist, by reason whereof this act shall take effect and
4 be in full force from and after its passage and approval.

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