

SENATE FLOOR VERSION

February 18, 2013

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 732

By: Brinkley of the Senate

and

Shannon of the House

[public retirement systems - enacting the Sooner
Save Special Act - effective date]

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 935.1 of Title 74, unless there
is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Sooner Save
Special Act".

SECTION 2. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 935.2 of Title 74, unless there
is created a duplication in numbering, reads as follows:

A. Effective November 1, 2013, the Oklahoma Public Employees
Retirement System shall establish a defined contribution plan for
those persons who become members of the System on or after November
1, 2013, whose first participating service in the System occurs on

1 or after November 1, 2013, and who make the election provided by
2 this section to become participants in the defined contribution
3 plan.

4 B. A member eligible to participate in the defined contribution
5 plan authorized by this section shall have a period of ninety (90)
6 days from his or her entry date in order to choose between
7 participation in the Oklahoma Public Employees Retirement System
8 established pursuant to Section 901 et seq. of Title 74 of the
9 Oklahoma Statutes or to participate in the defined contribution
10 retirement plan authorized by this act.

11 C. The election required by subsection B of this section shall
12 be irrevocable and shall govern the participation of the member for
13 all years of service performed for any and all participating
14 employers in the Oklahoma Public Employees Retirement System.

15 D. If a member fails to make the election required by this
16 section within the time prescribed, the member shall become a
17 participant in the defined contribution plan and the member shall
18 not accrue any service credit in the Oklahoma Public Employees
19 Retirement System as established pursuant to Section 901 et seq. of
20 Title 74 of the Oklahoma Statutes.

21 SECTION 3. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 935.3 of Title 74, unless there
23 is created a duplication in numbering, reads as follows:

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1 The Board of Trustees of the Oklahoma Public Employees
2 Retirement System shall cause the defined contribution plan
3 authorized by this act to be a tax-qualified plan as that term is
4 defined by Section 401 et seq. of Title 26 of the United States
5 Code, or any other applicable provisions of federal law.

6 SECTION 4. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 935.4 of Title 74, unless there
8 is created a duplication in numbering, reads as follows:

9 A. Employee contributions to the defined contribution
10 retirement plan shall consist of a minimum of three percent (3.0%)
11 of compensation.

12 B. Employee contributions to the defined contribution
13 retirement plan shall consist of a maximum of ten percent (10.0%) of
14 compensation.

15 C. All employee contributions to the defined contribution plan
16 shall be effected by mandatory salary deductions from the salary of
17 the employee and shall be remitted by the participating employer to
18 the Oklahoma Public Employees Retirement System for deposit into the
19 defined contribution plan account maintained on behalf of the
20 employee.

21 SECTION 5. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 935.5 of Title 74, unless there
23 is created a duplication in numbering, reads as follows:

1 Employers of members who select the defined contribution
 2 retirement plan shall match the employee contribution to the plan on
 3 a monthly basis according to the following schedule based on the
 4 same compensation amount used to compute the employee contribution
 5 amount:

<u>Employee Contribution Rate</u>	<u>Employer Match</u>
3.0%	3.0%
4.0%	4.0%
5.0%	5.0%
6.0%	5.5%
7.0%	5.75%
8.0%	6.0%
9.0%	6.25%
10.0%	6.5%

15 SECTION 6. NEW LAW A new section of law to be codified
 16 in the Oklahoma Statutes as Section 935.6 of Title 74, unless there
 17 is created a duplication in numbering, reads as follows:

18 Except as otherwise provided by this section, employers shall
 19 make payment of the required matching amount as provided by Section
 20 5 of this act each month and shall ensure the payment is credited to
 21 the defined contribution plan account as selected by the member.

22 SECTION 7. NEW LAW A new section of law to be codified
 23 in the Oklahoma Statutes as Section 935.7 of Title 74, unless there
 24 is created a duplication in numbering, reads as follows:

1 A. Members shall at all times be vested at one hundred percent
2 (100%) of the amount of their employee contributions.

3 B. Members shall be vested with respect to the employer
4 matching amounts deposited into their defined contribution plan
5 account according to the following schedule based on years of
6 participating service:

7	Year 1	20%
8	Year 2	40%
9	Year 3	60%
10	Year 4	80%
11	Year 5 and thereafter	100%

12 SECTION 8. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 935.8 of Title 74, unless there
14 is created a duplication in numbering, reads as follows:

15 Each participating employer shall pick up under the provisions
16 of Section 414(h) (2) of the Internal Revenue Code of 1986, as
17 amended, and pay the contribution which the member is required by
18 law to make to the System for all compensation earned after the date
19 as of which an employee elects to participate in the defined
20 contribution plan. Although the contributions so picked up are
21 designated as member contributions, such contributions shall be
22 treated as contributions being paid by the employer in lieu of
23 contributions by the member in determining tax treatment under the
24 Internal Revenue Code of 1986, as amended, and such picked up

1 contributions shall not be includable in the gross income of the
2 member until such amounts are distributed or made available to the
3 member or the beneficiary of the member. The member, by the terms
4 of this System, shall not have any option to choose to receive the
5 contributions so picked up directly and the picked-up contributions
6 must be paid by the municipality to the System.

7 SECTION 9. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 935.9 of Title 74, unless there
9 is created a duplication in numbering, reads as follows:

10 A. A member shall be required to have been employed by a
11 participating employer with the Oklahoma Public Employees Retirement
12 System from January 1 of a calendar year until December 15 of a
13 calendar year in order to be eligible for the matching amount
14 prescribed by Section 5 of this act.

15 B. If the member is not employed as of the December 15 date,
16 the member shall not receive the matching contribution amount
17 otherwise authorized pursuant to Section 5 of this act.

18 C. The provisions of subsection B of this section shall not
19 prohibit an employer matching contribution if the member is using
20 annual leave, sick leave, compensatory time or other leave
21 authorized by federal or state law.

22 SECTION 10. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 935.10 of Title 74, unless there
24 is created a duplication in numbering, reads as follows:

1 The Board of Trustees of the Oklahoma Public Employees
2 Retirement System shall contract with one or more business entities
3 in order to create a range of choices regarding investment of funds
4 deposited into defined contribution plan accounts. The investment
5 options shall be substantially similar to the options provided to
6 members of the Oklahoma Public Employees Retirement System that
7 maintain a Deferred Savings Incentive Plan account as offered by the
8 System pursuant to the provisions of the Deferred Savings Incentive
9 Plan.

10 SECTION 11. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 935.11 of Title 74, unless there
12 is created a duplication in numbering, reads as follows:

13 A. Notwithstanding any other provision of the statutes
14 governing the Oklahoma Public Employees Retirement System to the
15 contrary, each participating employer shall remit to the Oklahoma
16 Public Employees Retirement System the difference between the amount
17 of money which would be remitted to the System using the employer
18 contribution rate required by either Section 920 or Section 920A of
19 Title 74 of the Oklahoma Statutes and the amount of money required
20 for the participating employer to make the required matching
21 contribution amount on behalf of a member making the irrevocable
22 election to participate in the defined contribution plan authorized
23 pursuant to the provisions of Section 5 of this act.

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1 B. The Oklahoma Public Employees Retirement System shall
2 deposit the monies remitted to it by employers having members that
3 participate in the defined contribution plan created by this act, as
4 described by subsection A of this section, into the existing defined
5 benefit pension plan authorized pursuant to Section 901 et seq. of
6 Title 74 of the Oklahoma Statutes in order to reduce the liabilities
7 of the defined benefit pension plan.

8 SECTION 12. AMENDATORY 74 O.S. 2011, Section 913.4, as
9 last amended by Section 2, Chapter 155, O.S.L. 2012 (74 O.S. Supp.
10 2012, Section 913.4), is amended to read as follows:

11 Section 913.4 A. 1. Except as otherwise provided in this
12 subsection, an elected official may elect to participate in the
13 System and if he or she elects to do so shall have the option of
14 participating at any one of the computation factors set forth in
15 paragraph 3 or 4 of this subsection and will receive retirement
16 benefits in accordance with the computation factor chosen. The
17 election on participation in the System must be in writing, must
18 specify the computation factor chosen, and must be filed with the
19 System within ninety (90) days after the elected official takes
20 office. The election to participate and the election of a
21 computation factor shall be irrevocable. Reelection to the same
22 office will not permit new elections. Failure of an elected
23 official to file such election form within the ninety-day period
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1 shall be deemed an irrevocable election to participate in the System
2 at the maximum computation factor.

3 2. Contributions and benefits will be based upon the elected
4 official's annual compensation as defined in Section 902 of this
5 title. Employer and elected official contributions shall be
6 remitted at least monthly, or as the Board may otherwise provide, to
7 the System for deposit in the Oklahoma Public Employees Retirement
8 Fund. Effective July 1, 1994, and thereafter, the participating
9 employer shall contribute as provided in Section 920 of this title.

10 3. Except as provided in paragraph 4 of this subsection,
11 effective July 1, 1994, the computation factor selected and the
12 corresponding elected official contribution rate shall be as
13 follows:

14	Elected official	Computation	Alternate
15	Contribution Rate	Factor	Formula
16	4.5%	1.9%	\$12.50
17	6%	2.5%	\$20.00
18	7.5%	3.0%	\$25.00
19	8.5%	3.4%	\$27.50
20	9%	3.6%	\$30.00
21	10%	4.0%	\$40.00

22 4. Elected officials who are first elected or appointed to an
23 elected office on or after November 1, 2010, shall elect a
24 computation factor of either 1.9% or 4%. The elected official

1 contribution rate for the 1.9% computation factor is currently 4.5%
2 and the contribution rate for the 4% computation factor is currently
3 10%. All other computation factors and contribution rates set forth
4 in paragraph 3 of this subsection shall not be available to any
5 person first elected or appointed to an elected office on or after
6 November 1, 2010.

7 5. The contribution rate for elected officials who are first
8 elected or appointed to an elected office on or after November 1,
9 2011, shall be in the amount specified in paragraph (a) of
10 subsection (1) of Section 919.1 of this title. The amount of the
11 retirement benefit for elected officials who are first elected or
12 appointed to an elected office on or after November 1, 2011, shall
13 be based on the provisions of paragraph (1) of subsection A of
14 Section 915 of this title.

15 6. The computation factors and corresponding elected official
16 contribution rates provided for in paragraphs 3 and 4 of this
17 subsection shall be based on the entire compensation as an elected
18 official subject to the definition and maximum compensation levels
19 as set forth in paragraph (9) of Section 902 of this title.

20 7. A statewide elected official or legislator whose first
21 service as an elected official occurs on or after November 1, 2013,
22 shall become a participant in the defined contribution plan created
23 by Sections 1 through 11 of this act and such elected official shall
24 not accrue any service credit in the defined benefit plan of the

1 Oklahoma Public Employees Retirement System created pursuant to
 2 Section 901 et seq. of Title 74 of the Oklahoma Statutes.

3 B. The normal retirement date for an elected official shall be
 4 the first day of the month coinciding with or following the
 5 official's sixtieth birthday or the first day of the month
 6 coinciding with or following the date at which the sum of the
 7 elected official's age and number of years of credited service total
 8 eighty (80). The normal retirement date for an elected official
 9 first elected or appointed to an elected office on or after November
 10 1, 2011, shall be the first day of the month coinciding with or
 11 following the official's sixty-fifth birthday or the date upon which
 12 the elected or appointed official attains the age of sixty-two (62)
 13 and who has at least ten (10) years of elected or appointed service.
 14 Any elected official first elected or appointed to an elected office
 15 before November 1, 2011, who has a minimum of ten (10) years'
 16 participating service may retire under the early retirement
 17 provisions of this act, including those electing a vested benefit
 18 and shall receive an adjustment of annual benefits in accordance
 19 with the following percentage schedule:

Age	Percentage of Normal Retirement Benefits
60	100%
59	94%
58	88%

1	57	82%
2	56	76%
3	55	70%

4 Except for officials whose first elected or appointed service as
 5 an elected official occurs on or after November 1, 2011, and who
 6 retire at age sixty-two (62) with a minimum of ten (10) years of
 7 elected or appointed service, any elected official first elected or
 8 appointed for an elected office on or after November 1, 2011, who
 9 has a minimum of ten (10) years' participating service may retire
 10 under the early retirement provisions of this act, including those
 11 electing a vested benefit and shall receive an adjustment of annual
 12 benefits in accordance with the following percentage schedule:

13		Percentage of Normal
14	Age	Retirement Benefits
15	65	100%
16	64	93.33%
17	63	86.67%
18	62	80%
19	61	73.33%
20	60	66.67%

21 C. 1. Any elected official shall receive annual benefits
 22 computed based upon the computation factor selected multiplied by
 23 the member's highest annual compensation received as an elected
 24 official prior to retirement or termination of employment multiplied

1 by the number of years of credited service. No elected official
2 shall retire using such highest annual compensation unless the
3 elected official has made the required election and has paid the
4 required contributions on such salary.

5 2. The retirement benefit may be computed pursuant to the
6 provisions of paragraph (1) of subsection A of Section 915 of this
7 title if the benefit would be higher. Elected officials who have a
8 vested benefit prior to July 1, 1980, may elect to receive annual
9 benefits based on the alternate formula provided above. Such annual
10 benefits shall be paid in equal monthly installments.

11 3. Elected officials who become members of the Oklahoma Public
12 Employees Retirement System on or after August 22, 2008, will
13 receive retirement benefits in accordance with the computation
14 factor selected pursuant to subsection A of this section multiplied
15 by the member's highest annual compensation received as an elected
16 official and only for those years of credited service the member
17 served as an elected official. If such elected official has
18 participating service as a nonelected member, then such nonelected
19 service shall be computed separately pursuant to the provisions of
20 paragraph (1) of subsection A of Section 915 of this title with the
21 final benefit result added to the final benefit result for elected
22 service. In no event shall the elected official be entitled to
23 apply the computation factor selected pursuant to subsection A of

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1 this section or the compensation received as an elected official to
2 the computation of nonelected service.

3 4. Elected officials who are first elected or appointed to an
4 elected office on or after August 22, 2008, may not receive a
5 maximum benefit greater than their single highest annual
6 compensation received as a member of the Oklahoma Public Employees
7 Retirement System.

8 D. Any elected official making an election to participate at a
9 computation factor less than the maximum and later selecting a
10 higher computation factor shall contribute to the System a sum equal
11 to the amount which the elected official would have contributed if
12 the elected official had made such election at the time the elected
13 official first became eligible, plus interest as determined by the
14 Board, in order to receive the additional benefits for all service
15 as an elected official; otherwise, the additional benefits shall be
16 applicable only to service for which the elected official pays the
17 appropriate percent of contributions to the System.

18 E. The surviving spouse of a deceased elected official who was
19 first elected or appointed to an elected office before November 1,
20 2011, and who has at least six (6) years of participating service
21 and the surviving spouse of a deceased elected official who was
22 first elected or appointed to an elected office on or after November
23 1, 2011, and who has at least eight (8) years of participating
24 service shall be entitled to receive survivor benefits in the amount

1 herein prescribed, if married to the decedent continuously for a
2 period of at least three (3) years immediately preceding the elected
3 official's death. Provided the elected official had met the service
4 requirements, survivor benefits shall be payable when the deceased
5 member would have met the requirements for normal or early
6 retirement. The amount of the benefits the surviving spouse may
7 receive shall be fifty percent (50%) of the amount of benefits the
8 deceased elected official was receiving or will be eligible to
9 receive. Remarriage of a surviving spouse shall disqualify the
10 spouse for the receipt of survivor benefits. Elected officials may
11 elect a retirement option as provided in Section 918 of this title
12 in lieu of the survivors benefit provided above.

13 F. Any elected official who served in the Armed Forces of the
14 United States, as defined in paragraph (23) of Section 902 of this
15 title, prior to membership in the Oklahoma Public Employees
16 Retirement System shall be granted credited service of not to exceed
17 five (5) years for those periods of active military service during
18 which the elected official was a war veteran.

19 G. Anyone appointed or elected to an elected position after
20 July 1, 1990, shall not be eligible to receive benefits as provided
21 in this section until such person has participated as an elected
22 official for six (6) years. Anyone appointed or elected to an
23 elected position on or after November 1, 2011, shall not be eligible
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1 to receive benefits as provided in this section until such person
2 has participated as an elected official for eight (8) years.

3 H. Elected officials who terminate participation in the System
4 and who have a minimum of six (6) years of participating service
5 shall be entitled to elect a vested benefit and shall be entitled to
6 the retirement options as provided in Section 918 of this title in
7 lieu of the survivors benefit provided in subsection E of this
8 section. Elected officials who terminate participation in the
9 System and who have a minimum of eight (8) years of participating
10 service shall be entitled to elect a vested benefit and shall be
11 entitled to retirement options as provided in Section 918 of this
12 title in lieu of the survivors benefits provided in subsection E of
13 this section.

14 I. In determining the number of years of credited service, a
15 fractional year of six (6) months or more shall be considered as one
16 (1) year, and less than six (6) months or more shall be disregarded.
17 For members who joined the System on or after November 1, 2011, the
18 number of years of credited service shall be based on actual years
19 and months of credited service without rounding up or down.

20 SECTION 13. AMENDATORY 74 O.S. 2011, Section 920, as
21 amended by Section 929, Chapter 304, O.S.L. 2012 (74 O.S. Supp.
22 2012, Section 920), is amended to read as follows:

23 Section 920. (1) Effective July 1, 1994, every state agency
24 which is a participating employer shall contribute to the System an

1 amount equal to eleven and one-half percent (11 1/2%) of the monthly
2 compensation of each member, but not in excess of Forty Thousand
3 Dollars (\$40,000.00).

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

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

15 (4) Effective July 1, 1999, and through the fiscal year ending
16 June 30, 2005, every state agency which is a participating employer
17 shall contribute to the System an amount equal to ten percent (10%)
18 of the monthly compensation of each member, not to exceed the
19 allowable annual compensation defined in paragraph (9) of Section
20 902 of this title.

21 (5) ~~Effective July 1, 2005,~~ Except as otherwise provided by
22 paragraph (11) of this section, every state agency which is a
23 participating employer shall contribute an amount to the System
24 equal to a percentage of monthly compensation of each member, not to

1 exceed the allowable annual compensation defined in paragraph (9) of
 2 Section 902 of this title as follows:

3	July 1, 2005 - June 30, 2006	11 1/2%
4	July 1, 2006 - June 30, 2007	12 1/2%
5	July 1, 2007 - June 30, 2008	13 1/2%
6	July 1, 2008 - June 30, 2009	14 1/2%
7	July 1, 2009 - June 30, 2011	15 1/2%
8	July 1, 2011 - June 30, 2012	
9	and each year thereafter	16 1/2%

10 (6) The Board shall certify, on or before November 1 of each
 11 year, to the Office of Management and Enterprise Services an
 12 actuarially determined estimate of the rate of contribution which
 13 will be required, together with all accumulated contributions and
 14 other assets of the System, to be paid by each participating
 15 employer to pay all liabilities which shall exist or accrue under
 16 the System, including amortization of the past service cost over a
 17 period of not to exceed forty (40) years from June 30, 1987, and the
 18 cost of administration of the System, as determined by the Board,
 19 upon recommendation of the actuary.

20 (7) The Office of Management and Enterprise Services and the
 21 Governor shall include in the budget and in the budget request for
 22 appropriations the sum required to satisfy the state's obligation
 23 under this section as certified by the Board and shall present the
 24 same to the Legislature for allowance and appropriation.

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

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

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

12 (11) Effective November 1, 2013, an employer shall be required
13 to make payment to the Oklahoma Public Employees Retirement System
14 of the amount described by subsection A of Section 11 of this act
15 with respect to any employee who is a participant in the defined
16 contribution plan created pursuant to the provisions of Sections 1
17 through 11 of this act. The employer shall be required to make the
18 required matching contribution amount for all employees that
19 participate in the defined contribution plan and to remit the
20 difference between such amount and the amount the employer would
21 otherwise have paid pursuant to the provisions of this section to
22 the Oklahoma Public Employees Retirement System.

23 SECTION 14. AMENDATORY 74 O.S. 2011, Section 920A, is
24 amended to read as follows:

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

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

21 C. The Except as otherwise provided by subsection H of this
22 section, the total employer and employee contributions for fiscal
23 years following the fiscal year ending June 30, 2005, shall be as
24 follows:

1	July 1, 2005 - June 30, 2006	15%
2	July 1, 2006 - June 30, 2007	16%
3	July 1, 2007 - June 30, 2008	17%
4	July 1, 2008 - June 30, 2009	18%
5	July 1, 2009 - June 30, 2010	19%
6	July 1, 2010 - June 30, 2011	
7	and each fiscal year thereafter	20%

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

17 D. For members who make the election pursuant to paragraph (2)
18 of subsection A of Section 915 of this title, the employee
19 contribution shall increase by two and ninety-one one-hundredths
20 percent (2.91%). Such employee contribution increase shall be paid
21 by the employee.

22 E. Each participating employer pursuant to the provisions of
23 this section may pick up under the provisions of Section 414(h) (2)
24 of the Internal Revenue Code of 1986 and pay the contribution which

1 the member is required by law to make to the System for all
2 compensation earned after December 31, 1989. Although the
3 contributions so picked up are designated as member contributions,
4 such contributions shall be treated as contributions being paid by
5 the participating employer in lieu of contributions by the member in
6 determining tax treatment under the Internal Revenue Code of 1986
7 and such picked up contributions shall not be includable in the
8 gross income of the member until such amounts are distributed or
9 made available to the member or the beneficiary of the member. The
10 member, by the terms of this System, shall not have any option to
11 choose to receive the contributions so picked up directly and the
12 picked up contributions must be paid by the participating employer
13 to the System.

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

20 G. The participating employer shall pay the member
21 contributions from the same source of funds used in paying salary to
22 the member, by effecting an equal cash reduction in gross salary of
23 the member.

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1 H. Effective November 1, 2013, an employer shall be required to
2 make payment to the Oklahoma Public Employees Retirement System of
3 the amount described by subsection A of Section 11 of this act with
4 respect to any employee who is a participant in the defined
5 contribution plan created pursuant to the provisions of Sections 1
6 through 11 of this act. The employer shall be required to make the
7 required matching contribution amount for all employees that
8 participate in the defined contribution plan and to remit the
9 difference between such amount and the amount the employer would
10 otherwise have paid pursuant to the provisions of this section to
11 the Oklahoma Public Employees Retirement System.

12 SECTION 15. This act shall become effective November 1, 2013.

13 COMMITTEE REPORT BY: COMMITTEE ON PENSIONS
14 February 18, 2013 - DO PASS AS AMENDED
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