

**COMMITTEE AMENDMENT**

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2630 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by  
inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Amendment submitted by: Randy McDaniel

Adopted: \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

## STATE OF OKLAHOMA

2nd Session of the 54th Legislature (2014)

PROPOSED COMMITTEE  
SUBSTITUTE  
FOR  
HOUSE BILL NO. 2630

By: McDaniel (Randy)

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to public retirement systems;  
creating the Retirement Freedom Act; providing short  
title; imposing duty on the Oklahoma Public Employees  
Retirement System to establish defined contribution  
system; specifying persons eligible for participation  
in system; prescribing procedures related to date of  
service accrual; requiring defined contribution  
system to be qualified pursuant to provisions of the  
Internal Revenue Code of 1986, as amended;  
prescribing minimum employee contribution amount;  
prescribing maximum employee contribution amount;  
providing for salary deductions for employee  
contributions; providing for employer matching  
contributions; specifying amount of employer matching  
contributions; prescribing procedures related to  
employer matching contributions; providing for  
modifications to matching amounts; prescribing  
procedures for cost computation; providing for  
payment of certain costs related to administration of  
defined contribution system administration; providing  
for vesting schedule; providing for applicability of  
provisions of Section 414(h) of the Internal Revenue  
Code of 1986, as amended, with respect to employee  
contributions; imposing duty on Board of Trustees of  
Oklahoma Public Employees Retirement System with  
respect to investment of funds in defined  
contribution system accounts; providing for payment  
of certain revenues to the Oklahoma Public Employees  
Retirement System; providing for deposit of funds  
with existing defined benefit plan; providing for  
effect of enactment on certain rights; prohibiting  
certain collection activity with respect to funds;

1 authorizing offsets; providing for enforcement of  
2 qualified domestic orders; defining term; prescribing  
3 procedures with respect to alternate payees;  
4 prescribing content; imposing restrictions;  
5 authorizing rules; amending 74 O.S. 2011, Sections  
6 913.4, as last amended by Section 113, Chapter 15,  
7 O.S.L. 2013, 920, as amended by Section 929, Chapter  
8 304, O.S.L. 2012 and 920A (74 O.S. Supp. 2013,  
9 Sections 913.4 and 920), which relate to the Oklahoma  
10 Public Employees Retirement System; imposing  
11 requirement on certain elected official with respect  
12 to participation in defined contribution retirement  
13 system; modifying provisions related to employer  
14 contributions; requiring payment of certain  
15 differential amount to the Oklahoma Public Employees  
16 Retirement System for specified purpose; amending 74  
17 O.S. 2011, Sections 1316.2, as amended by Section  
18 962, Chapter 304, O.S.L. 2012 and 1707, as amended by  
19 Section 986, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
20 2013, Sections 1316.2 and 1707), which relate to  
21 certain provisions affecting the Oklahoma Public  
22 Employees Retirement System; modifying provisions  
23 based on employee participation in defined  
24 contribution system; providing for codification; and  
providing an 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 "Retirement  
Freedom 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:

1       A. Effective November 1, 2015, the Oklahoma Public Employees  
2 Retirement System ("System") shall establish a defined contribution  
3 system for those persons who first become employed by any  
4 participating employer of the System, as defined by paragraph (25)  
5 of Section 902 of Title 74 of the Oklahoma Statutes, on or after  
6 November 1, 2015.

7       B. The provisions of subsection A of this section and the  
8 provisions of this act shall not be applicable to members who are  
9 correctional officers, probation and parole officers or fugitive  
10 apprehension agents employed by the Department of Corrections on the  
11 date initially employed by the Department.

12       C. A member described by subsection A of this section shall  
13 become a participant in the defined contribution system and the  
14 member shall not accrue any service credit in the Oklahoma Public  
15 Employees Retirement System as established pursuant to Section 901  
16 et seq. of Title 74 of the Oklahoma Statutes.

17       D. Members who participate in the defined contribution system  
18 shall be deemed to begin service in the defined contribution system  
19 on the entry date of the employee.

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

23       The Board of Trustees of the Oklahoma Public Employees  
24 Retirement System ("Board") shall take whatever action is reasonable

1 and necessary to have the defined contribution system authorized by  
2 this act to be recognized as a tax-qualified plan as that term is  
3 defined by Section 401 et seq. of Title 26 of the United States  
4 Code, or any other applicable provisions of federal law. The Board  
5 is also authorized to establish a plan or use an existing plan  
6 established under Section 457 of Title 26 of the United States Code,  
7 if it is necessary to carry out the intent of this act. The Board  
8 shall take whatever action is reasonable and necessary to obtain  
9 confirmation from the Internal Revenue Service that any such 457  
10 plan is consistent with the requirements of Section 457.

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

14 A. Employee contributions to the defined contribution  
15 retirement system shall consist of a minimum of three percent (3.0%)  
16 of compensation.

17 B. Employee contributions to the defined contribution  
18 retirement system that are eligible for an employer match shall  
19 consist of a maximum of seven percent (7.0%) of compensation.

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

23 A. Employers of members who become participants in the defined  
24 contribution retirement system shall match the employee contribution

paid on a monthly basis according to the following schedule based on the same compensation amount used to compute the employee contribution amount:

Employee Contribution Rate	Employer Match
3.0%	3.0%
4.0%	4.0%
5.0%	5.0%
6.0%	6.0%
7.0%	7.0%

B. The initial three-percent employee contribution shall be the only mandatory contribution of an employee who selects the defined contribution retirement system created by this act. These funds shall be placed by the System in either a 401(a) plan or a 457 plan, to be determined by the Board to maintain the plan consistent with the Internal Revenue Code. Any employee contributions eligible to be matched under this section over the three-percent initial contribution shall be considered voluntary deferrals of compensation and placed in a 457 plan. All employer matching funds shall be placed in a 401(a) plan.

C. Any contribution rate that is more than the three-percent rate can be chosen by the member upon the member's initial participation, and can only be changed once per calendar year during an option period as the Board determines. The employee contribution rate chosen shall continue until the next option period.

1       D. The employer match as set forth in subsection A of this  
2 section may be increased at any time by the Legislature without  
3 affecting the then-existing rights of members and beneficiaries in  
4 order to encourage members to accumulate deferred income reserves  
5 for themselves and their dependents. The employer match may be  
6 decreased at any time by the Legislature without affecting the then-  
7 existing rights of members and beneficiaries in order to provide  
8 funding as may be needed to reduce the unfunded liabilities of the  
9 defined benefit plan as set forth in Section 901 et seq. of Title 74  
10 of the Oklahoma Statutes, but shall not be less than three percent  
11 (3.0%) for any year during which the defined contribution plan is  
12 maintained.

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

16       A. Except as otherwise provided by this section, employers  
17 shall make payment of the required matching amount as provided by  
18 Section 5 of this act within five (5) business days of the member's  
19 payroll pay date. The System shall ensure the payment is credited  
20 to the defined contribution system account of the member as soon as  
21 possible.

22       B. All employee contributions to the defined contribution  
23 system shall be effected by salary deductions from the salary of the  
24 employee and shall be remitted by the participating employer to the

1 System for deposit into the defined contribution system account  
2 maintained on behalf of the employee.

3 C. Participating employers whose salary deductions and employer  
4 contributions are not remitted to the System through the Office of  
5 Management and Enterprise Services shall either:

6 1. Send all such remittances by electronic funds transfer; or

7 2. Place all such remittances in a bank account from which  
8 OPERS can debit the amount due,

9 both within five (5) business days of the payroll pay date of the  
10 member. Payroll data shall be remitted by the same deadline.

11 D. The Office of Management and Enterprise Services shall  
12 cooperate with the Board to ensure that any necessary programming  
13 changes are made to the state's payroll system to carry out the  
14 requirements of this act.

15 E. Each employer which has employees participating in the  
16 defined contribution system shall pay to the System in the same  
17 manner and at the same time required for contributions under this  
18 section an amount to reimburse the cost of administration of the  
19 defined contribution system, as determined by the Board.

20 1. The Board shall certify each year to the Office of  
21 Management and Enterprise Services and to participating employers  
22 whose salary deductions and employer contributions are not remitted  
23 to the System through the Office of Management and Enterprise  
24 Services, the determined amount for the administrative cost of the



1 defined contribution system which will be required to be paid for  
2 each participant. The Board shall promulgate such rules as  
3 necessary to implement the provisions of this subsection and provide  
4 the methodology for the determination.

5 2. Each employer shall pay at least monthly to the System the  
6 sum sufficient to satisfy the obligation under this section as  
7 certified by the Board.

8 F. The account of each employee participating in the defined  
9 contribution system shall consist of the amount in the account plus  
10 credits representing employer and employee contributions, profits,  
11 income and other increments attributable to such contributions, and  
12 minus debits representing any losses, other decrements, or expenses  
13 under the system and any distributions made to the employee under  
14 the system.

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

18 A. Members shall at all times be vested at one hundred percent  
19 (100%) of the amount of their employee contributions. Members will  
20 have retirement discretion over these contributions within the  
21 available options offered by the Board.

22 B. Members shall be vested with respect to the employer  
23 matching amounts deposited into their defined contribution system  
24

1 account according to the following schedule based on years of  
2 participating service:

3	Year 1	20%
4	Year 2	40%
5	Year 3	60%
6	Year 4	80%
7	Year 5 and thereafter	100%

8 C. Members will have investment discretion over all employer  
9 contributions.

10 D. For purposes of determining a member's right to withdraw  
11 employer matching contributions and any investment gains upon such  
12 employer contribution matching amounts, the vesting percentages  
13 apply at the end of each full year of service as described in  
14 subsection B of this section.

15 E. For members who do not select any investment options, the  
16 OPERS Board will establish default investment options for the  
17 contributions received from members and default investment options  
18 for matching employer contributions.

19 F. In selecting investment options for participants in the  
20 defined contribution plan authorized by this act, the Board of  
21 Trustees of the Oklahoma Public Employees Retirement System shall  
22 give due consideration to offering investment options that provide  
23 guaranteed income in retirement such as annuities, guaranteed  
24 investment contracts or similar products.

1 G. To the extent that participants leave employment and have  
2 not vested in all of the employer contributions, the nonvested  
3 contributions may be used to offset costs of administering the plan.

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

7 A. Each participating employer shall pick up under the  
8 provisions of Section 414(h)(2) of the Internal Revenue Code of  
9 1986, as amended, and pay the contribution which the member is  
10 required by law to make to the System for all compensation earned  
11 after the date as of which an employee begins to participate in the  
12 defined contribution system. Although the contributions so picked  
13 up are designated as member contributions, such contributions shall  
14 be treated as contributions being paid by the employer in lieu of  
15 contributions by the member in determining tax treatment under the  
16 Internal Revenue Code of 1986, as amended, and such picked-up  
17 contributions shall not be includable in the gross income of the  
18 member until such amounts are distributed or made available to the  
19 member or the beneficiary of the member. The member, by the terms  
20 of this System, shall not have any option to choose to receive the  
21 contributions so picked up directly and the picked-up contributions  
22 must be paid by the employer to the System.

23 B. Contributions by the member into a 457 plan may not be  
24 picked up by the employer but shall be a voluntary deferral of the

1 employee's compensation. Participating employers within OPERS that  
2 are not eligible to participate in the SoonerSave 457 and 401(a)  
3 plans that existed prior to this act, and have established 457 plans  
4 for their employees, will have the obligation to ensure that their  
5 employees do not exceed the maximum annual contributions to a 457  
6 plan under the Internal Revenue Code.

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       The Board of Trustees shall contract with one or more business  
11 entities in order to create a range of choices regarding investment  
12 of funds deposited into defined contribution system accounts. The  
13 investment options shall be substantially similar to the options  
14 provided to members of the Oklahoma Public Employees Retirement  
15 System that maintain a Deferred Savings Incentive Plan account as  
16 offered by the System pursuant to the provisions of the Deferred  
17 Savings Incentive Plan. The Board may amend any of its existing  
18 contracts with its current service providers to perform  
19 substantially the same type of service the provider is currently  
20 performing for the Board, in order to facilitate the timely  
21 introduction of the new defined contribution system created by this  
22 act. Thereafter, the contracting process for the selection of  
23 service providers carrying out duties related to the administration  
24 of the plan shall be the same as the selection process for other

1 providers selected by the Board under subsection D of Section 909.1  
2 of Title 74 of the Oklahoma Statutes.

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

6 A. Notwithstanding any other provision of the statutes  
7 governing the System to the contrary, each participating employer  
8 shall remit to the System the difference between the amount of money  
9 which would be remitted to the System using the employer  
10 contribution rate required by either Section 920 or Section 920A of  
11 Title 74 of the Oklahoma Statutes and the amount of money required  
12 for the participating employer to make the required matching  
13 contribution amount on behalf of a member who participates in the  
14 defined contribution system authorized pursuant to the provisions of  
15 Section 5 of this act.

16 B. The System shall deposit the monies remitted to it by  
17 employers having members that participate in the defined  
18 contribution system created by this act, as described by subsection  
19 A of this section, into the existing defined benefit pension plan  
20 authorized pursuant to Section 901 et seq. of Title 74 of the  
21 Oklahoma Statutes in order to reduce the liabilities of the defined  
22 benefit pension plan.

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

4       A. Except as otherwise provided by this section or in  
5 subsection D of Section 5 of this act, no alteration, amendment, or  
6 repeal of this act shall affect the then-existing rights of members  
7 and beneficiaries, but shall be effective only as to rights which  
8 would otherwise accrue hereunder as a result of services rendered by  
9 an employee after such alteration, amendment, or repeal. Any  
10 benefits, fund, property, or rights created by or accruing to any  
11 person under the provisions of this act shall not be subject to  
12 execution, garnishment or attachment, or any other process or claim  
13 whatsoever, and shall be unassignable, except as specifically  
14 provided by this section. Notwithstanding the foregoing, the Board  
15 may offset any amounts held by a participant in the plan or  
16 beneficiary to pay a judgment or settlement against a member or  
17 beneficiary for a crime involving the System, for a fraud or breach  
18 of the member's fiduciary duty to the System, or for funds or monies  
19 incorrectly paid to a member or a beneficiary, provided such offset  
20 is in accordance with the requirements of Section 401(a)(13) or  
21 similar provisions of the Internal Revenue Code. The offset applies  
22 to any assets held in the plan which may otherwise be payable to a  
23 member or beneficiary from the plan administered by the Board.

1       B. 1. The provisions of subsection A of this section shall not  
2 apply to a qualified domestic order as provided pursuant to this  
3 subsection.

4       2. The term "qualified domestic order" means an order issued by  
5 a district court of this state pursuant to the domestic relation  
6 laws of the State of Oklahoma which relates to the provision of  
7 marital property rights to a spouse or former spouse of a member or  
8 provision of support for a minor child or children and which creates  
9 or recognizes the existence of the right of an alternate payee, or  
10 assigns to an alternate payee the right, to receive a portion of the  
11 funds payable with respect to a participant in the plan.

12       3. For purposes of the payment of marital property, to qualify  
13 as an alternate payee a spouse or former spouse must have been  
14 married to the related member for a period of not less than thirty  
15 (30) continuous months immediately preceding the commencement of the  
16 proceedings from which the qualified domestic order issues.

17       4. A qualified domestic order is valid and binding on the Board  
18 and the related member only if it meets the requirements of this  
19 subsection.

20       5. A qualified domestic order shall clearly specify:

- 21           a. the name and last-known mailing address (if any) of  
22 the member and the name and mailing address of the  
23 alternate payee covered by the order,  
24

- b. the amount or percentage of the member's funds or assets to be paid by the System to the alternate payee,
- c. the number of payments or period to which such order applies,
- d. the characterization of the benefit as to marital property rights or child support, and
- e. each plan to which such order applies.

6. A qualified domestic order meets the requirements of this subsection only if such order:

- a. does not require the System to provide any type or form of benefit, or any option not otherwise provided under state law as relates to the System,
- b. does not require the System to provide increased benefits, and
- c. does not require the payment of funds or assets to an alternate payee which are required to be paid to another alternate payee pursuant to another order previously determined to be a qualified domestic order or an order recognized by the System as a valid order prior to the effective date of this act.

7. A qualified domestic order shall not require payment of funds or assets to an alternate payee prior to the actual permitted distribution date or withdrawal of the related member.



1        8. The obligation of the System to pay an alternate payee  
2 pursuant to a qualified domestic order shall cease upon the death of  
3 the related member.

4        9. This subsection shall not be subject to the provisions of  
5 the Employee Retirement Income Security Act of 1974 (ERISA), 29  
6 U.S.C.A., Section 1001 et seq., as amended from time to time, or  
7 rules and regulations promulgated thereunder, and court cases  
8 interpreting said act.

9        10. The Board shall promulgate such rules as are necessary to  
10 implement the provisions of this subsection.

11       11. An alternate payee who has acquired beneficiary rights  
12 pursuant to a valid qualified domestic order must fully comply with  
13 all provisions of the rules promulgated by the Board pursuant to  
14 this subsection in order to continue receiving his or her benefit.

15       SECTION 12.        AMENDATORY        74 O.S. 2011, Section 913.4, as  
16 last amended by Section 113, Chapter 15, O.S.L. 2013 (74 O.S. Supp.  
17 2013, Section 913.4), is amended to read as follows:

18       Section 913.4    A.    1. Except as otherwise provided in this  
19 subsection, an elected official may elect to participate in the  
20 System and if he or she elects to do so shall have the option of  
21 participating at any one of the computation factors set forth in  
22 paragraph 3 or 4 of this subsection and will receive retirement  
23 benefits in accordance with the computation factor chosen. The  
24 election on participation in the System must be in writing, must

specify the computation factor chosen, and must be filed with the System within ninety (90) days after the elected official takes office. The election to participate and the election of a computation factor shall be irrevocable. Reelection to the same office will not permit new elections. Failure of an elected official to file such election form within the ninety-day period shall be deemed an irrevocable election to participate in the System at the maximum computation factor.

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

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

Elected official	Computation	Alternate
Contribution Rate	Factor	Formula
4.5%	1.9%	\$12.50
6%	2.5%	\$20.00
7.5%	3.0%	\$25.00

1	8.5%	3.4%	\$27.50
2	9%	3.6%	\$30.00
3	10%	4.0%	\$40.00

4        4. Elected officials who are first elected or appointed to an  
5 elected office on or after November 1, 2010, shall elect a  
6 computation factor of either 1.9% or 4%. The elected official  
7 contribution rate for the 1.9% computation factor is currently 4.5%  
8 and the contribution rate for the 4% computation factor is currently  
9 10%. All other computation factors and contribution rates set forth  
10 in paragraph 3 of this subsection shall not be available to any  
11 person first elected or appointed to an elected office on or after  
12 November 1, 2010.

13        5. The contribution rate for elected officials who are first  
14 elected or appointed to an elected office on or after November 1,  
15 2011, shall be in the amount specified in paragraph (a) of  
16 subsection (1) of Section 919.1 of this title. The amount of the  
17 retirement benefit for elected officials who are first elected or  
18 appointed to an elected office on or after November 1, 2011, shall  
19 be based on the provisions of paragraph (1) of subsection A of  
20 Section 915 of this title.

21        6. The computation factors and corresponding elected official  
22 contribution rates provided for in paragraphs 3 and 4 of this  
23 subsection shall be based on the entire compensation as an elected  
24

1 official subject to the definition and maximum compensation levels  
2 as set forth in paragraph (9) of Section 902 of this title.

3 7. Elected officials who are first elected or appointed on or  
4 after November 1, 2011, shall also be eligible to make the election  
5 of an alternate multiplier and contribution rate pursuant to  
6 paragraph 2 of subsection A of Section 915 of this title.

7 8. A statewide elected official or legislator whose first  
8 service as an elected official occurs on or after November 1, 2015,  
9 shall become a participant in the defined contribution system  
10 created by Sections 1 through 11 of this act and such elected  
11 official shall not accrue any service credit in the defined benefit  
12 plan of the Oklahoma Public Employees Retirement System created  
13 pursuant to Section 901 et seq. of this title.

14 B. The normal retirement date for an elected official shall be  
15 the first day of the month coinciding with or following the  
16 official's sixtieth birthday or the first day of the month  
17 coinciding with or following the date at which the sum of the  
18 elected official's age and number of years of credited service total  
19 eighty (80). The normal retirement date for an elected official  
20 first elected or appointed to an elected office on or after November  
21 1, 2011, shall be the first day of the month coinciding with or  
22 following the official's sixty-fifth birthday or the date upon which  
23 the elected or appointed official attains the age of sixty-two (62)  
24 and who has at least ten (10) years of elected or appointed service.

Any elected official first elected or appointed to an elected office before November 1, 2011, who has a minimum of ten (10) years' participating service may retire under the early retirement provisions of this act, including those electing a vested benefit and shall receive an adjustment of annual benefits in accordance with the following percentage schedule:

Age	Percentage of Normal Retirement Benefits
60	100%
59	94%
58	88%
57	82%
56	76%
55	70%

Any elected official first elected or appointed to an elected office on or after November 1, 2011, who has a minimum of ten (10) years' participating service may retire under the early retirement provisions of this act, including those electing a vested benefit and shall receive an adjustment of annual benefits in accordance with the following percentage schedule:

Age	Percentage of Normal Retirement Benefits
62	100%
61	93.33%

60

86.67%

C. 1. Any elected official shall receive annual benefits computed based upon the computation factor selected multiplied by the member's highest annual compensation received as an elected official prior to retirement or termination of employment multiplied by the number of years of credited service. No elected official shall retire using such highest annual compensation unless the elected official has made the required election and has paid the required contributions on such salary.

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

3. Elected officials who become members of the Oklahoma Public Employees Retirement System on or after August 22, 2008, will receive retirement benefits in accordance with the computation factor selected pursuant to subsection A of this section multiplied by the member's highest annual compensation received as an elected official and only for those years of credited service the member served as an elected official. If such elected official has participating service as a nonelected member, then such nonelected service shall be computed separately pursuant to the provisions of

1 paragraph (1) of subsection A of Section 915 of this title with the  
2 final benefit result added to the final benefit result for elected  
3 service. In no event shall the elected official be entitled to  
4 apply the computation factor selected pursuant to subsection A of  
5 this section or the compensation received as an elected official to  
6 the computation of nonelected service.

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

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

22 E. The surviving spouse of a deceased elected official who was  
23 first elected or appointed to an elected office before November 1,  
24 2011, and who has at least six (6) years of participating service

1 and the surviving spouse of a deceased elected official who was  
2 first elected or appointed to an elected office on or after November  
3 1, 2011, and who has at least eight (8) years of participating  
4 service shall be entitled to receive survivor benefits in the amount  
5 herein prescribed, if married to the decedent continuously for a  
6 period of at least three (3) years immediately preceding the elected  
7 official's death. Provided the elected official had met the service  
8 requirements, survivor benefits shall be payable when the deceased  
9 member would have met the requirements for normal or early  
10 retirement. The amount of the benefits the surviving spouse may  
11 receive shall be fifty percent (50%) of the amount of benefits the  
12 deceased elected official was receiving or will be eligible to  
13 receive. Remarriage of a surviving spouse shall disqualify the  
14 spouse for the receipt of survivor benefits. Elected officials may  
15 elect a retirement option as provided in Section 918 of this title  
16 in lieu of the survivors benefit provided above.

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

23 G. Anyone appointed or elected to an elected position after  
24 July 1, 1990, shall not be eligible to receive benefits as provided



1 in this section until such person has participated as an elected  
2 official for six (6) years. Anyone appointed or elected to an  
3 elected position on or after November 1, 2011, shall not be eligible  
4 to receive benefits as provided in this section until such person  
5 has participated as an elected official for eight (8) years.

6 H. Elected officials who terminate participation in the System  
7 and who have a minimum of six (6) years of participating service  
8 shall be entitled to elect a vested benefit and shall be entitled to  
9 the retirement options as provided in Section 918 of this title in  
10 lieu of the survivors benefit provided in subsection E of this  
11 section. Elected officials, first elected or appointed to an  
12 elected office on or after November 1, 2011, who terminate  
13 participation in the System and who have a minimum of eight (8)  
14 years of participating service shall be entitled to elect a vested  
15 benefit and shall be entitled to retirement options as provided in  
16 Section 918 of this title in lieu of the survivors benefits provided  
17 in subsection E of this section.

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

1       SECTION 13.       AMENDATORY       74 O.S. 2011, Section 920, as  
2 amended by Section 929, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
3 2013, Section 920), is amended to read as follows:

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

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

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

20       (4) Effective July 1, 1999, and through the fiscal year ending  
21 June 30, 2005, every state agency which is a participating employer  
22 shall contribute to the System an amount equal to ten percent (10%)  
23 of the monthly compensation of each member, not to exceed the  
24

allowable annual compensation defined in paragraph (9) of Section 902 of this title.

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

July 1, 2005 - June 30, 2006      11 1/2%

July 1, 2006 - June 30, 2007      12 1/2%

July 1, 2007 - June 30, 2008      13 1/2%

July 1, 2008 - June 30, 2009      14 1/2%

July 1, 2009 - June 30, 2011      15 1/2%

July 1, 2011 - June 30, 2012

and each year thereafter              16 1/2%

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

1 cost of administration of the System, as determined by the Board,  
2 upon recommendation of the actuary.

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

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

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

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

19 (11) Effective November 1, 2015, an employer shall be required  
20 to make payment to the Oklahoma Public Employees Retirement System  
21 of the amount described by subsection A of Section 10 of this act  
22 with respect to any employee who is a participant in the defined  
23 contribution system created pursuant to the provisions of Sections 1  
24 through 11 of this act. The employer shall be required to make the

1 required matching contribution amount for all employees that  
2 participate in the defined contribution system and to remit the  
3 difference between such amount and the amount the employer would  
4 otherwise have paid pursuant to the provisions of this section to  
5 the Oklahoma Public Employees Retirement System.

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

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

18 B. For the fiscal year ending June 30, 2005, the total employer  
19 and employee contributions shall equal thirteen and one-half percent  
20 (13 1/2%) of the allowable monthly compensation of each member;  
21 provided, however, each participating employer listed in this  
22 section may set the amount of the employer and employee contribution  
23 to equal thirteen and one-half percent (13 1/2%) of the allowable  
24 monthly compensation of each member for compensation as provided in

paragraph (9) of Section 902 of this title; provided, the employer contribution shall not exceed ten percent (10%) and the employee contribution shall not exceed eight and one-half percent (8 1/2%).

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

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

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

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

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

22       F. Member contributions which are picked up shall be treated in  
23 the same manner and to the same extent as member contributions made  
24 prior to the date on which member contributions were picked up by

1 the participating employer. Member contributions so picked up shall  
2 be included in gross salary for purposes of determining benefits and  
3 contributions under the System.

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

8 H. Effective November 1, 2015, an employer shall be required to  
9 make payment to the Oklahoma Public Employees Retirement System of  
10 the amount described by subsection A of Section 10 of this act with  
11 respect to any employee who is a participant in the defined  
12 contribution system created pursuant to the provisions of Sections 1  
13 through 11 of this act. The employer shall be required to make the  
14 required matching contribution amount for all employees that  
15 participate in the defined contribution system and to remit the  
16 difference between such amount and the amount the employer would  
17 otherwise have paid pursuant to the provisions of this section to  
18 the Oklahoma Public Employees Retirement System.

19 SECTION 15. AMENDATORY 74 O.S. 2011, Section 1316.2, as  
20 amended by Section 962, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
21 2013, Section 1316.2), is amended to read as follows:

22 Section 1316.2 A. Any employee, other than an education  
23 employee, who retires pursuant to the provisions of the Oklahoma  
24 Public Employees Retirement System or who has a vested benefit



1 pursuant to the provisions of the Oklahoma Public Employees  
2 Retirement System may continue in force the health and dental  
3 insurance benefits authorized by the provisions of the Oklahoma  
4 Employees Insurance and Benefits Act, or other employer insurance  
5 benefits if the employer does not participate in the plans offered  
6 by the Office of Management and Enterprise Services, if such  
7 election to continue in force is made within thirty (30) days from  
8 the date of termination of service. Except as otherwise provided  
9 for in Section 840-2.27I of this title and subsection H of this  
10 section, health and dental insurance coverage may not be reinstated  
11 at a later time if the election to continue in force is declined.  
12 Vested employees other than education employees who have terminated  
13 service and are not receiving benefits and effective July 1, 1996,  
14 nonvested persons who have terminated service with more than eight  
15 (8) years of participating service with a participating employer,  
16 who within thirty (30) days from the date of termination of service  
17 elect to continue such coverage, shall pay the full cost of said  
18 insurance premium at the rate and pursuant to the terms and  
19 conditions established by the Office. Provided also, any employee  
20 other than an education employee who commences employment with a  
21 participating employer on or after September 1, 1991, who terminates  
22 service with such employer on or after July 1, 1996, but who  
23 otherwise has insufficient years of service to retire or terminate  
24 service with a vested benefit pursuant to the provisions of the

Oklahoma Public Employees Retirement System or to elect to continue coverage as a nonvested employee as provided in this section, but who, immediately prior to employment with the participating employer was covered as a dependent on the health and dental insurance policy of a spouse who was an active employee other than an education employee, may count as part of his or her credited service for the purpose of determining eligibility to elect to continue coverage under this section, the time during which said terminating employee was covered as such a dependent.

B. 1. Health insurance benefit plans offered pursuant to this section shall include:

- a. indemnity plans offered through the Office,
- b. managed care plans offered as alternatives to the indemnity plans offered through the Office,
- c. Medicare supplements offered pursuant to the Oklahoma Employees Insurance and Benefits Act,
- d. Medicare risk-sharing contracts offered as alternatives to the Medicare supplements offered through the Office. All Medicare risk-sharing contracts shall be subject to a risk adjustment factor, based on generally accepted actuarial principles for adverse selection which may occur, and
- e. for the Oklahoma Public Employee Retirement System, other employer-provided health insurance benefit plans

1 if the employer does not participate in the plans  
2 offered pursuant to the Oklahoma Employees Insurance  
3 and Benefits Act.

4 2. Health insurance benefit plans offered pursuant to this  
5 section shall provide prescription drug benefits, except for plans  
6 designed pursuant to the Medicare Prescription Drug Improvement and  
7 Modernization Act of 2003, for which provision of prescription drug  
8 benefits is optional, and except for plans offered pursuant to  
9 subparagraph e of paragraph 1 of this subsection.

10 C. 1. Designated public retirement systems shall contribute a  
11 monthly amount towards the health insurance premium of certain  
12 individuals receiving benefits from the public retirement system as  
13 follows:

14 a. a retired employee, other than an education employee,  
15 or an employee who participates in the defined  
16 contribution system administered by the Oklahoma  
17 Public Employees Retirement System on or after  
18 November 1, 2015, who is receiving benefits from the  
19 Oklahoma Public Employees Retirement System after  
20 September 30, 1988, shall have One Hundred Five  
21 Dollars (\$105.00), or the premium rate of the health  
22 insurance benefit plan, whichever is less, paid by the  
23 Oklahoma Public Employees Retirement System to the  
24 Board or other insurance carrier of the employer if

1 the employer does not participate in the plans offered  
2 by the Office in the manner specified in subsection G  
3 of this section,

4 b. a retired employee or surviving spouse other than an  
5 education employee who is receiving benefits from the  
6 Oklahoma Law Enforcement Retirement System after  
7 September 30, 1988, is under sixty-five (65) years of  
8 age and is not otherwise eligible for Medicare shall  
9 have the premium rate for the health insurance benefit  
10 plan or One Hundred Five Dollars (\$105.00), whichever  
11 is less, paid by the Oklahoma Law Enforcement  
12 Retirement System to the Office in the manner  
13 specified in subsection G of this section,

14 c. a retired employee other than an education employee  
15 who is receiving benefits from the Oklahoma Law  
16 Enforcement Retirement System after September 30,  
17 1988, is sixty-five (65) years of age or older or who  
18 is under sixty-five (65) years of age and is eligible  
19 for Medicare shall have One Hundred Five Dollars  
20 (\$105.00), or the premium rate of the health insurance  
21 benefit plan, whichever is less, paid by the Oklahoma  
22 Law Enforcement Retirement System to the Office in the  
23 manner specified in subsection G of this section, and  
24

1           d.    a retired employee other than an education employee  
2                who is receiving benefits from the Uniform Retirement  
3                System for Justices and Judges after September 30,  
4                1988, shall have One Hundred Five Dollars (\$105.00),  
5                or the premium rate of the health insurance plan,  
6                whichever is less, paid by the Uniform Retirement  
7                System for Justices and Judges to the Office in the  
8                manner specified in subsection G of this section.

9           2.   Premium payments made pursuant to this section shall be made  
10   subject to the following conditions:

11           a.   the health plan shall be authorized by the provisions  
12                of the Oklahoma Employees Insurance and Benefits Act,  
13                except that if an employer from which an employee  
14                retired or with a vested benefit pursuant to the  
15                provisions of the Oklahoma Public Employees Retirement  
16                System does not participate in the plans authorized by  
17                the provisions of the Oklahoma Employees Insurance and  
18                Benefits Act, the health plan will be the health  
19                insurance benefits of the employer from which the  
20                individual retired or vested,

21           b.   for plans offered by the Oklahoma Employees Insurance  
22                and Benefits Act, the amount to be paid shall be  
23                determined pursuant to the provisions of this  
24                subsection and shall first be applied in whole or in

1 part to the prescription drug coverage premium. Any  
2 remaining amount shall be applied toward the medical  
3 coverage premium,

4 c. for all plans, if the amount paid by the public  
5 retirement system does not cover the full cost of the  
6 elected coverage, the individual shall pay the  
7 remaining premium amount, and

8 d. payment shall be made by the retirement systems in the  
9 manner specified under subsection G of this section.

10 D. For any member of the Oklahoma Law Enforcement Retirement  
11 System killed in the line of duty, whether the member was killed in  
12 the line of duty prior to ~~the effective date of this act~~ May 18,  
13 2005, or on or after ~~the effective date of this act~~ May 18, 2005, or  
14 if the member was on a disability leave status at the time of death,  
15 the surviving spouse or dependents of such deceased member of the  
16 Oklahoma Law Enforcement Retirement System may elect to continue or  
17 commence health and dental insurance benefits provided said  
18 dependents pay the full cost of such insurance and for deaths  
19 occurring on or after July 1, 2002, such election is made within  
20 thirty (30) days of the date of death. The eligibility for said  
21 benefits shall terminate for the surviving children when said  
22 children cease to qualify as dependents.

23 E. Effective July 1, 2004, a retired member of the Oklahoma Law  
24 Enforcement Retirement System who retired from the System by means

1 of a personal and traumatic injury of a catastrophic nature and in  
2 the line of duty and any surviving spouse of such retired member and  
3 any surviving spouse of a member who was killed in the line of duty  
4 shall have one hundred percent (100%) of the retired member's or  
5 surviving spouse's health care premium cost, whether the member or  
6 surviving spouse elects coverage under the Medicare supplement or  
7 Medicare risk-sharing contract, paid by the Oklahoma Law Enforcement  
8 Retirement System to the Office in the manner specified in  
9 subsection H of this section. For plans offered by the Office, such  
10 contributions will first be applied in whole or in part to the  
11 prescription drug coverage premium, if any.

12 F. Dependents of a deceased employee who was on active work  
13 status or on a disability leave at the time of death or of a  
14 participating retardant or of any person who has elected to receive  
15 a vested benefit under the Oklahoma Public Employees Retirement  
16 System, the Uniform Retirement System for Justices and Judges or the  
17 Oklahoma Law Enforcement Retirement System may continue the health  
18 and dental insurance benefits in force provided said dependents pay  
19 the full cost of such insurance and they were covered as eligible  
20 dependents at the time of such death and such election is made  
21 within thirty (30) days of date of death. The eligibility for said  
22 benefits shall terminate for the surviving children when said  
23 children cease to qualify as dependents.

1       G. The amounts required to be paid by the Oklahoma Public  
2 Employees Retirement System, the Uniform Retirement System for  
3 Justices and Judges and the Oklahoma Law Enforcement Retirement  
4 System pursuant to this section shall be forwarded no later than the  
5 tenth day of each month following the month for which payment is due  
6 by the Oklahoma Public Employees Retirement System Board of Trustees  
7 or the Oklahoma Law Enforcement Retirement Board to the Office for  
8 deposit in the Health, Dental and Life Insurance Reserve Fund or to  
9 another insurance carrier as provided for in subsection H of Section  
10 1315 of this title.

11       H. Upon retirement from employment of the Board of Regents of  
12 the University of Oklahoma, any person who was or is employed at the  
13 George Nigh Rehabilitation Institute and who transferred employment  
14 pursuant to Section 3427 of Title 70 of the Oklahoma Statutes, any  
15 person who was employed at the Medical Technology and Research  
16 Authority and who transferred employment pursuant to Section 7068 of  
17 this title, and any person who is a member of the Oklahoma Law  
18 Enforcement Retirement System pursuant to the authority of Section  
19 2-314 of Title 47 of the Oklahoma Statutes may participate in the  
20 benefits authorized by the provisions of the Oklahoma Employees  
21 Insurance and Benefits Act for retired participants, including  
22 health, dental and life insurance benefits, if such election to  
23 participate is made within thirty (30) days from the date of  
24 termination of service. Life insurance benefits for any such person



1 who transferred employment shall not exceed the coverage the person  
2 had at the time of such transfer. Retirees who transferred  
3 employment and who participate pursuant to this paragraph shall pay  
4 the premium for elected benefits less any amounts paid by a state  
5 retirement system pursuant to this section.

6 SECTION 16. AMENDATORY 74 O.S. 2011, Section 1707, as  
7 amended by Section 986, Chapter 304, O.S.L. 2012 (74 O.S. Supp.  
8 2013, Section 1707), is amended to read as follows:

9 Section 1707. A. Effective January 1, 1998, for each qualified  
10 participant as defined in this section who is a state employee as  
11 defined in this section, the Oklahoma Public Employees Retirement  
12 System shall pay each month from funds appropriated or deposited to  
13 the Oklahoma State Employees Deferred Savings Incentive Plan Fund  
14 created pursuant to this section the sum of Twenty-five Dollars  
15 (\$25.00) to a plan established pursuant to the Internal Revenue  
16 Code, Section 401(a), for the benefit of the employee; provided, if  
17 monies in the fund are insufficient to fully fund the contributions  
18 in any month, payments shall be suspended until such time as  
19 sufficient monies are available. Employees receiving payroll other  
20 than monthly shall have an amount contributed which is equivalent to  
21 Twenty-five Dollars (\$25.00) per month.

22 B. For the purposes of this section, "qualified participant"  
23 means a state employee as defined in this section who is an active  
24 participant in the Oklahoma State Employees Deferred Compensation

1 Plan making deferrals of at least Twenty-five Dollars (\$25.00) per  
2 month. A qualified participant shall not include an employee who  
3 participates in the defined contribution system administered by the  
4 Oklahoma Public Employees Retirement System on or after November 1,  
5 2015. Effective July 1, 2000, each qualified participant shall be  
6 eligible for a contribution of Twenty-five Dollars (\$25.00) to the  
7 Oklahoma State Employees Deferred Savings Incentive Plan beginning  
8 with the first employee deferral into the Oklahoma State Employees  
9 Deferred Compensation Plan. The Director of the Office of  
10 Management and Enterprise Services shall be responsible for the  
11 provision of such information and assistance as may be necessary to  
12 determine which employees are qualified participants and shall  
13 provide for appropriate payroll transactions to accomplish  
14 contributions to the Oklahoma State Employees Deferred Savings  
15 Incentive Plan and the Oklahoma State Employees Deferred  
16 Compensation Plan. The Oklahoma Public Employees Retirement System  
17 shall be responsible for establishing rules and plan documents for  
18 administration of such contributions. Funds so credited shall be  
19 held and invested in the same manner as the Oklahoma State Employees  
20 Deferred Compensation Plan, as provided in Section 1701 of this  
21 title.

22 C. For the purposes of this section, "state employee" means any  
23 officer or employee of the executive, legislative, or judicial  
24

1 branches of the government of this state who is an active member of  
2 a public retirement system of this state, but does not include:

3 1. Employees of the public elementary, secondary, or area  
4 vocational school districts;

5 2. Employees of The Oklahoma State System of Higher Education  
6 except employees of the Oklahoma State Regents of Higher Education,  
7 employees of the governing boards and employees of the Board of  
8 Regents of the University of Oklahoma who are participating members  
9 of the Oklahoma Public Employees Retirement System;

10 3. Persons on temporary, student, internship, or other limited-  
11 term appointments except for Executive Fellows in the Carl Albert  
12 Public Internship Program created in Section 840-3.4 of this title;  
13 or

14 4. Persons employed pursuant to Section 1.6a of Title 53 of the  
15 Oklahoma Statutes.

16 D. No public official shall be able to make contributions to  
17 the Section 401(a) plan described by this section during a term of  
18 office which commenced prior to July 1, 1997. A public official may  
19 make contributions to the Section 401(a) plan described by this  
20 section during a term of office which commences after July 1, 1997.  
21 No legislator shall be eligible to make contributions to the Section  
22 401(a) plan described by this section until such contributions have  
23 been approved by the Board on Legislative Compensation. The  
24

1 provisions of this subsection shall be applicable only in the event  
2 that the Plan permits employee contributions.

3 E. There is hereby created in the State Treasury a revolving  
4 fund to be designated the "Oklahoma State Employees Deferred Savings  
5 Incentive Plan Fund". The fund shall be a continuing fund, not  
6 subject to fiscal year limitations, and shall consist of any monies  
7 the Legislature may appropriate or transfer to the fund and any  
8 monies contributed for the fund from any other sources, public or  
9 private. All monies accruing to the credit of said fund are hereby  
10 appropriated and may be budgeted and expended by the Oklahoma Public  
11 Employees Retirement System for the matching of deferred  
12 compensation contributions pursuant to this section and in  
13 accordance with rules promulgated by the Oklahoma Public Employees  
14 Retirement System and for reimbursement of expenses for  
15 administration of the Deferred Savings Incentive Plan and the  
16 Oklahoma State Employees Deferred Compensation Plan. Expenditures  
17 from the fund shall be made by warrants issued by the State  
18 Treasurer against claims filed as prescribed by law with the  
19 Director of the Office of Management and Enterprise Services for  
20 approval and payment.

21 F. Effective July 1, 2000, every employer which has state  
22 employees participating in the Oklahoma State Employees Deferred  
23 Savings Incentive Plan shall pay to the Fund an amount equal to  
24 Twenty-five Dollars (\$25.00) each month for each qualified

1 participant as defined in this section, along with an amount to  
2 reimburse the cost of administration of the Oklahoma State Employees  
3 Deferred Savings Incentive Plan and the Oklahoma State Employees  
4 Deferred Compensation Plan for each qualified participant, as  
5 determined by the Board.

6 1. The Board shall certify each year to the Office of  
7 Management and Enterprise Services the determined amount for the  
8 administrative cost of the Oklahoma State Deferred Savings Incentive  
9 Plan and the Oklahoma State Employees Deferred Compensation Plan  
10 which will be required to be paid for each qualified participant.  
11 The Board of Trustees shall promulgate such rules as are necessary  
12 to implement the provisions of this subsection and provide the  
13 methodology for the determination.

14 2. Each employer shall pay at least monthly to the Fund the sum  
15 sufficient to satisfy the obligation under this section as certified  
16 by the Board.

17 3. Each employer is hereby authorized to pay the employer's  
18 contribution from the same fund that the compensation for which said  
19 contribution is paid from or from any other funds available to it  
20 for such purpose.

21 SECTION 17. This act shall become effective November 1, 2014.  
22

23 54-2-9947 MAH 02/10/14  
24