

BILL SUMMARY
2nd Session of the 54th Legislature

Bill No.:	HB 2630
Version:	CCR
Request Number:	11045
Author:	Rep. McDaniel, Randy
Date:	5/16/2014
Impact:	Not Required

Research Analysis

HB 2630 creates the Retirement Freedom Act. The measure requires the Oklahoma Public Employees Retirement System to establish a defined contribution system for employees first employed on or after November 1, 2015. The measure will not be applicable to correctional officers, probation and parole officers, or fugitive apprehensions agents who are employed by the Department of Corrections. Further, the measure will not apply to district attorneys, assistant district attorneys or other employees of the district attorney's office.

The measure sets a minimum employee contribution rate of 3.0%. Likewise, the measure sets a maximum employer match of 7.0% and a minimum of 3.0%.

Concerning employee contributions, the measure establishes that participants be vested at 100% from the beginning of their service and have complete retirement discretion over the contributions and the gains and losses on those funds. The measure establishes that participants be vested with respect to employer matching amounts according to the following schedule:

Year 1 – 20%	Year 4 – 80%
Year 2 – 40%	Year 5 (+) – 100%
Year 3 – 60%	

The measure establishes that participating employees will have investment discretion over employer contributions. The measure details the process and procedures for the administration of the defined contribution system.

Prepared By: Kyle Meade

Fiscal Analysis

Not required.

Prepared By: Mark Tygret

Other Considerations

None.

