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February 21, 2013

Representative Randy McDaniel
Room 438

Re: Committee Substitute for House Bill No. 2077
RBH No. 7243

Committee Substitute for House Bill No. 2077 creates an optional defined contribution for new employees hired after July 1, 2014. The employee would have the choice between the new defined contribution plan and the Oklahoma Public Employees Retirement System. Statewide elected officials first elected after July 1, 2014 would be required to be a member of the new defined contribution plan.

Retired participants who elected to participate in the defined contribution plan shall not be eligible for supplemental medical insurance benefit.

Employers would continue make the current required percentage of payroll for the defined contribution participants. The difference in the total contribution for each participant and amount necessary to meet the matching requirement in the defined contribution plan would be used by OPERS to reduce the unfunded accrued liability.

Committee Substitute for House Bill No. 2077 is a nonfiscal retirement bill as defined by the Oklahoma Pension Legislation Actuarial Analysis Act.

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