COMMITTEE AMENDMENT

HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1172 ____
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

1st Session of the 56th Legislature (2017)

PROPOSED COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 1172 By: McDaniel

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to retirement; enacting the Retirement Freedom Act of 2017; imposing duty on the Teachers' Retirement System of Oklahoma to establish optional defined contribution plan; specifying persons eligible for participation in plan; prescribing procedures related to date of service accrual; requiring defined contribution plan 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 plan 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 Teachers' Retirement System of Oklahoma with respect to investment of funds in defined contribution plan accounts; providing for payment of certain revenues to the Teachers' Retirement System of Oklahoma; 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; authorizing offsets; providing for enforcement of qualified domestic orders; defining term; prescribing procedures with respect to alternate payees; prescribing content; imposing restrictions; authorizing rules; amending 70 O.S. 2011, Section 17-108.1, as amended by Section 4, Chapter 129, O.S.L. 2016 (70 O.S. Supp. 2016, Section 17-108.1), which relates to employer contributions; providing for deposit of certain amounts into the Teachers' Retirement System of Oklahoma; 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 17-131 of Title 70, 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 of 2017".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-132 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. The Teachers’ Retirement System of Oklahoma (System) shall establish an optional defined contribution plan for those persons who first become employed in a full-time equivalent position or a position which is less than full time but more than a half-time position and which qualifies for employee benefits on or after July 1, 2018, with respect to employees of an employer of the Teachers’ Retirement System of Oklahoma as defined pursuant to Section 17-101 of Title 70 of the Oklahoma Statutes.

B. The provisions of subsection A of this section and the provisions of this act shall not be applicable to:

1. Employees of a common school district;

2. Employees of the State Department of Career and Technology Education or the employees of any career-technology district; or

3. Employees of the University of Oklahoma or to employees of Oklahoma State University whose employment with either university begins on or after July 1, 2018.

C. An employee described by subsection A of this section who makes the election to participate in the defined contribution plan shall become a participant in the defined contribution plan, and the employee shall not accrue any service credit in the Teachers' Retirement System as established pursuant to Section 17-101 et seq. of Title 70 of the Oklahoma Statutes.

D. An employee described by subsection A of this section who does not make an election to participate in the defined contribution plan within thirty (30) days of their first participating service with an employer of the Teachers' Retirement System of Oklahoma shall be a member of the defined benefit plan authorized pursuant to the provisions of Section 17-101 et seq. of Title 70 of the Oklahoma Statutes and shall accrue service credit in that retirement system as provided by law, including the applicable requirements for employer contributions and employee contributions in that retirement system.

E. Employees who participate in the defined contribution plan shall be deemed to begin service in the defined contribution plan on the first day of the month following employment.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-133 of Title 70, unless there is created a duplication in numbering, reads as follows:

The Board of Trustees of the Teachers' Retirement System (Board) shall take whatever action is reasonable and necessary to have the defined contribution plan authorized by this act to be recognized as a tax-qualified plan as that term is defined by Section 401 et seq. of Title 26 of the United States Code, or any other applicable provisions of federal law. The Board is also authorized to establish a plan or use an existing plan established under Section 457(b) of Title 26 of the United States Code, if it is necessary to carry out the intent of this act. The Board shall take whatever action is reasonable and necessary to obtain confirmation from the Internal Revenue Service that any such 457(b) plan is consistent with the requirements of Section 457(b).

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-134 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Employee contributions to the defined contribution retirement plan shall consist of a minimum of four and five-tenths percent (4.5%) of compensation.

B. Employee contributions to the defined contribution retirement plan that are eligible for an employer match shall not exceed a percentage, based on the employee's compensation, which would exceed the maximum amount allowed pursuant to Section 415 of the Internal Revenue Code of 1986, as amended.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-135 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Except as otherwise provided by subsection B of this section, employers of employees who become participants in the defined contribution retirement plan shall match the employee contribution paid on a monthly or more frequent basis at the rate of six percent (6.0%) based on the same compensation amount used to compute the employee contribution amount.

B. If an employee selects a contribution rate of seven percent (7.0%) or more, but not higher than allowed pursuant to the maximum annual contribution limit prescribed by Section 415 of the Internal Revenue Code of 1986, as amended, the employer matching amount shall be seven percent (7.0%).

C. The initial four and five-tenths percent (4.5%) employee contribution shall be the only mandatory contribution of an employee participating in the defined contribution retirement plan created by this act. These funds shall be placed by the System in either a 401(a) plan or a 457(b) 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 four and five-tenths percent (4.5%) initial contribution shall be considered voluntary deferrals of compensation and placed in a 457(b) plan. All employer matching funds shall be placed in a 401(a) plan.

D. Any contribution rate that is more than the four and five-tenths percent (4.5%) rate can be chosen by the participating employee upon the employee's initial participation and can be changed once per month. The employee contribution rate chosen shall continue until the employee elects to change the contribution rate or terminates service or retires.

E. The employer match as set forth in subsection A of this section may be increased at any time by the Legislature without affecting the then-existing rights of participating employees and beneficiaries in order to encourage participating employees to accumulate deferred income reserves for themselves and their dependents. The employer match may be decreased at any time by the Legislature without affecting the then-existing rights of participating employees and beneficiaries in order to provide funding as may be needed to reduce the unfunded liabilities of the defined benefit plan as set forth in Section 17-101 et seq. of Title 70 of the Oklahoma Statutes, but shall not be less than six percent (6.0%) for any year during which the defined contribution plan is maintained.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-136 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Except as otherwise provided by this section, employers shall make payment of the required matching amount as provided by Section 5 of this act within five (5) business days of the participating employee's payroll pay date. The System shall ensure the payment is credited to the defined contribution plan account or accounts maintained on behalf of the participating employee as soon as possible.

B. All employee contributions to the defined contribution plan shall be effected by salary deductions from the salary of the employee and shall be remitted by the participating employer to the System for deposit into the defined contribution plan account or accounts maintained on behalf of the employee.

C. Participating employers shall either:

1. Send all salary deductions and employer contributions by electronic funds transfer to the System; or

2. Place all salary deductions and employer contributions in a bank account from which the Teachers' Retirement System of Oklahoma can debit the amount due,

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

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

1. The Board shall certify each year participating employers whose salary deductions and employer contributions are remitted to the System, the determined amount for the administrative cost of the defined contribution plan which will be required to be paid for each participant. The Board shall promulgate such rules as necessary to implement the provisions of this subsection and provide the methodology for the determination.

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

E. The funds held on behalf of each employee participating in the defined contribution plan shall consist of the amount in the account or accounts plus credits representing employer and employee contributions, profits, income and other increments attributable to such contributions, and minus debits representing any losses, other decrements or expenses under the plan and any distributions made to the employee under the plan.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-137 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Participating employees shall at all times be vested at one hundred percent (100%) of their accounts containing solely their employee contributions and the gains or losses on these contributions. Participating employees will have investment discretion over these accounts within the available options offered by the Board.

B. Participating employees shall be vested with respect to the employer matching amounts, and the gains or losses on these funds, deposited into their defined contribution plan account or accounts according to the following schedule based on years of participating service:

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

C. Participating employees will have investment discretion over all employer contributions.

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

E. For participating employees who do not select any investment options, the Board will establish default investment options for the contributions received from participating employees and default investment options for matching employer contributions.

F. To the extent that participants leave employment and have not vested in all of the employer contributions, the nonvested employer contributions, including any gains or losses, shall be immediately forfeited to the 401(a) plan and may be used to offset costs of administering the plan. Upon reemployment with an employer and satisfying the eligibility requirements to become a participant, the reemployed participant shall receive credit for previous service and be vested at the same percentage the participant was vested when service was previously terminated. However, under no circumstances shall the participant be entitled to any previously forfeited employer contributions.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-138 of Title 70, unless there is created a duplication in numbering, reads as follows:

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

B. Contributions by the participating employee into a 457(b) plan may not be picked up by the employer but shall be a voluntary deferral of the employee's compensation.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-139 of Title 70, unless there is created a duplication in numbering, reads as follows:

The Board of Trustees shall contract with one or more business entities in order to create a range of choices regarding investment of funds deposited into defined contribution plan accounts. The investment options shall be substantially similar to the options provided to members of the Oklahoma Public Employees Retirement System that maintain a Deferred Savings Incentive Plan account as offered by the Oklahoma Public Employees Retirement System pursuant to the provisions of the Deferred Savings Incentive Plan. In selecting investment options for participants in the plan, the Board of Trustees for the Teachers' Retirement System of Oklahoma shall give due consideration to offering investment options provided by business entities that provide guaranteed lifetime income in retirement such as annuities, guaranteed investment contracts, or similar products. The Board may amend any of its existing contracts with its current service providers to perform substantially the same type of service the provider is currently performing for the Board, in order to facilitate the timely introduction of the new defined contribution plan created by this act. Thereafter, the contracting process for the selection of service providers carrying out duties related to the administration of the plan shall be the same as the selection process for other providers selected by the Board of Trustees of the Oklahoma Public Employees Retirement System under subsection D of Section 909.1 of Title 74 of the Oklahoma Statutes.

SECTION 10. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 171-140 of Title 70, unless there is created a duplication in numbering, reads as follows:

A. Notwithstanding any other provision of the statutes governing the plan to the contrary, each participating employer shall remit to the plan the difference between the amount of money which would be remitted to the plan using the employer contribution rate required by Section 17-108.1 of Title 70 of the Oklahoma Statutes and the amount of money required for the participating employer to make the required matching contribution amount on behalf of a participating employee who participates in the defined contribution plan authorized pursuant to the provisions of Section 5 of this act.

B. The System shall deposit the monies remitted to it by employers having participating employees in the defined contribution plan created by this act, as described by subsection A of this section, into the existing defined benefit pension plan authorized pursuant to Section 17-101 et seq. of Title 70 of the Oklahoma Statutes in order to reduce the liabilities of the defined benefit pension plan.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 17-141 of Title 70, unless there is created a duplication in numbering, reads as follows:

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

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

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

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

4. A qualified domestic order is valid and binding on the Board and the related participating employee only if it meets the requirements of this subsection.

5. A qualified domestic order shall clearly specify:

a. the name and last-known mailing address, if any, of the participating employee and the name and mailing address of the alternate payee covered by the order,

b. the amount or percentage of the participating employee'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 November 1, 2017.

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

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

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

SECTION 12. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

The provisions of this act shall not be deemed to create a "retirement system" within the meaning of Section 3103 of Title 62 of the Oklahoma Statutes.

SECTION 13. AMENDATORY 70 O.S. 2011, Section 17-108.1, as amended by Section 4, Chapter 129, O.S.L. 2016 (70 O.S. Supp. 2016, Section 17-108.1), is amended to read as follows:

Section 17-108.1 A. 1. Except as provided in paragraph 2 <u>or paragraph 4</u> of this subsection, the employer of any member of the Teachers' Retirement System of Oklahoma shall make the following contributions to the System:

a. beginning July 1, 1998, through June 30, 1999, eleven and one-half percent (11 1/2%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,

b. beginning July 1, 1999, through June 30, 2000, four and eight-tenths percent (4.8%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,

c. beginning July 1, 2000, through June 30, 2001, five and eight-tenths percent (5.8%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,

d. beginning July 1, 2001, through June 30, 2002, six and eight-tenths percent (6.8%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,

e. beginning July 1, 2002, through December 31, 2006, seven and five-hundredths percent (7.05%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,

f. beginning January 1, 2007, through June 30, 2007, seven and six-tenths percent (7.6%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,

g. beginning July 1, 2007, through December 31, 2007, seven and eighty-five hundredths percent (7.85%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,

h. beginning January 1, 2008, through June 30, 2008, eight and thirty-five hundredths percent (8.35%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,

i. beginning July 1, 2008, through December 31, 2008, eight and five-tenths percent (8.5%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,

j. beginning January 1, 2009, through December 31, 2009, nine percent (9%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member,

k. beginning January 1, 2010, through June 30, 2010, nine and five-tenths percent (9.5%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member, and

l. beginning July 1, 2010, through June 30, 2011, and for each fiscal year thereafter, nine and five-tenths percent (9.5%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member.

The employer contribution rate increase that would otherwise be effective, as provided by subparagraphs f, g, h, i, j, k and l of this paragraph, shall not become effective as law unless funding levels to each of the affected participating employers within the System are increased so that the additional employer contribution obligation is funded through an appropriation or transfer of monies instead of requiring the additional employer contribution to be paid for from existing budgetary resources of such participating employers. The participating employers shall use any monies specifically made available for purposes of making employer contributions for such purpose and to the extent of the funds made available for that purpose.

2. a. Beginning January 1, 2007, through December 31, 2007, a participating employer that employs an employee of a comprehensive university or a regional institution offering a four-year degree program as designated or authorized by the Oklahoma State Regents for Higher

Education shall make contributions to the System with respect to such employees at the rate of seven and five-hundredths percent (7.05%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level.

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

c. Beginning January 1, 2009, through December 31, 2009, a participating employer that employs an employee of a comprehensive university or a regional institution offering a four-year degree program as designated or authorized by the Oklahoma State Regents for Higher Education shall make contributions to the System with respect to such employees at the rate of eight and five hundredths percent (8.05%) of the regular annual compensation of the member not in excess of any applicable maximum compensation level of the member.

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

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

The employer contribution rate increase that would otherwise be effective as provided by subparagraphs b, c, d and e of this paragraph shall not become effective as law unless funding levels are increased so that the additional employer contribution obligation is funded through such an appropriation or transfer of monies instead of requiring the additional employer contribution to be paid for from existing budgetary resources of such participating employers. The participating employers shall use any monies specifically made available for purposes of making employer contributions for such purpose and to the extent of the funds made available for that purpose.

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

<u>4. Effective July 1, 2018, an employer shall be required to make payment to the Teachers' Retirement System of Oklahoma of the amount described by subsection A of Section 10 of this act with respect to any employee who elects to become a participant in the defined contribution plan created pursuant to the provisions of Sections 1 through 11 of this act. The employer shall be required to make the required matching contribution amount for all employees that elect to participate in the defined contribution plan and to remit the difference between such amount and the amount the employer</u>

would otherwise have paid pursuant to the provisions of this section to the Teachers' Retirement System of Oklahoma.

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

C. Employers paying contributions to the System pursuant to subsection A or B of this section shall receive credit for that portion of the gross production tax on natural gas and/or casinghead gas apportioned to the System pursuant to subsection 2 of Section 1004 of Title 68 of the Oklahoma Statutes in meeting the total required employer contribution. On an annual basis, the Board of Trustees of the Teachers' Retirement System of Oklahoma shall estimate the net additional cost required to be paid by the contributing employers in order to meet the total employer contribution as provided in subsection A or B of this section. The Board of Trustees shall approve the amount of the additional contribution required to be paid by contributing employers as a percentage of total member salaries and fringe benefits for each fiscal year ending June 30, no later than April 1 of the previous fiscal year. In no event shall the additional contribution required to be paid by the contributing employer under this subsection be less than the contribution required under this subsection in the prior year. In the event actual contributions do not equal the required total contribution as provided in subsection A or B of this section, the net difference between the actual contributions and the required total contributions shall be determined and shall be included in the amount of the additional contribution required to be paid by contributing employers for the next fiscal year. All contributing employers shall pay the same percentage of total member salaries and fringe benefits during each fiscal year. The provisions of this subsection shall terminate June 30, 1999.

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

E. All participating employers shall provide a complete record of the total compensation paid to each employee, including any person who is a retired member of the System, whether or not employer and employee contributions are made with respect to such compensation. The employer shall provide the report required by this subsection on a monthly basis on a form or using such method as the Teachers' Retirement System of Oklahoma may require and shall provide a comprehensive annual report showing the correct compensation, service credit and contributions for the prior fiscal year. Each participating employer shall provide reasonable access to its payroll records, records of contribution payments to the System and all other records relevant to the participation of its employees in the System, to the System, its employees or authorized agents. A participating employer shall cooperate with auditors retained by the System to audit its financial statements or otherwise audit the financial operations of the System.

SECTION 14. This act shall become effective November 1, 2017.

56-1-6849 MAH 02/24/17