

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 632

By: Montgomery

COMMITTEE SUBSTITUTE

An Act relating to the Oklahoma Public Employees Retirement System; amending 74 O.S. 2021, Section 935.5, which relates to employer contribution amount; increasing employer matching amount for certain contributions; updating statutory language; updating statutory reference; and further increasing employer match requirement under certain circumstances.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 74 O.S. 2021, Section 935.5, is amended to read as follows:

Section 935.5. A. Except as otherwise provided by subsection B of this section, employers of employees who become participants in the defined contribution retirement system shall match the employee contribution paid on a monthly or more frequent basis at the rate of ~~six percent (6.0%)~~ eight percent (8%) 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%)~~ eight percent (8%) or more, but not higher than allowed

1 pursuant to the maximum annual contribution limit prescribed by
2 Section 415 of the Internal Revenue Code of 1986, as amended, the
3 employer matching amount shall be ~~seven percent (7.0%)~~ ten percent
4 (10%).

5 C. The initial four and five-tenths percent (4.5%) employee
6 contribution shall be the only mandatory contribution of an employee
7 participating in the defined contribution retirement system created
8 by ~~this act~~ Section 935.1 et seq. of this title. These funds shall
9 be placed by the Oklahoma Public Employees Retirement System in
10 either a 401(a) plan or a 457(b) plan, to be determined by the Board
11 of Trustees to maintain the plan consistent with the Internal
12 Revenue Code. Any employee contributions eligible to be matched
13 under this section over the four and five-tenths percent (4.5%)
14 initial contribution shall be considered voluntary deferrals of
15 compensation and placed in a 457(b) plan. All employer matching
16 funds shall be placed in a 401(a) plan.

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

23 D. The employer match as set forth in subsection A of this
24 section may be increased at any time by the Legislature without

1 affecting the then-existing rights of participating employees and
2 beneficiaries in order to encourage participating employees to
3 accumulate deferred income reserves for themselves and their
4 dependents. The employer match may be decreased at any time by the
5 Legislature without affecting the then-existing rights of
6 participating employees and beneficiaries in order to provide
7 funding as may be needed to reduce the unfunded liabilities of the
8 defined benefit plan as set forth in Section 901 et seq. of this
9 title, but shall not be less than six percent ~~(6.0%)~~ (6%) for any
10 year during which the defined contribution plan is maintained.

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