

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3313 _____
Of the printed Bill
Page _____ Section _____ Lines _____
Of the Engrossed Bill

By deleting the content of the entire measure, and by inserting in lieu thereof the following language:

AMEND TITLE TO CONFORM TO AMENDMENTS

Adopted: _____

Amendment submitted by: Ryan Eaves

Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

PROPOSED OVERSIGHT
COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 3313

By: Eaves

PROPOSED OVERSIGHT COMMITTEE SUBSTITUTE

An Act relating to retirement; amending 74 O.S. 2021, Sections 935.5 and 935.7, as amended by Section 3, Chapter 47, O.S.L. 2024 (74 O.S. Supp. 2025, Section 935.7), which relate to the Retirement Freedom Act; modifying minimum employer contribution amount; modifying provisions related to employer matching; modifying minimum employee contribution amount; eliminating vesting schedule for certain funds; providing that reemployed participants shall be entitled to certain contributions; and providing an effective date.

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~~ Beginning November 1, 2026, 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%)~~ seven percent

1 (7.0%) based on the same compensation amount used to compute the
2 employee contribution amount.

3 B. ~~If an employee selects a contribution rate of seven percent~~
4 ~~(7.0%) or more, but not higher than allowed pursuant to the maximum~~
5 ~~annual contribution limit prescribed by Section 415 of the Internal~~
6 ~~Revenue Code of 1986, as amended, the employer matching amount shall~~
7 ~~be seven percent (7.0%).~~

8 C. The initial ~~four and five tenths percent (4.5%)~~ five percent
9 (5.0%) employee contribution rate shall be the only mandatory
10 contribution of an employee participating in the defined
11 contribution retirement system created by this act. These funds
12 shall be placed by the System in either a 401(a) plan or a 457(b)
13 plan, to be determined by the Board to maintain the plan consistent
14 with the Internal Revenue Code. Any employee contributions ~~eligible~~
15 ~~to be matched under this section over the four and five tenths~~
16 ~~percent (4.5%)~~ five percent (5.0%) initial contribution shall be
17 considered voluntary deferrals of compensation and placed in a
18 457(b) plan. All employer matching funds shall be placed in a
19 401(a) plan.

20 Any employee contribution rate that is more than the ~~four and~~
21 ~~five tenths percent (4.5%)~~ five percent (5.0%) rate can be chosen by
22 the participating employee upon the employee's initial
23 participation, and can be changed once per month. The employee
24

1 contribution rate chosen shall continue until the employee elects to
2 change the contribution rate or terminates service or retires.

3 ~~D.~~ C. The employer match as set forth in subsection A of this
4 section may be increased at any time by the Legislature without
5 affecting the then-existing rights of participating employees and
6 beneficiaries in order to encourage participating employees to
7 accumulate deferred income reserves for themselves and their
8 dependents. The employer match may be decreased at any time by the
9 Legislature without affecting the then-existing rights of
10 participating employees and beneficiaries in order to provide
11 funding as may be needed to reduce the unfunded liabilities of the
12 defined benefit plan as set forth in Section 901 et seq. of this
13 title, but shall not be less than ~~six percent (6.0%)~~ seven percent
14 (7.0%) for any year during which the defined contribution plan is
15 maintained.

16 SECTION 2. AMENDATORY 74 O.S. 2021, Section 935.7, as
17 amended by Section 3, Chapter 47, O.S.L. 2024 (74 O.S. Supp. 2025,
18 Section 935.7), is amended to read as follows:

19 Section 935.7. A. Participating employees shall at all times
20 be vested at one hundred percent (100%) of their accounts containing
21 solely their employee contributions, and the gains or losses on
22 these contributions. Participating employees will have investment
23 discretion over these accounts within the available options offered
24 by the Board.

1 ~~B. Participating~~ Beginning November 1, 2026, participating
 2 employees shall at all times be vested at one hundred percent (100%)
 3 with respect to the employer matching amounts, and the gains or
 4 losses on these funds, deposited into their defined contribution
 5 system account or accounts ~~according to the following schedule based~~
 6 ~~on years of participating service:~~

- 7 ~~Year 1~~ — 20%
- 8 ~~Year 2~~ — 40%
- 9 ~~Year 3~~ — 60%
- 10 ~~Year 4~~ — 80%
- 11 ~~Year 5 and thereafter~~ — 100%.

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

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

19 ~~E.~~ C. For participating employees who do not select any
 20 investment options, the OPERS Board will establish default
 21 investment options for the contributions received from participating
 22 employees and ~~default investment options for~~ matching employer
 23 contributions.

24

1 ~~F.~~ D. To the extent that participants leave employment on or
2 before October 31, 2026, and have not vested in all of the employer
3 contributions, the nonvested employer contributions, including any
4 gains or losses, shall be immediately forfeited to the 401(a) plan
5 and may be used to offset costs of administering the plan or as
6 permitted by federal law. Upon reemployment with an employer on or
7 after November 1, 2026, and satisfying the eligibility requirements
8 to become a participant, the reemployed participant shall ~~receive~~
9 ~~credit for previous service and be vested at the same percentage the~~
10 ~~participant was vested when service was previously terminated~~ be
11 entitled to his or her previously vested employer contributions and
12 all new matching employer contributions deposited beginning on the
13 date of re-employment. However, under no circumstances shall the
14 participant be entitled to any previously forfeited employer
15 contributions.

16 SECTION 3. This act shall become effective November 1, 2026.

18 60-2-16981 CMA 03/04/26