

1 ENGROSSED HOUSE
2 BILL NO. 2486

By: Frix and Randleman of the
House

3 and

4 Pemberton of the Senate

5
6
7
8 [public retirement systems - imposing conditions
9 related to approvals by the Internal Revenue
10 Service - providing for termination of provisions
11 of the Retirement Freedom Act - modifying
12 provisions related to participation in defined
13 contribution plan]
14
15

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

17 SECTION 1. AMENDATORY 62 O.S. 2021, Section 3103, is
18 amended to read as follows:

19 Section 3103. As used in the Oklahoma Pension Legislation
20 Actuarial Analysis Act:

21 1. "Amendment" means any amendment, including a substitute
22 bill, made to a retirement bill by any committee of the House or
23 Senate, any conference committee of the House or Senate or by the
24 House or Senate;

1 2. "RB number" means that number preceded by the letters "RB"
2 assigned to a retirement bill by the respective staffs of the
3 Oklahoma State Senate and the Oklahoma House of Representatives when
4 the respective staff office prepares a retirement bill for a member
5 of the Legislature;

6 3. "Legislative Actuary" means the firm or entity that enters
7 into a contract with the Legislative Service Bureau pursuant to
8 Section 452.15 of Title 74 of the Oklahoma Statutes to provide the
9 actuarial services and other duties provided for in the Oklahoma
10 Pension Legislation Actuarial Analysis Act;

11 4. "Nonfiscal amendment" means an amendment to a retirement
12 bill having a fiscal impact, which amendment does not change any
13 factor of an actuarial investigation specified in subsection A of
14 Section 3109 of this title;

15 5. "Nonfiscal retirement bill" means a retirement bill:

16 a. which does not affect the cost or funding factors of a
17 retirement system,

18 b. which affects such factors only in a manner which does
19 not:

20 (1) grant a benefit increase under the retirement
21 system affected by the bill,

22 (2) create an actuarial accrued liability for or
23 increase the actuarial accrued liability of the
24 retirement system affected by the bill, or

- 1 (3) increase the normal cost of the retirement system
2 affected by the bill,
- 3 c. which authorizes the purchase by an active member of
4 the retirement system, at the actuarial cost for the
5 purchase as computed pursuant to the statute in effect
6 on the effective date of the measure allowing such
7 purchase, of years of service for purposes of reaching
8 a normal retirement date in the applicable retirement
9 system, but which cannot be used in order to compute
10 the number of years of service for purposes of
11 computing the retirement benefit for the member,
- 12 d. which provides for the computation of a service-
13 connected disability retirement benefit for members of
14 the Oklahoma Law Enforcement Retirement System
15 pursuant to Section 2-305 of Title 47 of the Oklahoma
16 Statutes if the members were unable to complete twenty
17 (20) years of service as a result of the disability,
- 18 e. which requires membership in the defined benefit plan
19 authorized by Section 901 et seq. of Title 74 of the
20 Oklahoma Statutes for persons whose first elected or
21 appointed service occurs on or after November 1, 2018,
22 if such persons had any prior service in the Oklahoma
23 Public Employees Retirement System prior to November
24 1, 2015,

1 f. which provides for a one-time increase in retirement
2 benefits if the increase in retirement benefits is not
3 a permanent increase in the gross annual retirement
4 benefit payable to a member or beneficiary, occurs
5 only once pursuant to a single statutory authorization
6 and does not exceed:

7 (1) the lesser of two percent (2%) of the gross
8 annual retirement benefit of the member or One
9 Thousand Dollars (\$1,000.00) and requires that
10 the benefit may only be provided if the funded
11 ratio of the affected retirement system would not
12 be less than sixty percent (60%) but not greater
13 than eighty percent (80%) after the benefit
14 increase is paid,

15 (2) the lesser of two percent (2%) of the gross
16 annual retirement benefit of the member or One
17 Thousand Two Hundred Dollars (\$1,200.00) and
18 requires that the benefit may only be provided if
19 the funded ratio of the affected retirement
20 system would be greater than eighty percent (80%)
21 but not greater than one hundred percent (100%)
22 after the benefit increase is paid,

23 (3) the lesser of two percent (2%) of the gross
24 annual retirement benefit of the member or One

1 Thousand Four Hundred Dollars (\$1,400.00) and
2 requires that the benefit may only be provided if
3 the funded ratio of the affected retirement
4 system would be greater than one hundred percent
5 (100%) after the benefit increase is paid, or
6 (4) the greater of two percent (2%) of the gross
7 annual retirement benefit of the volunteer
8 firefighter or One Hundred Dollars (\$100.00) for
9 persons who retired from the Oklahoma
10 Firefighters Pension and Retirement System as
11 volunteer firefighters and who did not retire
12 from the Oklahoma Firefighters Pension and
13 Retirement System as a paid firefighter.

14 As used in this subparagraph, "funded ratio" means the
15 figure derived by dividing the actuarial value of
16 assets of the applicable retirement system by the
17 actuarial accrued liability of the applicable
18 retirement system,

- 19 g. which modifies the disability pension standard for
20 police officers who are members of the Oklahoma Police
21 Pension and Retirement System as provided by Section 3
22 50-115 of ~~this act~~ Title 11 of the Oklahoma Statutes,
23 ~~or~~

1 h. which provides a cost-of-living benefit increase
2 pursuant to the provisions of ~~Sections 2 through 7 of~~
3 ~~this act:~~

4 (1) Section 49-143.7 of Title 11 of the Oklahoma
5 Statutes,

6 (2) Section 50-136.9 of Title 11 of the Oklahoma
7 Statutes,

8 (3) Section 1104K of Title 20 of the Oklahoma
9 Statutes,

10 (4) Section 2-305.12 of Title 47 of the Oklahoma
11 Statutes,

12 (5) Section 17-116.22 of Title 70 of the Oklahoma
13 Statutes,

14 (6) Section 930.11 of Title 74 of the Oklahoma
15 Statutes, or

16 i. which provides for the termination of the defined
17 contribution retirement plan created pursuant to
18 Section 935.1 et seq. of Title 74 of the Oklahoma
19 Statutes pursuant to the provisions of Sections 2
20 through 9 of this act together with provisions for
21 conversion of defined contribution plan account
22 balances into participating service in the Oklahoma
23 Public Employees Retirement System defined benefit
24 plan created pursuant to Section 901 et seq. of Title

1 74 of the Oklahoma Statutes or such other disposition
2 of defined contribution plan account balances as may
3 be authorized pursuant to the provisions of this act.

4 A nonfiscal retirement bill shall include any retirement bill that
5 has as its sole purpose the appropriation or distribution or
6 redistribution of monies in some manner to a retirement system for
7 purposes of reducing the unfunded liability of such system or the
8 earmarking of a portion of the revenue from a tax to a retirement
9 system or increasing the percentage of the revenue earmarked from a
10 tax to a retirement system;

11 6. "Reduction-in-cost amendment" means an amendment to a
12 retirement bill having a fiscal impact which reduces the cost of the
13 bill as such cost is determined by the actuarial investigation for
14 the bill prepared pursuant to Section 3109 of this title;

15 7. "Retirement bill" means any bill or joint resolution
16 introduced or any bill or joint resolution amended by a member of
17 the Oklahoma Legislature which creates or amends any law directly
18 affecting a retirement system. A retirement bill shall not mean a
19 bill or resolution that impacts the revenue of any state tax in
20 which a portion of the revenue generated from such tax is earmarked
21 for the benefit of a retirement system;

22 8. "Retirement bill having a fiscal impact" means any
23 retirement bill creating or establishing a retirement system and any
24 other retirement bill other than a nonfiscal retirement bill; and

1 9. "Retirement system" means the Teachers' Retirement System of
2 Oklahoma, the Oklahoma Public Employees Retirement System, the
3 Uniform Retirement System for Justices and Judges, the Oklahoma
4 Firefighters Pension and Retirement System, the Oklahoma Police
5 Pension and Retirement System, the Oklahoma Law Enforcement
6 Retirement System, or a retirement system established after January
7 1, 2006.

8 SECTION 2. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 935.101 of Title 74, unless
10 there is created a duplication in numbering, reads as follows:

11 The provisions of this act shall be contingent upon final
12 approval by the Internal Revenue Service with respect to the
13 distribution of monies from member accounts in the defined
14 contribution plan established pursuant to Section 935.1 et seq. of
15 Title 74 of the Oklahoma Statutes. The Oklahoma Public Employees
16 Retirement System shall make such applications to the Internal
17 Revenue Service as may be required in order to implement the
18 provisions of this act.

19 SECTION 3. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 935.102 of Title 74, unless
21 there is created a duplication in numbering, reads as follows:

22 A. Except as may be required by the provisions of this act, the
23 provisions of Section 935.1 et seq. of Title 74 of the Oklahoma
24

1 Statutes shall cease to have the force and effect of law on November
2 1, 2021.

3 B. Effective November 1, 2021, each member maintaining an
4 account established pursuant to the provisions of Section 935.1 et
5 seq. of Title 74 of the Oklahoma Statutes shall cease making
6 employee contributions to their account and shall begin
7 participating service in the defined benefit plan created pursuant
8 to the provisions of Section 902 et seq. of Title 74 of the Oklahoma
9 Statutes. Effective November 1, 2021, each member who maintains an
10 account established pursuant to the provisions of Section 935.1 et
11 seq. of Title 74 of the Oklahoma Statutes shall make employee
12 contributions to the defined benefit plan as required by Section
13 919.1 of Title 74 of the Oklahoma Statutes.

14 C. Employer contributions and matching amounts otherwise
15 required by the provisions of Section 935.5 of Title 74 of the
16 Oklahoma Statutes shall cease and employer contributions with
17 respect to employee compensation shall be made as provided by
18 Section 920 or 920A of Title 74 of the Oklahoma Statutes.

19 D. Employees maintaining a plan account established pursuant to
20 the provisions of Section 935.1 et seq. of Title 74 of the Oklahoma
21 Statutes may continue to actively manage the plan account, including
22 any gains or losses resulting from such active management, until
23 final disposition of the plan account balance by acquisition of
24 service credit in the defined benefit plan created pursuant to the

1 provisions of Section 901 et seq. of Title 74 of the Oklahoma
2 Statutes, a transfer of the account balance to a tax-qualified
3 retirement plan or such other disposition as may be authorized
4 pursuant to the Internal Revenue Code of 1986, as amended, and rules
5 and regulations promulgated pursuant thereto.

6 E. Each person maintaining a plan account pursuant to the
7 provisions of Section 935.1 et seq. of Title 74 of the Oklahoma
8 Statutes shall make an election, which shall be irrevocable, within
9 one hundred twenty (120) days from the effective date of this act to
10 transfer the account balance to acquire participating service credit
11 in the defined benefit plan created pursuant to the provisions of
12 Section 901 et seq. of Title 74 of the Oklahoma Statutes using the
13 actuarial cost provisions of Section 913.5 of Title 74 of the
14 Oklahoma Statutes, to transfer the balance to a tax-qualified plan
15 or such other disposition as may be allowed pursuant to the Internal
16 Revenue Code of 1986, as amended, or any rules or regulations
17 promulgated pursuant thereto.

18 SECTION 4. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 935.103 of Title 74, unless
20 there is created a duplication in numbering, reads as follows:

21 A. Subject to the conditions imposed pursuant to this act, the
22 provisions of the Retirement Freedom Act, Section 935.1 et seq. of
23 Title 74 of the Oklahoma Statutes, shall cease to have the force and
24 effect of law upon November 1, 2022, or the last date required for

1 distribution of the plan account balances to acquire service credit
2 in the defined benefit plan created and maintained by the Oklahoma
3 Public Employees Retirement System pursuant to Section 901 et seq.
4 of Title 74 of the Oklahoma Statutes, transfer of the account
5 balances to a tax-qualified retirement plan as defined by the
6 Internal Revenue Code of 1986, as amended, or such other disposition
7 as may be required in order to terminate the defined contribution
8 plan and make final disposition of account balances created and
9 maintained pursuant to the provisions of Section 935.1 et seq. of
10 Title 74 of the Oklahoma Statutes, whichever date last occurs.

11 B. Effective November 1, 2021, notwithstanding the provisions
12 of Section 935.7 of Title 74 of the Oklahoma Statutes, a member
13 maintaining a defined contribution plan account pursuant to the
14 provisions of the Retirement Freedom Act shall be one hundred
15 percent (100%) vested in their account balance as of that date,
16 including employer matching amounts and any gains resulting from
17 management of the account pursuant to the provisions of the
18 Retirement Freedom Act.

19 SECTION 5. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 935.104 of Title 74, unless
21 there is created a duplication in numbering, reads as follows:

22 Any service credit in the Oklahoma Public Employees Retirement
23 System as provided by Section 901 et seq. of Title 74 of the
24 Oklahoma Statutes acquired by transfer of an account balance

1 pursuant to the provisions of this act shall not exceed the total
2 period of participating service accrued by the member while a
3 participant in the defined contribution plan created by Section
4 935.1 et seq. of Title 74 of the Oklahoma Statutes.

5 SECTION 6. AMENDATORY 74 O.S. 2021, Section 902, is
6 amended to read as follows:

7 Section 902. As used in Section 901 et seq. of this title:

8 (1) "System" means the Oklahoma Public Employees Retirement
9 System as established by this act and as it may hereafter be
10 amended;

11 (2) "Accumulated contributions" means the sum of all
12 contributions by a member to the System which shall be credited to
13 the member's account;

14 (3) "Act" means Sections 901 to 932, inclusive, of this title;

15 (4) "Actuarial equivalent" means a deferred income benefit of
16 equal value to the accumulated deposits or benefits when computed
17 upon the basis of the actuarial tables in use by the System;

18 (5) "Actuarial tables" means the actuarial tables approved and
19 in use by the Board at any given time;

20 (6) "Actuary" means the actuary or firm of actuaries employed
21 by the Board at any given time;

22 (7) "Beneficiary" means any person named by a member to receive
23 any benefits as provided for by Section 901 et seq. of this title.

24

1 If there is no beneficiary living at time of member employee's
2 death, the member's estate shall be the beneficiary;

3 (8) "Board" means the Oklahoma Public Employees Retirement
4 System Board of Trustees;

5 (9) "Compensation" means all salary and wages, as defined by
6 the Board of Trustees, including amounts deferred under deferred
7 compensation agreements entered into between a member and a
8 participating employer, but exclusive of payment for overtime,
9 payable to a member of the System for personal services performed
10 for a participating employer but shall not include compensation or
11 reimbursement for traveling, or moving expenses, or any compensation
12 in excess of the maximum compensation level, provided:

13 (a) For compensation for service prior to January 1, 1988,
14 the maximum compensation level shall be Twenty-five
15 Thousand Dollars (\$25,000.00) per annum.

16 For compensation for service on or after January 1,
17 1988, through June 30, 1994, the maximum compensation
18 level shall be Forty Thousand Dollars (\$40,000.00) per
19 annum.

20 For compensation for service on or after July 1, 1994,
21 through June 30, 1995, the maximum compensation level
22 shall be Fifty Thousand Dollars (\$50,000.00) per
23 annum; for compensation for service on or after July
24 1, 1995, through June 30, 1996, the maximum

1 compensation level shall be Sixty Thousand Dollars
2 (\$60,000.00) per annum; for compensation for service
3 on or after July 1, 1996, through June 30, 1997, the
4 maximum compensation level shall be Seventy Thousand
5 Dollars (\$70,000.00) per annum; and for compensation
6 for service on or after July 1, 1997, through June 30,
7 1998, the maximum compensation level shall be Eighty
8 Thousand Dollars (\$80,000.00) per annum. For
9 compensation for services on or after July 1, 1998,
10 there shall be no maximum compensation level for
11 retirement purposes.

12 (b) Compensation for retirement purposes shall include any
13 amount of elective salary reduction under Section 457
14 of the Internal Revenue Code of 1986 and any amount of
15 nonelective salary reduction under Section 414(h) of
16 the Internal Revenue Code of 1986.

17 (c) Notwithstanding any provision to the contrary, the
18 compensation taken into account for any employee in
19 determining the contribution or benefit accruals for
20 any plan year is limited to the annual compensation
21 limit under Section 401(a)(17) of the federal Internal
22 Revenue Code.

23 (d) Current appointed members of the Oklahoma Tax
24 Commission whose salary is constitutionally limited

1 and is less than the highest salary allowed by law for
2 his or her position shall be allowed, within ninety
3 (90) days from the effective date of this act, to make
4 an election to use the highest salary allowed by law
5 for the position to which the member was appointed for
6 the purposes of making contributions and determination
7 of retirement benefits. Such election shall be
8 irrevocable and be in writing. Reappointment to the
9 same office shall not permit a new election. Members
10 appointed to the Oklahoma Tax Commission after the
11 effective date of this act shall make such election,
12 pursuant to this subparagraph, within ninety (90) days
13 of taking office;

14 (10) "Credited service" means the sum of participating service,
15 prior service and elected service;

16 (11) "Dependent" means a parent, child, or spouse of a member
17 who is dependent upon the member for at least one-half (1/2) of the
18 member's support;

19 (12) "Effective date" means the date upon which the System
20 becomes effective by operation of law;

21 (13) "Eligible employer" means the state and any county, county
22 hospital, city or town, conservation districts, circuit engineering
23 districts and any public or private trust in which a county, city or
24 town participates and is the primary beneficiary, is to be an

1 eligible employer for the purpose of this act only, whose employees
2 are covered by Social Security and are not covered by or eligible
3 for another retirement plan authorized under the laws of this state
4 which is in operation on the initial entry date. Emergency medical
5 service districts may join the System upon proper application to the
6 Board. Provided affiliation by a county hospital shall be in the
7 form of a resolution adopted by the board of control.

8 (a) If a class or several classes of employees of any
9 above-defined employers are covered by Social Security
10 and are not covered by or eligible for and will not
11 become eligible for another retirement plan authorized
12 under the laws of this state, which is in operation on
13 the effective date, such employer shall be deemed an
14 eligible employer, but only with respect to that class
15 or those classes of employees as defined in this
16 section.

17 (b) A class or several classes of employees who are
18 covered by Social Security and are not covered by or
19 eligible for and will not become eligible for another
20 retirement plan authorized under the laws of this
21 state, which is in operation on the effective date,
22 and when the qualifications for employment in such
23 class or classes are set by state law; and when such
24 class or classes of employees are employed by a county

1 or municipal government pursuant to such
2 qualifications; and when the services provided by such
3 employees are of such nature that they qualify for
4 matching by or contributions from state or federal
5 funds administered by an agency of state government
6 which qualifies as a participating employer, then the
7 agency of state government administering the state or
8 federal funds shall be deemed an eligible employer,
9 but only with respect to that class or those classes
10 of employees as defined in this subsection; provided,
11 that the required contributions to the retirement plan
12 may be withheld from the contributions of state or
13 federal funds administered by the state agency and
14 transmitted to the System on the same basis as the
15 employee and employer contributions are transmitted
16 for the direct employees of the state agency. The
17 retirement or eligibility for retirement under the
18 provisions of law providing pensions for service as a
19 volunteer firefighter shall not render any person
20 ineligible for participation in the benefits provided
21 for in Section 901 et seq. of this title. An employee
22 of any public or private trust in which a county, city
23 or town participates and is the primary beneficiary
24

1 shall be deemed to be an eligible employee for the
2 purpose of this act only.

3 (c) All employees of the George Nigh Rehabilitation
4 Institute who elected to retain membership in the
5 System, pursuant to Section 913.7 of this title, shall
6 continue to be eligible employees for the purposes of
7 this act. The George Nigh Rehabilitation Institute
8 shall be considered a participating employer only for
9 such employees.

10 (d) All employees of CompSource Mutual Insurance Company
11 who retain membership in the Oklahoma Public Employees
12 Retirement System pursuant to Section 913.9 of this
13 title shall continue to be eligible employees for the
14 purposes of the Oklahoma Public Employees Retirement
15 System. CompSource Mutual Insurance Company shall be
16 considered a participating employer only for such
17 employees.

18 (e) All employees of a successor organization, as defined
19 by Section 5-60.12 of Title 2 of the Oklahoma
20 Statutes, who retain membership in the Oklahoma Public
21 Employees Retirement System pursuant to Section 5-
22 60.35 of Title 2 of the Oklahoma Statutes shall
23 continue to be eligible employees for the purposes of
24 the Oklahoma Public Employees Retirement System. A

1 successor organization shall be considered a
2 participating employer only for such employees.

3 (f) A participating employer of the Teachers' Retirement
4 System of Oklahoma, who has one or more employees who
5 have made an election pursuant to enabling legislation
6 to retain membership in the System as a result of
7 change in administration, shall be considered a
8 participating employer of the Oklahoma Public
9 Employees Retirement System only for such employees;

10 (14) "Employee" means any officer or employee of a
11 participating employer, whose employment is not seasonal or
12 temporary and whose employment requires at least one thousand
13 (1,000) hours of work per year and whose salary or wage is equal to
14 the hourly rate of the monthly minimum wage for state employees.
15 For those eligible employers outlined in Section 910 of this title,
16 the rate shall be equal to the hourly rate of the monthly minimum
17 wage for that employer. Each employer, whose minimum wage is less
18 than the state's minimum wage, shall inform the System of the
19 minimum wage for that employer. This notification shall be by
20 resolution of the governing body.

21 (a) Any employee of the county extension agents who is not
22 currently participating in the Teachers' Retirement
23 System of Oklahoma shall be a member of this System.

1 (b) Eligibility shall not include any employee who is a
2 contributing member of the United States Civil Service
3 Retirement System.

4 (c) It shall be mandatory for an officer, appointee or
5 employee of the office of district attorney to become
6 a member of this System if he or she is not currently
7 participating in a county retirement system. Provided
8 further, that if an officer, appointee or employee of
9 the office of district attorney is currently
10 participating in such county retirement system, he or
11 she is ineligible for this System as long as he or she
12 is eligible for such county retirement system. Any
13 eligible officer, appointee or employee of the office
14 of district attorney shall be given credit for prior
15 service as defined in this section. The provisions
16 outlined in Section 917 of this title shall apply to
17 those employees who have previously withdrawn their
18 contributions.

19 (d) Eligibility shall also not include any officer or
20 employee of the Oklahoma Employment Security
21 Commission, except for those officers and employees of
22 the Commission electing to transfer to this System
23 pursuant to the provisions of Section 910.1 of this
24 title or any other class of officers or employees

1 specifically exempted by the laws of this state,
2 unless there be a consolidation as provided by Section
3 912 of this title. Employees of the Oklahoma
4 Employment Security Commission who are ineligible for
5 enrollment in the Employment Security Commission
6 Retirement Plan, that was in effect on January 1,
7 1964, shall become members of this System.

8 (e) Any employee employed by the Legislative Service
9 Bureau, State Senate or House of Representatives for
10 the full duration of a regular legislative session
11 shall be eligible for membership in the System
12 regardless of classification as a temporary employee
13 and may participate in the System during the regular
14 legislative session at the option of the employee.
15 For purposes of this subparagraph, the determination
16 of whether an employee is employed for the full
17 duration of a regular legislative session shall be
18 made by the Legislative Service Bureau if such
19 employee is employed by the Legislative Service
20 Bureau, the State Senate if such employee is employed
21 by the State Senate, or by the House of
22 Representatives if such employee is employed by the
23 House of Representatives. Each regular legislative
24 session during which the legislative employee or an

1 employee of the Legislative Service Bureau
2 participates full time shall be counted as six (6)
3 months of full-time participating service.

4 (i) Except as otherwise provided by this
5 subparagraph, once a temporary session employee
6 makes a choice to participate or not, the choice
7 shall be binding for all future legislative
8 sessions during which the employee is employed.

9 (ii) Notwithstanding the provisions of division (i) of
10 this subparagraph, any employee, who is eligible
11 for membership in the System because of the
12 provisions of this subparagraph and who was
13 employed by the State Senate or House of
14 Representatives after January 1, 1989, may file
15 an election, in a manner specified by the Board,
16 to participate as a member of the System prior to
17 September 1, 1989.

18 (iii) Notwithstanding the provisions of division (i) of
19 this subparagraph, a temporary legislative
20 session employee who elected to become a member
21 of the System may withdraw from the System
22 effective the day said employee elected to
23 participate in the System upon written request to
24 the Board. Any such request must be received by

1 the Board prior to October 1, 1990. All employee
2 contributions made by the temporary legislative
3 session employee shall be returned to the
4 employee without interest within four (4) months
5 of receipt of the written request.

- 6 (iv) A member of the System who did not initially
7 elect to participate as a member of the System
8 pursuant to this subparagraph shall be able to
9 acquire service performed as a temporary
10 legislative session employee for periods of
11 service performed prior to the date upon which
12 the person became a member of the System if:
- 13 a. the member files an election with the System
14 not later than December 31, 2000, to
15 purchase the prior service; and
 - 16 b. the member makes payment to the System of
17 the actuarial cost of the service credit
18 pursuant to subsection A of Section 913.5 of
19 this title. The provisions of Section 913.5
20 of this title shall be applicable to the
21 purchase of the service credit, including
22 the provisions for determining service
23 credit in the event of incomplete payment
24 due to cessation of payments, death,

1 termination of employment or retirement, but
2 the payment may extend for a period not to
3 exceed ninety-six (96) months;

4 (15) "Entry date" means the date on which an eligible employer
5 joins the System. The first entry date pursuant to Section 901 et
6 seq. of this title shall be January 1, 1964;

7 (16) "Executive Director" means the managing officer of the
8 System employed by the Board under Section 901 et seq. of this
9 title;

10 (17) "Federal Internal Revenue Code" means the federal Internal
11 Revenue Code of 1954 or 1986, as amended and as applicable to a
12 governmental plan as in effect on July 1, 1999;

13 (18) "Final average compensation" means the average annual
14 compensation, including amounts deferred under deferred compensation
15 agreements entered into between a member and a participating
16 employer, up to, but not exceeding the maximum compensation levels
17 as provided in paragraph (9) of this section received during the
18 highest three (3) of the last ten (10) years of participating
19 service immediately preceding retirement or termination of
20 employment and with respect to members whose first participating
21 service occurs on or after July 1, 2013, the compensation received
22 during the highest five (5) of the last ten (10) years of
23 participating service immediately preceding retirement or
24 termination of employment. Provided, no member shall retire with a

1 final average compensation unless the member has made the required
2 contributions on such compensation, as defined by the Board of
3 Trustees;

4 (19) "Fiscal year" means the period commencing July 1 of any
5 year and ending June 30 of the next year. The fiscal year is the
6 plan year for purposes of the federal Internal Revenue Code;
7 however, the calendar year is the limitation year for purposes of
8 Section 415 of the federal Internal Revenue Code;

9 (20) "Fund" means the Oklahoma Public Employees Retirement Fund
10 as created by Section 901 et seq. of this title;

11 (21) "Leave of absence" means a period of absence from
12 employment without pay, authorized and approved by the employer and
13 acknowledged to the Board, and which after the effective date does
14 not exceed two (2) years;

15 (22) "Member" means an eligible employee or elected official
16 who is in the System and is making the required employee or elected
17 official contributions, or any former employee or elected official
18 who shall have made the required contributions to the System and
19 shall have not received a refund or withdrawal;

20 (23) "Military service" means service in the Armed Forces of
21 the United States by an honorably discharged person during the
22 following time periods, as reflected on such person's Defense
23 Department Form 214, not to exceed five (5) years for combined
24 participating and/or prior service, as follows:

1 (a) during the following periods, including the beginning
2 and ending dates, and only for the periods served,
3 from:

4 (i) April 6, 1917, to November 11, 1918, commonly
5 referred to as World War I,

6 (ii) September 16, 1940, to December 7, 1941, as a
7 member of the 45th Division,

8 (iii) December 7, 1941, to December 31, 1946, commonly
9 referred to as World War II,

10 (iv) June 27, 1950, to January 31, 1955, commonly
11 referred to as the Korean Conflict or the Korean
12 War,

13 (v) February 28, 1961, to May 7, 1975, commonly
14 referred to as the Vietnam era, except that:

15 a. for the period from February 28, 1961, to
16 August 4, 1964, military service shall only
17 include service in the Republic of Vietnam
18 during that period, and

19 b. for purposes of determining eligibility for
20 education and training benefits, such period
21 shall end on December 31, 1976, or

22 (vi) August 1, 1990, to December 31, 1991, commonly
23 referred to as the Gulf War, the Persian Gulf
24 War, or Operation Desert Storm, but excluding any

1 person who served on active duty for training
2 only, unless discharged from such active duty for
3 a service-connected disability;

4 (b) during a period of war or combat military operation
5 other than a conflict, war or era listed in
6 subparagraph (a) of this paragraph, beginning on the
7 date of Congressional authorization, Congressional
8 resolution, or Executive Order of the President of the
9 United States, for the use of the Armed Forces of the
10 United States in a war or combat military operation,
11 if such war or combat military operation lasted for a
12 period of ninety (90) days or more, for a person who
13 served, and only for the period served, in the area of
14 responsibility of the war or combat military
15 operation, but excluding a person who served on active
16 duty for training only, unless discharged from such
17 active duty for a service-connected disability, and
18 provided that the burden of proof of military service
19 during this period shall be with the member, who must
20 present appropriate documentation establishing such
21 service.

22 An eligible member under this paragraph shall include only those
23 persons who shall have served during the times or in the areas
24 prescribed in this paragraph, and only if such person provides

1 appropriate documentation in such time and manner as required by the
2 System to establish such military service prescribed in this
3 paragraph, or for service pursuant to subdivision a of division (v)
4 of subparagraph (a) of this paragraph those persons who were awarded
5 service medals, as authorized by the United States Department of
6 Defense as reflected in the veteran's Defense Department Form 214,
7 related to the Vietnam Conflict for service prior to August 5, 1964;

8 (24) "Normal retirement date" means the date on which a member
9 may retire with full retirement benefits as provided in Section 901
10 et seq. of this title, such date being whichever occurs first:

11 (a) the first day of the month coinciding with or
12 following a member's:

13 (1) sixty-second birthday with respect to members
14 whose first participating service occurs prior to
15 November 1, 2011, or

16 (2) sixty-fifth birthday with respect to members
17 whose first participating service occurs on or
18 after November 1, 2011, or with respect to
19 members whose first participating service occurs
20 on or after November 1, 2011, reaches a minimum
21 age of sixty (60) years and who also reaches a
22 normal retirement date pursuant to subparagraph c
23 of this paragraph,
24

1 (b) for any person who initially became a member prior to
2 July 1, 1992, and who does not reach a normal
3 retirement date pursuant to division (1) of
4 subparagraph (a) of this paragraph, the first day of
5 the month coinciding with or following the date at
6 which the sum of a member's age and number of years of
7 credited service total eighty (80); such a normal
8 retirement date will also apply to any person who
9 became a member of the sending system as defined in
10 Section 901 et seq. of this title, prior to July 1,
11 1992, regardless of whether there were breaks in
12 service after July 1, 1992,

13 (c) for any person who became a member after June 30,
14 1992, but prior to November 1, 2011, and who does not
15 reach a normal retirement date pursuant to division
16 (1) of subparagraph (a) of this paragraph, the first
17 day of the month coinciding with or following the date
18 at which the sum of a member's age and number of years
19 of credited service total ninety (90),

20 (d) in addition to subparagraphs (a), (b) and (c) of this
21 paragraph, the first day of the month coinciding with
22 or following a member's completion of at least twenty
23 (20) years of full-time-equivalent employment as:
24

1 (i) a correctional or probation and parole officer
2 with the Department of Corrections and at the
3 time of retirement, the member was a correctional
4 or probation and parole officer with the
5 Department of Corrections, or

6 (ii) a correctional officer, probation and parole
7 officer or fugitive apprehension agent with the
8 Department of Corrections who is in such position
9 on June 30, 2004, or who is hired after June 30,
10 2004, and who receives a promotion or change in
11 job classification after June 30, 2004, to
12 another position in the Department of
13 Corrections, so long as such officer or agent has
14 at least five (5) years of service as a
15 correctional officer, probation and parole
16 officer or fugitive apprehension agent with the
17 Department, has twenty (20) years of full-time-
18 equivalent employment with the Department and was
19 employed by the Department at the time of
20 retirement, or

21 (iii) a firefighter with the Oklahoma Military
22 Department either employed for the first time on
23 or after July 1, 2002, or who was employed prior
24 to July 1, 2002, in such position and who makes

1 the election authorized by division (2) of
2 subparagraph b of paragraph (9) of subsection A
3 of Section 915 of this title and at the time of
4 retirement, the member was a firefighter with the
5 Oklahoma Military Department, and such member has
6 at least twenty (20) years of credited service
7 upon which the two and one-half percent (2 1/2%)
8 multiplier will be used in calculating the
9 retirement benefit, or

10 (iv) a public safety officer employed by the Grand
11 River Dam Authority for the first time on or July
12 1, 2016, or

13 (v) a deputy sheriff or jailer employed by any county
14 that is a participating employer in the System
15 for the first time as a deputy sheriff or jailer
16 on or after November 1, 2020,

17 (e) for those fugitive apprehension agents who retire on
18 or after July 1, 2002, the first day of the month
19 coinciding with or following a member's completion of
20 at least twenty (20) years of full-time-equivalent
21 employment as a fugitive apprehension agent with the
22 Department of Corrections and at the time of
23 retirement, the member was a fugitive apprehension
24 agent with the Department of Corrections, or

1 (f) for any member who was continuously employed by an
2 entity or institution within The Oklahoma State System
3 of Higher Education and whose initial employment with
4 such entity or institution was prior to July 1, 1992,
5 and who without a break in service of more than thirty
6 (30) days became employed by an employer participating
7 in the Oklahoma Public Employees Retirement System,
8 the first day of the month coinciding with or
9 following the date at which the sum of the member's
10 age and number of years of credited service total
11 eighty (80);

12 (25) "Participating employer" means an eligible employer who
13 has agreed to make contributions to the System on behalf of its
14 employees;

15 (26) "Participating service" means the period of employment
16 after the entry date for which credit is granted a member and for
17 purposes of this act shall include any period of service purchased
18 at actuarial cost according to the requirements of Section 913.5 of
19 this title as a result of an election made by a person having a
20 defined contribution plan account created pursuant to the provisions
21 of Section 935.1 et seq. of this title as provided by Section 3 of
22 this act;
23
24

1 (27) "Prior service" means the period of employment of a member
2 by an eligible employer prior to the member's entry date for which
3 credit is granted a member under Section 901 et seq. of this title;

4 (28) "Retirant" or "retiree" means a member who has retired
5 under the System;

6 (29) "Retirement benefit" means a monthly income with benefits
7 accruing from the first day of the month coinciding with or
8 following retirement and ending on the last day of the month in
9 which death occurs or the actuarial equivalent thereof paid in such
10 manner as specified by the member pursuant to Section 901 et seq. of
11 this title or as otherwise allowed to be paid at the discretion of
12 the Board;

13 (30) "Retirement coordinator" means the individual designated
14 by each participating employer through whom System transactions and
15 communication shall be directed;

16 (31) "Social Security" means the old-age survivors and
17 disability section of the Federal Social Security Act;

18 (32) "Total disability" means a physical or mental disability
19 accepted for disability benefits by the Federal Social Security
20 System;

21 (33) "Service-connected disability benefits" means military
22 service benefits which are for a service-connected disability rated
23 at twenty percent (20%) or more by the Veterans Administration or
24 the Armed Forces of the United States;

1 (34) "Elected official" means a person elected to a state
2 office in the legislative or executive branch of state government or
3 a person elected to a county office for a definite number of years
4 and shall include an individual who is appointed to fill the
5 unexpired term of an elected state official;

6 (35) "Elected service" means the period of service as an
7 elected official;

8 (36) "Limitation year" means the year used in applying the
9 limitations of Section 415 of the Internal Revenue Code of 1986,
10 which year shall be the calendar year; and

11 (37) "Public safety officers of the Grand River Dam Authority"
12 means those persons hired by the Grand River Dam Authority on or
13 after the effective date of this act who are certified by the
14 Council on Law Enforcement Education and Training or an equivalent
15 certifying entity for law enforcement personnel training and who
16 perform law enforcement functions as part of their regularly
17 assigned duties and responsibilities on a full-time basis. With
18 respect to any public safety officer hired by the Grand River Dam
19 Authority on or after the effective date of this act, any earned
20 benefits or credits toward retirement benefits from previous
21 participation within the Oklahoma Public Employees Retirement System
22 or the Oklahoma Law Enforcement Retirement System shall remain
23 within that system.

1 SECTION 7. AMENDATORY 74 O.S. 2021, Section 913.4, is
2 amended to read as follows:

3 Section 913.4 A. 1. Except as otherwise provided in this
4 subsection, an elected official may elect to participate in the
5 System and if he or she elects to do so shall have the option of
6 participating at any one of the computation factors set forth in
7 paragraph 3 or 4 of this subsection and will receive retirement
8 benefits in accordance with the computation factor chosen. The
9 election on participation in the System must be in writing, must
10 specify the computation factor chosen, and must be filed with the
11 System within ninety (90) days after the elected official takes
12 office. The election to participate and the election of a
13 computation factor shall be irrevocable. Reelection to the same
14 office will not permit new elections. Failure of an elected
15 official to file such election form within the ninety-day period
16 shall be deemed an irrevocable election to participate in the System
17 at the maximum computation factor.

18 2. Contributions and benefits will be based upon the elected
19 official's annual compensation as defined in Section 902 of this
20 title. Employer and elected official contributions shall be
21 remitted at least monthly, or as the Board may otherwise provide, to
22 the System for deposit in the Oklahoma Public Employees Retirement
23 Fund. Effective July 1, 1994, and thereafter, the participating
24 employer shall contribute as provided in Section 920 of this title.

3. Except as provided in paragraph 4 of this subsection, effective July 1, 1994, the computation factor selected and the corresponding elected official contribution rate shall be as follows:

Elected official Contribution Rate	Computation Factor	Alternate Formula
4.5%	1.9%	\$12.50
6%	2.5%	\$20.00
7.5%	3.0%	\$25.00
8.5%	3.4%	\$27.50
9%	3.6%	\$30.00
10%	4.0%	\$40.00

4. Elected officials who are first elected or appointed to an elected office on or after November 1, 2010, shall elect a computation factor of either 1.9% or 4%. The elected official contribution rate for the 1.9% computation factor is currently 4.5% and the contribution rate for the 4% computation factor is currently 10%. All other computation factors and contribution rates set forth in paragraph 3 of this subsection shall not be available to any person first elected or appointed to an elected office on or after November 1, 2010.

5. The contribution rate for elected officials who are first elected or appointed to an elected office on or after November 1, 2011, shall be in the amount specified in paragraph (a) of

1 subsection (1) of Section 919.1 of this title. The amount of the
2 retirement benefit for elected officials who are first elected or
3 appointed to an elected office on or after November 1, 2011, shall
4 be based on the provisions of paragraph (1) of subsection A of
5 Section 915 of this title.

6 6. The computation factors and corresponding elected official
7 contribution rates provided for in paragraphs 3 and 4 of this
8 subsection shall be based on the entire compensation as an elected
9 official subject to the definition and maximum compensation levels
10 as set forth in paragraph (9) of Section 902 of this title.

11 7. Elected officials who are first elected or appointed on or
12 after November 1, 2011, shall also be eligible to make the election
13 of an alternate multiplier and contribution rate pursuant to
14 paragraph 2 of subsection A of Section 915 of this title.

15 ~~8. A statewide elected official or legislator whose first~~
16 ~~service as an elected official occurs on or after November 1, 2015,~~
17 ~~shall become a participant in the defined contribution system~~
18 ~~created by Sections 935.1 through 935.11 of this title and such~~
19 ~~elected official shall not accrue any service credit in the defined~~
20 ~~benefit plan of the Oklahoma Public Employees Retirement System~~
21 ~~created pursuant to Section 901 et seq. of this title.~~

22 ~~9. Notwithstanding the provisions of paragraph 8 of this~~
23 ~~subsection, a statewide elected official or legislator who is first~~
24 ~~elected or appointed on or after November 1, 2018, and who has~~

1 ~~participating service in the defined benefit plan prior to November~~
 2 ~~1, 2015, shall be a member of the defined benefit plan.~~

3 B. The normal retirement date for an elected official shall be
 4 the first day of the month coinciding with or following the
 5 official's sixtieth birthday or the first day of the month
 6 coinciding with or following the date at which the sum of the
 7 elected official's age and number of years of credited service total
 8 eighty (80). The normal retirement date for an elected official
 9 first elected or appointed to an elected office on or after November
 10 1, 2011, shall be the first day of the month coinciding with or
 11 following the official's sixty-fifth birthday or the date upon which
 12 the elected or appointed official attains the age of sixty-two (62)
 13 and who has at least ten (10) years of elected or appointed service.
 14 Any elected official first elected or appointed to an elected office
 15 before November 1, 2011, who has a minimum of ten (10) years'
 16 participating service may retire under the early retirement
 17 provisions of this act, including those electing a vested benefit
 18 and shall receive an adjustment of annual benefits in accordance
 19 with the following percentage schedule:

Age	Percentage of Normal Retirement Benefits
60	100%
59	94%
58	88%

1	57	82%
2	56	76%
3	55	70%

4 Any elected official first elected or appointed to an elected
 5 office on or after November 1, 2011, who has a minimum of ten (10)
 6 years' elected or appointed service may retire under the early
 7 retirement provisions of this act, including those electing a vested
 8 benefit and shall receive an adjustment of annual benefits in
 9 accordance with the following percentage schedule:

10		Percentage of Normal
11	Age	Retirement Benefits
12	62	100%
13	61	93.33%
14	60	86.67%

15 C. 1. Any elected official shall receive annual benefits
 16 computed based upon the computation factor selected multiplied by
 17 the member's highest annual compensation received as an elected
 18 official prior to retirement or termination of employment multiplied
 19 by the number of years of credited service. No elected official
 20 shall retire using such highest annual compensation unless the
 21 elected official has made the required election and has paid the
 22 required contributions on such salary.

23 2. The retirement benefit may be computed pursuant to the
 24 provisions of paragraph (1) of subsection A of Section 915 of this

1 title if the benefit would be higher. Elected officials who have a
2 vested benefit prior to July 1, 1980, may elect to receive annual
3 benefits based on the alternate formula provided above. Such annual
4 benefits shall be paid in equal monthly installments.

5 3. Elected officials who become members of the Oklahoma Public
6 Employees Retirement System on or after August 22, 2008, will
7 receive retirement benefits in accordance with the computation
8 factor selected pursuant to subsection A of this section multiplied
9 by the member's highest annual compensation received as an elected
10 official and only for those years of credited service the member
11 served as an elected official. If such elected official has
12 participating service as a nonelected member, then such nonelected
13 service shall be computed separately pursuant to the provisions of
14 paragraph (1) of subsection A of Section 915 of this title with the
15 final benefit result added to the final benefit result for elected
16 service. In no event shall the elected official be entitled to
17 apply the computation factor selected pursuant to subsection A of
18 this section or the compensation received as an elected official to
19 the computation of nonelected service.

20 4. Elected officials who are first elected or appointed to an
21 elected office on or after August 22, 2008, may not receive a
22 maximum benefit greater than their single highest annual
23 compensation received as a member of the Oklahoma Public Employees
24 Retirement System.

1 D. Any elected official making an election to participate at a
2 computation factor less than the maximum and later selecting a
3 higher computation factor shall contribute to the System a sum equal
4 to the amount which the elected official would have contributed if
5 the elected official had made such election at the time the elected
6 official first became eligible, plus interest as determined by the
7 Board, in order to receive the additional benefits for all service
8 as an elected official; otherwise, the additional benefits shall be
9 applicable only to service for which the elected official pays the
10 appropriate percent of contributions to the System.

11 E. The surviving spouse of a deceased elected official who was
12 first elected or appointed to an elected office before November 1,
13 2011, and who has at least six (6) years of participating service
14 and the surviving spouse of a deceased elected official who was
15 first elected or appointed to an elected office on or after November
16 1, 2011, and who has at least eight (8) years of participating
17 service shall be entitled to receive survivor benefits in the amount
18 herein prescribed, if married to the decedent continuously for a
19 period of at least three (3) years immediately preceding the elected
20 official's death. Provided the elected official had met the service
21 requirements, survivor benefits shall be payable when the deceased
22 member would have met the requirements for normal or early
23 retirement. The amount of the benefits the surviving spouse may
24 receive shall be fifty percent (50%) of the amount of benefits the

1 deceased elected official was receiving or will be eligible to
2 receive. Elected officials may elect a retirement option as
3 provided in Section 918 of this title in lieu of the survivors
4 benefit provided above.

5 F. Any elected official who served in the Armed Forces of the
6 United States, as defined in paragraph (23) of Section 902 of this
7 title, prior to membership in the Oklahoma Public Employees
8 Retirement System shall be granted credited service of not to exceed
9 five (5) years for those periods of active military service during
10 which the elected official was a war veteran.

11 G. Anyone appointed or elected to an elected position after
12 July 1, 1990, shall not be eligible to receive benefits as provided
13 in this section until such person has participated as an elected
14 official for six (6) years. Anyone appointed or elected to an
15 elected position on or after November 1, 2011, shall not be eligible
16 to receive benefits as provided in this section until such person
17 has participated as an elected official for eight (8) years.

18 H. Elected officials who terminate participation in the System
19 and who have a minimum of six (6) years of participating service
20 shall be entitled to elect a vested benefit and shall be entitled to
21 the retirement options as provided in Section 918 of this title in
22 lieu of the survivors benefit provided in subsection E of this
23 section. Elected officials, first elected or appointed to an
24 elected office on or after November 1, 2011, who terminate

1 participation in the System and who have a minimum of eight (8)
2 years of participating service shall be entitled to elect a vested
3 benefit and shall be entitled to retirement options as provided in
4 Section 918 of this title in lieu of the survivors benefits provided
5 in subsection E of this section.

6 I. In determining the number of years of credited service, a
7 fractional year of six (6) months or more shall be considered as one
8 (1) year, and less than six (6) months or more shall be disregarded.
9 For members who joined the System on or after November 1, 2011, the
10 number of years of credited service shall be based on actual years
11 and months of credited service without rounding up or down.

12 SECTION 8. AMENDATORY 74 O.S. 2021, Section 920, is
13 amended to read as follows:

14 Section 920. (1) Effective July 1, 1994, every state agency
15 which is a participating employer shall contribute to the System an
16 amount equal to eleven and one-half percent (11 1/2%) of the monthly
17 compensation of each member, but not in excess of Forty Thousand
18 Dollars (\$40,000.00).

19 (2) Effective July 1, 1995, every state agency which is a
20 participating employer shall contribute to the System an amount
21 equal to eleven and one-half percent (11 1/2%) of the monthly
22 compensation of each member, not to exceed the allowable annual
23 compensation as defined in paragraph (9) of Section 902 of this
24 title.

1 (3) Effective July 1, 1996, every state agency which is a
 2 participating employer shall contribute to the System an amount
 3 equal to twelve percent (12%) of the monthly compensation of each
 4 member, not to exceed the allowable annual compensation defined in
 5 paragraph (9) of Section 902 of this title.

6 (4) Effective July 1, 1999, and through the fiscal year ending
 7 June 30, 2005, every state agency which is a participating employer
 8 shall contribute to the System an amount equal to ten percent (10%)
 9 of the monthly compensation of each member, not to exceed the
 10 allowable annual compensation defined in paragraph (9) of Section
 11 902 of this title.

12 (5) Effective July 1, 2005, except as otherwise provided by
 13 subsection (11) of this section, every state agency which is a
 14 participating employer shall contribute an amount to the System
 15 equal to a percentage of monthly compensation of each member, not to
 16 exceed the allowable annual compensation defined in paragraph (9) of
 17 Section 902 of this title as follows:

18	July 1, 2005 - June 30, 2006	11 1/2%
19	July 1, 2006 - June 30, 2007	12 1/2%
20	July 1, 2007 - June 30, 2008	13 1/2%
21	July 1, 2008 - June 30, 2009	14 1/2%
22	July 1, 2009 - June 30, 2011	15 1/2%
23	July 1, 2011 - June 30, 2012	
24	and each year thereafter	16 1/2%

1 (6) The Board shall certify, on or before November 1 of each
2 year, to the Office of Management and Enterprise Services an
3 actuarially determined estimate of the rate of contribution which
4 will be required, together with all accumulated contributions and
5 other assets of the System, to be paid by each participating
6 employer to pay all liabilities which shall exist or accrue under
7 the System, including amortization of the past service cost over a
8 period of not to exceed forty (40) years from June 30, 1987, and the
9 cost of administration of the System, as determined by the Board,
10 upon recommendation of the actuary.

11 (7) The Office of Management and Enterprise Services and the
12 Governor shall include in the budget and in the budget request for
13 appropriations the sum required to satisfy the state's obligation
14 under this section as certified by the Board and shall present the
15 same to the Legislature for allowance and appropriation.

16 (8) Each other participating employer shall appropriate and pay
17 to the System a sum sufficient to satisfy the obligation under this
18 section as certified by the Board.

19 (9) Each participating employer is hereby authorized to pay the
20 employer's contribution from the same fund that the compensation for
21 which said contribution is paid from or from any other funds
22 available to it for such purpose.

23 (10) Forfeitures arising from severance of employment, death or
24 for any other reason may not be applied to increase the benefits any

1 member would otherwise receive under the System's law. However,
2 forfeitures may be used to reduce an employer's contribution.

3 ~~(11) Effective November 1, 2015, an employer shall be required~~
4 ~~to make payment to the Oklahoma Public Employees Retirement System~~
5 ~~of the amount described by subsection A of Section 10 of this act~~
6 ~~with respect to any employee who is a participant in the defined~~
7 ~~contribution system created pursuant to the provisions of Sections 1~~
8 ~~through 11 of this act. The employer shall be required to make the~~
9 ~~required matching contribution amount for all employees that~~
10 ~~participate in the defined contribution system and to remit the~~
11 ~~difference between such amount and the amount the employer would~~
12 ~~otherwise have paid pursuant to the provisions of this section to~~
13 ~~the Oklahoma Public Employees Retirement System.~~

14 SECTION 9. AMENDATORY 74 O.S. 2021, Section 1707, is
15 amended to read as follows:

16 Section 1707. A. Effective January 1, 1998, for each qualified
17 participant as defined in this section who is a state employee as
18 defined in this section, the Oklahoma Public Employees Retirement
19 System shall pay each month from funds appropriated or deposited to
20 the Oklahoma State Employees Deferred Savings Incentive Plan Fund
21 created pursuant to this section the sum of Twenty-five Dollars
22 (\$25.00) to a plan established pursuant to the Internal Revenue
23 Code, Section 401(a), for the benefit of the employee; provided, if
24 monies in the fund are insufficient to fully fund the contributions

1 in any month, payments shall be suspended until such time as
2 sufficient monies are available. Employees receiving payroll other
3 than monthly shall have an amount contributed which is equivalent to
4 Twenty-five Dollars (\$25.00) per month.

5 B. For the purposes of this section, "qualified participant"
6 means a state employee as defined in this section who is an active
7 participant in the Oklahoma State Employees Deferred Compensation
8 Plan making deferrals of at least Twenty-five Dollars (\$25.00) per
9 month. ~~A qualified participant shall not include an employee who~~
10 ~~participates in the defined contribution system administered by the~~
11 ~~Oklahoma Public Employees Retirement System on or after November 1,~~
12 ~~2015.~~ Effective July 1, 2000, each qualified participant shall be
13 eligible for a contribution of Twenty-five Dollars (\$25.00) to the
14 Oklahoma State Employees Deferred Savings Incentive Plan beginning
15 with the first employee deferral into the Oklahoma State Employees
16 Deferred Compensation Plan. The Director of the Office of
17 Management and Enterprise Services shall be responsible for the
18 provision of such information and assistance as may be necessary to
19 determine which employees are qualified participants and shall
20 provide for appropriate payroll transactions to accomplish
21 contributions to the Oklahoma State Employees Deferred Savings
22 Incentive Plan and the Oklahoma State Employees Deferred
23 Compensation Plan. The Oklahoma Public Employees Retirement System
24 shall be responsible for establishing rules and plan documents for

1 administration of such contributions. Funds so credited shall be
2 held and invested in the same manner as the Oklahoma State Employees
3 Deferred Compensation Plan, as provided in Section 1701 of this
4 title.

5 C. For the purposes of this section, "state employee" means any
6 officer or employee of the executive, legislative, or judicial
7 branches of the government of this state who is an active member of
8 a public retirement system of this state, but does not include:

9 1. Employees of the public elementary, secondary, or area
10 vocational school districts;

11 2. Employees of The Oklahoma State System of Higher Education
12 except employees of the Oklahoma State Regents of Higher Education,
13 employees of the governing boards and employees of the Board of
14 Regents of the University of Oklahoma who are participating members
15 of the Oklahoma Public Employees Retirement System;

16 3. Persons on temporary, student, internship, or other limited-
17 term appointments except for Executive Fellows in the Carl Albert
18 Public Internship Program created in Section 840-3.4 of this title;
19 or

20 4. Persons employed pursuant to Section 1.6a of Title 53 of the
21 Oklahoma Statutes.

22 D. No public official shall be able to make contributions to
23 the Section 401(a) plan described by this section during a term of
24 office which commenced prior to July 1, 1997. A public official may

1 make contributions to the Section 401(a) plan described by this
2 section during a term of office which commences after July 1, 1997.
3 No legislator shall be eligible to make contributions to the Section
4 401(a) plan described by this section until such contributions have
5 been approved by the Board on Legislative Compensation. The
6 provisions of this subsection shall be applicable only in the event
7 that the Plan permits employee contributions.

8 E. There is hereby created in the State Treasury a revolving
9 fund to be designated the "Oklahoma State Employees Deferred Savings
10 Incentive Plan Fund". The fund shall be a continuing fund, not
11 subject to fiscal year limitations, and shall consist of any monies
12 the Legislature may appropriate or transfer to the fund and any
13 monies contributed for the fund from any other sources, public or
14 private. All monies accruing to the credit of said fund are hereby
15 appropriated and may be budgeted and expended by the Oklahoma Public
16 Employees Retirement System for the matching of deferred
17 compensation contributions pursuant to this section and in
18 accordance with rules promulgated by the Oklahoma Public Employees
19 Retirement System and for reimbursement of expenses for
20 administration of the Deferred Savings Incentive Plan and the
21 Oklahoma State Employees Deferred Compensation Plan. Expenditures
22 from the fund shall be made by warrants issued by the State
23 Treasurer against claims filed as prescribed by law with the

24

1 Director of the Office of Management and Enterprise Services for
2 approval and payment.

3 F. Effective July 1, 2000, every employer which has state
4 employees participating in the Oklahoma State Employees Deferred
5 Savings Incentive Plan shall pay to the Fund an amount equal to
6 Twenty-five Dollars (\$25.00) each month for each qualified
7 participant as defined in this section, along with an amount to
8 reimburse the cost of administration of the Oklahoma State Employees
9 Deferred Savings Incentive Plan and the Oklahoma State Employees
10 Deferred Compensation Plan for each qualified participant, as
11 determined by the Board.

12 1. The Board shall certify each year to the Office of
13 Management and Enterprise Services the determined amount for the
14 administrative cost of the Oklahoma State Deferred Savings Incentive
15 Plan and the Oklahoma State Employees Deferred Compensation Plan
16 which will be required to be paid for each qualified participant.
17 The Board of Trustees shall promulgate such rules as are necessary
18 to implement the provisions of this subsection and provide the
19 methodology for the determination.

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

23 3. Each employer is hereby authorized to pay the employer's
24 contribution from the same fund that the compensation for which said

1 contribution is paid from or from any other funds available to it
2 for such purpose.

3 Passed the House of Representatives the 24th day of March, 2022.

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5 _____
6 Presiding Officer of the House
7 of Representatives

8 Passed the Senate the ____ day of _____, 2022.

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10 _____
11 Presiding Officer of the Senate

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