

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 527</b>
<b>Version:</b>	<b>Engrossed</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. McEntire</b>
<b>Date:</b>	<b>4/11/2022</b>
<b>Impact:</b>	<b>\$4.5 million for the first 5 years; would be self-sustaining over time</b>

**Research Analysis**

SB 527 creates the Oklahoma Prosperity Act, which directs the State Treasurer to design, establish, and operate the Oklahoma Prosperity Act Program. The program allows participating employers to offer to covered employees the opportunity to contribute to an IRA established under the program through withholding of their wages. Employees may be automatically enrolled in the program unless they choose to opt out, and the minimum contribution rate of each enrollee will be 3 percent. The measure creates the Oklahoma Prosperity Act Administrative Fund, which will consist of monies appropriated and administrative fees, and the Oklahoma Prosperity Act Trust, in which the assets of IRAs established for covered employees will be allocated and combined for investment purposes. The State Treasurer is authorized to appoint qualified financial institutions to act as trustee or custodian of the IRA accounts. There is to be no liability for the state, the program, the State Treasurer, or any employer for investment losses incurred by a covered employee, and the trust and each investment fund will not be subject to state income tax. The program must be established so that employees can begin to make contributions within 24 months of the effective date of the act, but the State Treasurer may extend that period by 12 months. Additionally, the State Treasurer may create a pilot program and/or provide for a staggered rollout of the program. Finally, the measure requires audited financial reports to be submitted to the Governor and Legislature within two years after the program is established and annually every fiscal year thereafter.

Prepared By: Emily McPherson

**Fiscal Analysis**

In its current form, the State Treasurer estimates that SB 527 would have start-up, administrative costs of approximately \$4.5 million over the first five years (or \$900,000 per year). According to the Treasurer, the IRA program would theoretically become self-sustaining over time based on fees generated. This estimate is based on states that have implemented similar programs and prepared feasibility studies.

Prepared By: Nathan Shugart

**Other Considerations**

None.

