

Bill Summary
1st Session of the 58th Legislature

Bill No.:	SB 527
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Bill Analysis

SB 527 creates the Oklahoma Sooner Choice Trust Act and accompanying fund. Any private employer and its employees may participate in the form of an automatic enrollment payroll deduction individual retirement account. The program shall be administered by the newly created Oklahoma Sooner Choice Trust Board, which shall be comprised of 6 members. Members of the Board shall not receive compensation. Any appointment to the Board made by the Governor without the advice of President Pro Tempore of the Senate or the Speaker of the House shall be subject to the advice and consent of the Senate.

The Board's responsibilities shall include operating the program in a manner that prudently invests the retirement funds in a manner consistent with best practices, maximizes participation and savings, maintains simplicity, ensures the portability of benefits, and provides for the deaccumulation of enrollee assets in a manner that maximizes financial security. The measure directs the Board to conduct at least a biennial review of investment vendors contracting with the Board. Administrative fees for each account must be allocated on a pro rata basis. Contribution levels shall be in accordance with limits established for IRAs by the Internal Revenue Code. The measure further directs the Board to annually prepare and adopt a written statement of investment policy. The policy must prohibit the Board from borrowing for investment purposes. Monies in the fund shall be invested by the State Treasurer, subject to the Board's investment options. The Board shall also provide certain reports to the Governor, State Treasurer, Legislature and participating employers, which the Treasurer shall post on its website.

The measure directs the Board to design and disseminate to all employers an employer information packet and an employee information packet for educational purposes. The information packet must contain the information outlined in the measure. For the first 6 months of the program, the Board must provide a process through which employers may register for the program. Enrollment shall begin 2 years after the effective date of the measure; however, the Board may extend the implementation period by another 12 months if needed. Employees may select a contribution level and investment option. Employers enrolled in the program shall designate an open enrollment period for the program and shall facilitate a payroll deposit retirement savings arrangement to allow each eligible employee to participate in the program at least 9 months after the Board opens the program for enrollment. Employees of participating employers are automatically enrolled. Employers that fail to enroll employees that do not opt out of the program are subject to certain penalties. The measure specifies that the state is not liable for any benefits provided for under the Act.

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