

Bill Summary
1st Session of the 58th Legislature

Bill No.:	SB 891
Version:	INT
Request No.:	1173
Author:	Sen. Newhouse
Date:	01/27/2021

Bill Analysis

SB 891 directs the Teachers' Retirement System to establish a defined contribution system for persons employed after November 1, 2022, in a full-time equivalent position or a position which is less than full-time but more than half-time position. Nonclassified optional personnel shall not be eligible to participate in the program. The measure also directs the Board of Trustees for the System to ensure the contribution system is recognized as a tax-qualified plan. Employees shall contribute a minimum of 4.5% of their pre-tax compensation. Employers may match contributions up to 6% of the employees' contribution unless the employee elects to contribute 7%. The employer shall match the 7% contribution in such cases. Employers must match the contribution within 5 business days. Participants in the program shall be 100% vested 5 years into the program, though it shall only apply to their account. Employees leaving the service prior to 100% vestment shall forfeit the funds but may be credited for years of service if reemployed. Each participating employer is directed to remit to the Teachers' Retirement System of Oklahoma the difference between the amount of money which would be remitted to the System using the employer contribution rate and the amount of money required for the participating employer to make the required matching contribution amount on behalf of a participating employee. The Board of Trustees of the Teachers' Retirement System of Oklahoma shall contract with 1 or more business entities to create a range of choices for participants.

Prepared by: Kalen Taylor