

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 632 By: Montgomery of the Senate
3 and
4 Lepak of the House
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7 An Act relating to the Oklahoma Public Employees
8 Retirement System; amending 74 O.S. 2021, Section
9 935.5, which relates to employer contribution amount;
10 increasing employer matching amount for certain
11 contributions; updating statutory language; updating
12 statutory reference; and further increasing employer
13 match requirement under certain circumstances.

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15 AMENDMENT NO. 1. Page 1, Lines 6 through 9, strike the title to
16 read as follows:

17 "[Oklahoma Public Employees Retirement System -
18 employer contribution amount - increase of employer
19 matching amount]"
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1 ENGROSSED SENATE
2 BILL NO. 632

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7 Retirement System; amending 74 O.S. 2021, Section
8 935.5, which relates to employer contribution amount;
9 increasing employer matching amount for certain
10 contributions; updating statutory language; updating
11 statutory reference; and further increasing employer
12 match requirement under certain circumstances.

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

12 SECTION 1. AMENDATORY 74 O.S. 2021, Section 935.5, is
13 amended to read as follows:

14 Section 935.5. A. Except as otherwise provided by subsection B
15 of this section, employers of employees who become participants in
16 the defined contribution retirement system shall match the employee
17 contribution paid on a monthly or more frequent basis at the rate of
18 ~~six percent (6.0%)~~ eight percent (8%) based on the same compensation
19 amount used to compute the employee contribution amount.

20 B. If an employee selects a contribution rate of ~~seven percent~~
21 ~~(7.0%)~~ eight percent (8%) or more, but not higher than allowed
22 pursuant to the maximum annual contribution limit prescribed by
23 Section 415 of the Internal Revenue Code of 1986, as amended, the
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1 employer matching amount shall be ~~seven percent (7.0%)~~ ten percent
2 (10%).

3 C. The initial four and five-tenths percent (4.5%) employee
4 contribution shall be the only mandatory contribution of an employee
5 participating in the defined contribution retirement system created
6 by ~~this act~~ Section 935.1 et seq. of this title. These funds shall
7 be placed by the Oklahoma Public Employees Retirement System in
8 either a 401(a) plan or a 457(b) plan, to be determined by the Board
9 of Trustees to maintain the plan consistent with the Internal
10 Revenue Code. Any employee contributions eligible to be matched
11 under this section over the four and five-tenths percent (4.5%)
12 initial contribution shall be considered voluntary deferrals of
13 compensation and placed in a 457(b) plan. All employer matching
14 funds shall be placed in a 401(a) plan.

15 Any contribution rate that is more than the four and five-tenths
16 percent (4.5%) rate can be chosen by the participating employee upon
17 the employee's initial participation, and can be changed once per
18 month. The employee contribution rate chosen shall continue until
19 the employee elects to change the contribution rate or terminates
20 service or retires.

21 D. The employer match as set forth in subsection A of this
22 section may be increased at any time by the Legislature without
23 affecting the then-existing rights of participating employees and
24 beneficiaries in order to encourage participating employees to

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

9 Passed the Senate the 21st day of March, 2023.

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11 _____
12 Presiding Officer of the Senate

13 Passed the House of Representatives the ____ day of _____,
14 2023.

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16 _____
17 Presiding Officer of the House
18 of Representatives

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