

1 ENGROSSED SENATE  
2 BILL NO. 632

By: Montgomery of the Senate

and

Lepak of the House

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6 An Act relating to the Oklahoma Public Employees  
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  
24

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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17 Presiding Officer of the House  
18 of Representatives

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