

SENATE FLOOR VERSION

February 22, 2023

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COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 632

By: Montgomery

[Oklahoma Public Employees Retirement System -
employer contribution]

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

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

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

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

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

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

19 D. The employer match as set forth in subsection A of this
20 section may be increased at any time by the Legislature without
21 affecting the then-existing rights of participating employees and
22 beneficiaries in order to encourage participating employees to
23 accumulate deferred income reserves for themselves and their
24 dependents. The employer match may be decreased at any time by the

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

7 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
8 February 22, 2023 - DO PASS AS AMENDED BY CS
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