

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 SENATE BILL NO. 889

By: Montgomery

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5  
6 AS INTRODUCED

7 An Act relating to Oklahoma State Employees  
8 Retirement System; amending 74 O.S. 2011, Section  
9 1707, as last amended by Section 14, Chapter 375,  
10 O.S.L. 2014 (74 O.S. Supp. 2018, Section 1707), which  
11 relates to the deferred savings incentive plan;  
12 modifying sum deposited into certain accounts from  
13 the Oklahoma State Employees Deferred Savings  
14 Incentive Plan Fund; modifying definition; modifying  
15 sum deposited into the Oklahoma State Employees  
16 Deferred Savings Incentive Plan; updating statutory  
17 language; and providing an effective date.

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

19 SECTION 1. AMENDATORY 74 O.S. 2011, Section 1707, as  
20 last amended by Section 14, Chapter 375, O.S.L. 2014 (74 O.S. Supp.  
21 2018, Section 1707), is amended to read as follows:

22 Section 1707. A. Effective January 1, 1998, for each qualified  
23 participant as defined in this section who is a state employee as  
24 defined in this section, the Oklahoma Public Employees Retirement  
System shall pay each month from funds appropriated or deposited to  
the Oklahoma State Employees Deferred Savings Incentive Plan Fund  
created pursuant to this section the sum of Twenty-five Dollars

1 (\$25.00) through December 31, 2020, and effective January 1, 2021,  
2 Fifty Dollars (\$50.00) to a plan established pursuant to the  
3 Internal Revenue Code, Section 401(a), for the benefit of the  
4 employee; provided, if monies in the fund are insufficient to fully  
5 fund the contributions in any month, payments shall be suspended  
6 until such time as sufficient monies are available. Employees  
7 receiving payroll other than monthly shall have an amount  
8 contributed which is equivalent to Twenty-five Dollars (\$25.00) per  
9 month through December 31, 2020, and effective January 1, 2021,  
10 Fifty Dollars (\$50.00) per month.

11 B. For the purposes of this section, "qualified participant"  
12 means a state employee as defined in this section who is an active  
13 participant in the Oklahoma State Employees Deferred Compensation  
14 Plan making deferrals of at least Twenty-five Dollars (\$25.00) per  
15 month through December 31, 2020, and effective January 1, 2021,  
16 Fifty Dollars (\$50.00) per month. A qualified participant shall not  
17 include an employee who participates in the defined contribution  
18 system administered by the Oklahoma Public Employees Retirement  
19 System on or after November 1, 2015. Effective July 1, 2000, each  
20 qualified participant shall be eligible for a contribution of  
21 Twenty-five Dollars (\$25.00) through December 31, 2020, and  
22 effective January 1, 2021, Fifty Dollars (\$50.00) to the Oklahoma  
23 State Employees Deferred Savings Incentive Plan beginning with the  
24 first employee deferral into the Oklahoma State Employees Deferred

1 Compensation Plan. The Director of the Office of Management and  
2 Enterprise Services shall be responsible for the provision of such  
3 information and assistance as may be necessary to determine which  
4 employees are qualified participants and shall provide for  
5 appropriate payroll transactions to accomplish contributions to the  
6 Oklahoma State Employees Deferred Savings Incentive Plan and the  
7 Oklahoma State Employees Deferred Compensation Plan. The Oklahoma  
8 Public Employees Retirement System shall be responsible for  
9 establishing rules and plan documents for administration of such  
10 contributions. Funds so credited shall be held and invested in the  
11 same manner as the Oklahoma State Employees Deferred Compensation  
12 Plan, as provided in Section 1701 of this title.

13 C. For the purposes of this section, "state employee" means any  
14 officer or employee of the executive, legislative, or judicial  
15 branches of the government of this state who is an active member of  
16 a public retirement system of this state, but does not include:

17 1. Employees of the public elementary, secondary, or area  
18 vocational school districts;

19 2. Employees of The Oklahoma State System of Higher Education  
20 except employees of the Oklahoma State Regents of Higher Education,  
21 employees of the governing boards and employees of the Board of  
22 Regents of the University of Oklahoma who are participating members  
23 of the Oklahoma Public Employees Retirement System;

1           3. Persons on temporary, student, internship, or other limited-  
2 term appointments except for Executive Fellows in the Carl Albert  
3 Public Internship Program created in Section 840-3.4 of this title;  
4 or

5           4. Persons employed pursuant to Section 1.6a of Title 53 of the  
6 Oklahoma Statutes.

7           D. No public official shall be able to make contributions to  
8 the Section 401(a) plan described by this section during a term of  
9 office which commenced prior to July 1, 1997. A public official may  
10 make contributions to the Section 401(a) plan described by this  
11 section during a term of office which commences after July 1, 1997.  
12 No legislator shall be eligible to make contributions to the Section  
13 401(a) plan described by this section until such contributions have  
14 been approved by the Board on Legislative Compensation. The  
15 provisions of this subsection shall be applicable only in the event  
16 that the Plan permits employee contributions.

17           E. There is hereby created in the State Treasury a revolving  
18 fund to be designated the "Oklahoma State Employees Deferred Savings  
19 Incentive Plan Fund". The fund shall be a continuing fund, not  
20 subject to fiscal year limitations, and shall consist of any monies  
21 the Legislature may appropriate or transfer to the fund and any  
22 monies contributed for the fund from any other sources, public or  
23 private. All monies accruing to the credit of ~~said~~ the fund are  
24 hereby appropriated and may be budgeted and expended by the Oklahoma

1 Public Employees Retirement System for the matching of deferred  
2 compensation contributions pursuant to this section and in  
3 accordance with rules promulgated by the Oklahoma Public Employees  
4 Retirement System and for reimbursement of expenses for  
5 administration of the Deferred Savings Incentive Plan and the  
6 Oklahoma State Employees Deferred Compensation Plan. Expenditures  
7 from the fund shall be made by warrants issued by the State  
8 Treasurer against claims filed as prescribed by law with the  
9 Director of the Office of Management and Enterprise Services for  
10 approval and payment.

11 F. Effective July 1, 2000, every employer which has state  
12 employees participating in the Oklahoma State Employees Deferred  
13 Savings Incentive Plan shall pay to the Fund an amount equal to  
14 Twenty-five Dollars (\$25.00) through December 31, 2020, and  
15 effective January 1, 2021, Fifty Dollars (\$50.00) each month for  
16 each qualified participant as defined in this section, along with an  
17 amount to reimburse the cost of administration of the Oklahoma State  
18 Employees Deferred Savings Incentive Plan and the Oklahoma State  
19 Employees Deferred Compensation Plan for each qualified participant,  
20 as determined by the Board.

21 1. The Board shall certify each year to the Office of  
22 Management and Enterprise Services the determined amount for the  
23 administrative cost of the Oklahoma State Deferred Savings Incentive  
24 Plan and the Oklahoma State Employees Deferred Compensation Plan

1 which will be required to be paid for each qualified participant.  
2 The Board of Trustees shall promulgate such rules as are necessary  
3 to implement the provisions of this subsection and provide the  
4 methodology for the determination.

5 2. Each employer shall pay at least monthly to the Fund the sum  
6 sufficient to satisfy the obligation under this section as certified  
7 by the Board.

8 3. Each employer is hereby authorized to pay the employer's  
9 contribution from the same fund that the compensation for which ~~said~~  
10 the contribution is paid from or from any other funds available to  
11 it for such purpose.

12 SECTION 2. This act shall become effective November 1, 2019.

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