

Bill Summary
1st Session of the 59th Legislature

Bill No.:	SB 882
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Author:	Sen. Montgomery
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Bill Analysis

SB 882 directs the Teachers' Retirement System of Oklahoma to establish a defined contribution system for newly employed persons of any participating employer of the System by July 1, 2024. Such persons shall not accrue service credit and shall instead participate in the newly created system. The Board of Trustees of the Teachers' Retirement System of Oklahoma shall take any action that is reasonable and necessary to have the defined contribution system be recognized as a tax-qualified plan. The default contribution rate for employees shall be 6% and the minimum shall be 4% of compensation. The measure directs the employer to match the employee rate, up to 7% of compensation. Any contribution rate that is more than the 4% rate can be chosen by the participating employee upon the employee's initial participation and can be changed once per month. Employees shall make the contribution within 5 business days of the payroll pay date. Employees shall be vested with 100% of their contributions starting with the date of their employment. Such persons shall start at 20% vested with the employer's contributions, gradually rising to 100% after a 5-year period. Each employer which has employees participating in the defined contribution system shall pay to the System in the same manner and at the same time required for contributions an amount to reimburse the cost of administration of the defined contribution system.

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