



Step-Up Election Form

515-199-12
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PART 1 – TO BE COMPLETED BY THE MEMBER.

Name (First, Middle, Last)

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Social Security number

Agency name

Agency number

I hereby make an irrevocable election to participate in the Step-Up provisions. I understand that this election will be effective with the first pay period following acceptance by my employer. I understand that this election requires me to make additional retirement contributions required by Title 74 O.S., § 919.1 and § 920A., as amended, currently set at an additional 2.91% of compensation. By making this election, I understand that I will receive retirement benefits calculated using a computation factor of 2.5% for each full year (12 months or 2,076 hours) of participating service for which I pay the additional contributions.

I understand that this election is irrevocable and that neither transfer to another participating employer, nor break in service, nor termination and withdrawal from the Oklahoma Public Employees Retirement System, nor termination and retirement from the System will alter or cancel this election. I further understand that subsequent changes to the law may increase or decrease the additional contribution which I am required by this election to pay.

I understand that by participating in the Step-Up I cannot participate in the Excess Benefit Plan to the extent any excess benefit is attributable to my Step-Up election.*

I have read and understood the plan provisions for the Step-Up and I hereby make an irrevocable election to participate.

Member's signature

Date

NOTE: Deliver this form to your Retirement Coordinator. He or she will then forward it to OPERS.

PART 2 – TO BE COMPLETED BY THE RETIREMENT COORDINATOR.

Accepted: Payroll has been adjusted to withhold additional contributions effective with the payroll period beginning:

Month

Day

Year

Retirement Coordinator's signature

Date

IMPORTANT: Retain a copy for your agency records and return the original form to OPERS.

* The Excess Benefit Plan permits members whose benefit may exceed limits imposed by federal tax laws to receive the excess over such limits (26 U.S.C. §415). The Excess Benefit Plan applies only to a very small number of members.

What is the Step-Up?

Members may increase their retirement benefits by paying an additional member contribution to increase or “step-up” their benefit computation factor from 2.0% to 2.5% by submitting this form to their agency’s payroll department. All actively participating OPERS members may make this election with the exception of hazardous duty employees, and elected officials first elected or appointed prior to November 1, 2011. Elected officials appointed **on or after** November 1, 2011 are eligible to participate.

Increased Benefit

The standard formula for calculating retirement benefits for most OPERS members uses a computation factor of 2.0% (or 0.02) as shown in the table below. As you can see in the other table, the Step-Up formula uses an increased computation factor of 2.5%.

Standard Formula		Step-Up Formula	
	Final Average Compensation		Final Average Compensation
x	Years of Service Credit	x	Years of Service Credit
x	0.02 (2.0% benefit computation factor)	x	0.025 (2.5% benefit computation factor)
=	Gross Annual Benefit (Standard)	=	Gross Annual Benefit (Step-Up)

The 2.5% computation factor will be applied only to **full** years (12 months) of participating service you accrue after the election of the Step-Up is made. (NOTE: 2,076 hours equals a full year of participating service). Service accrued prior to your election, partial years of service (including participation in the Step-Up for partial years), purchased credit, prior service, military service, transported service, bonus years and unused sick leave will all be calculated at the regular 2.0% computation factor.

Additional Contributions Required

You are required to make an additional retirement contribution in order to step-up your retirement benefit. Currently, this actuarially determined amount is an additional 2.91% of your compensation for retirement purposes. It is important to understand regular employee contribution rates and/or the additional Step-Up rate are subject to change under state law and could increase or decrease in the future.

As a participating member, you need to evaluate your individual circumstances to determine whether the Step-Up is right for you. The increased member contributions will lower your take-home pay. Remember, you are not permitted to withdraw your OPERS retirement contributions unless you terminate your employment and membership in OPERS. There are no provisions for stopping the Step-Up once it has begun.

A Binding Decision

This is an **irrevocable election** and is binding on all future participation in OPERS, including a change in position, a break in service, or returning to OPERS participating employment after retiring or having withdrawn retirement contributions from previous periods of employment.

Members electing the Step-Up are not permitted to participate in the Excess Benefit Plan to the extent any excess benefit is attributable to the Step-Up election. The Excess Benefit Plan applies only to a very small number of members and permits members whose benefit may exceed federal tax laws to receive the excess over such limits. (26 U.S.C. §415)

For more information, see the Step-Up brochure on the OPERS website at www.opers.ok.gov.