



O K L A H O M A

Essentials for Prospective Employers

The Oklahoma Public Employees Retirement System (OPERS) is a qualified defined benefit retirement plan established in 1964 by the Oklahoma State Legislature and is dedicated to providing quality retirement services to its members.

What is a Defined Benefit Plan?

A defined benefit plan promises its members a lifetime retirement benefit based on a formula when the member meets certain eligibility requirements. A defined benefit plan is an incredible benefit to offer employees:

- Provides a predictable monthly retirement benefit
- Allows the option of a survivor (spouse) benefit
- Defined benefits are not dependent on asset returns
- And OPERS, not the employee, takes on the investment risks and decisions

How Much Will the Benefit Be?

Members can figure out how their OPERS benefit will help meet their financial needs in retirement by using a simple formula:

Final Average
Compensation



Years of
Service



Computation
Factor (2%)

For every year of service, the member will receive 2% of their final average salary in retirement benefit.

(The formula is different for elected officials and hazardous duty members.)

Employer Eligibility

An eligible employer may join OPERS in January of any year. To be eligible to join, the employer must meet the requirements of membership as found in 74 O.S. § 902(13):

- Be an Oklahoma local government organization. Emergency medical service districts may also join the System upon proper application to the Board.
- All eligible employees are covered by Social Security
- All eligible employees are not covered or eligible for another retirement plan authorized under Oklahoma state law

Costs and Responsibilities

Offering a defined benefit plan has a high cost for employers. This includes a minimum contribution cost of 20% of every payroll for every employee. This amount is set by legislation and subject to change. However, in providing a defined benefit plan you provide an uncommon and attractive benefit to recruit and retain employees.

Requirements

- Every eligible employee must participate
- Ability to cover cost of contributions
- Ability to cover cost of unused sick leave (up to 960 hours)
- Acknowledgment of membership being irrevocable

Commitments

- Name a main and alternate retirement coordinator(s)
- Provide salary and hours for each employee every payroll cycle
- Keep permanent records of all employee's salary and hours
- Enroll new employees in a timely manner
- Assist employees with completing retirement forms and remembering deadlines
- Relaying relevant information to employees

Employer and employee participation in OPERS is irrevocable. Employers may not withdraw from the System for any reason.

Employee Eligibility

Membership in OPERS is mandatory for all employees who meet qualifications:

- Be employed in a permanent position;
- Work at least 1,000 hours in a rolling calendar year; and,
- Earn at least the minimum state wage or the minimum wage established by the local governmental entity.

What do you need to do to join?

1. Gain pre-approval from OPERS.

Use the form at opers.ok.gov/prospective-employer to submit a copy of the document that created your organization (e.g. trust indenture, charter, etc.) and request approval.

2. Your organization's governing body must act to:

- Certify OPERS approval to join.
- Pass a resolution for pre or post tax contributions. (Templates provided).
- Pass a resolution choosing employer and employee contribution rates.

3. File all three certified copies of resolutions with OPERS before January 1 of the year the employer wishes to join the System.