



# Step-Up Election Form

515-199-24  
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**Once you enroll, you cannot stop or pause the Step-Up contribution.** For more information, and to verify your eligibility to participate in Step-Up, visit [opers.ok.gov/step-up](http://opers.ok.gov/step-up).

## PART 1 – MEMBER INFORMATION

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\_\_\_\_\_  
Name (First, Middle, Last) \_\_\_\_\_  
Social Security number

\_\_\_\_\_  
Personal email address \_\_\_\_\_  
Phone number

## PART 2 – MEMBER ACKNOWLEDGMENT

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- I understand once I join Step-Up, I am always in the program. I cannot stop or pause the Step-Up contribution. I will continue to pay into Step-Up even if I change positions or return to work in the OPERS system after a break in service, retire or take a withdrawal.
- I understand this election will be effective with the first pay period following acceptance by my employer.
- I understand I will make additional retirement contributions in every paycheck required by Title 74 O.S., § 919.1 and § 920A., as amended, currently set at an additional 2.91% of compensation.
- I understand I will receive retirement benefits calculated using a computation factor of 2.5% for each full year of participating service that I pay the additional contribution.
- I understand changes to the law may increase or decrease the additional contribution I am required to pay.
- I understand once I am in the Step-Up plan, 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 understand the plan provisions for Step-Up and I hereby make an irrevocable election to participate in the Step-Up plan.**

\_\_\_\_\_  
Signature \_\_\_\_\_  
Date

**Deliver this form to your Retirement Coordinator. They will mail it 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.

## PART 3 – EMPLOYER CERTIFICATION (TO BE COMPLETED BY EMPLOYER)

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**Accepted:** Payroll is adjusted to withhold additional contributions effective the payroll period beginning:

\_\_\_\_\_  
Month \_\_\_\_\_  
Day \_\_\_\_\_  
Year

\_\_\_\_\_  
Retirement Coordinator's signature \_\_\_\_\_  
Date

\_\_\_\_\_  
Employer name \_\_\_\_\_  
Employer number

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

# 2.5% Step-Up

Your OPERS benefit is a valuable part of your future retirement income. One way to get more from your OPERS benefit is through Step-Up. Whether you are early in your career or have many years of service, you can step up your contribution and receive a greater lifetime benefit when you retire. For information about the benefit formula and retirement eligibility, review the EssentialOPERS flier at [opers.ok.gov/publications](http://opers.ok.gov/publications).

## What Is Step-Up and How Does It Work?

When you retire, OPERS calculates your benefit using a formula:



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

With Step-Up, you pay more in contributions each paycheck. In return, your benefit calculation will use a higher computation factor of 2.5%.



The higher 2.5% Step-Up rate only applies to full years (12 months) of participating service earned after starting Step-Up.

- For example, four years and 10 months in Step-Up will result in a calculation of four years at the Step-Up rate.
- All other service, including partial years of participation in Step-Up, is calculated at the standard 2% rate.<sup>1</sup>

## How Much Will Step-Up Cost Me?

- An Additional 2.91% of your gross compensation.
- To calculate your full contribution with Step-Up, add 2.91% to your current contribution rate.
- Contact your retirement coordinator or payroll clerk for your current contribution rate.
- Regular employee contribution rates and/or the Step-Up rate could change in the future.

## What Are the Requirements and Eligibility?

Most active OPERS members may enroll in Step-Up.<sup>2</sup>

- Once enrolled, you are always in the program.
- You cannot stop or pause the additional Step-Up contribution.
- You will continue to pay into Step-Up even if you change positions or return to work in the OPERS system after a break in service, retiring or taking a withdrawal.

Certain members not eligible to participate in Step-Up include:

- Elected officials appointed or elected prior to November 1, 2011.
- Hazardous duty members who are contributing at the 8% hazardous duty contribution rate.

## How Do I Enroll in Step-Up?

- Request the Step-Up Election form from your retirement coordinator.
- Complete, sign and return the form back to your retirement coordinator.
- Step-Up starts the first payroll period after your employer accepts the form.
- You can enroll as a new employee or at anytime while you are an active-participating member.

## Is Step-Up Right for Me?

Like all financial decisions, choosing to Step-Up may impact your current and retirement lifestyles. You should consider these factors before enrolling:

- Once begun, you cannot stop Step-Up contributions.
- How long do you plan to remain an active member?
- Can you afford a decrease in take-home pay due to higher employee contributions?
- Can you afford a further decrease in take-home pay should the Step-Up rate increase?
- What is your current financial standing and tax status?
- How long do you and/or your survivor plan to receive a pension from OPERS based on age and life expectancy?
- You cannot withdraw contributions until you end employment.
- Other choices for tax-sheltered saving such as SoonerSave or an IRA.

## Examples of Step-Up Benefit Comparison

This member has eight years of service. They expect to work 12 more and retire at 20 years of service with a final average compensation of \$45,000.

### Example 1: Standard Benefit Calculation

The member does not elect Step-Up. The benefit will be figured using the standard factor of 2%.

Final Average Compensation	Years of Service	Computation Factor	Annual Benefit
\$45,000	20	2%	\$18,000
<b>Monthly Benefit: \$1,500</b>			

### Example 2: Participation in Step-Up

The member elects Step-Up. This requires two calculations. One for the eight years of service with no Step-Up (2% calculation) and one for 12 years of service with Step-Up (2.5% calculation).

Final Average Compensation	Years of Service	Computation Factor	Annual Benefit
\$45,000	8 Non-Step-Up	2%	\$7,200
\$45,000	12 Step-Up	2.5%	\$13,500
<b>Combined Annual Benefit: \$20,700</b>			
<b>Total Monthly Benefit: \$1,725</b>			

By taking part in Step-Up, the member's benefit will increase an estimated \$225 a month for the rest of their lifetime.

## Additional Step-Up Contribution Projection

To fund this extra benefit, the member will pay more in contributions. The chart below projects the estimate extra amount to be withheld from pay. Keep in mind, the contribution rate could be raised or lowered by law in the future.

Assumed Salary	Computation Factor	Additional Annual Contribution
\$42,900	2.91%	\$1,248.39
\$42,900	2.91%	\$1,248.39
\$43,400	2.91%	\$1,262.94
\$43,400	2.91%	\$1,262.94
\$43,900	2.91%	\$1,277.49
\$43,900	2.91%	\$1,277.49
\$44,400	2.91%	\$1,292.04
\$44,400	2.91%	\$1,292.04
\$44,900	2.91%	\$1,306.59
\$44,900	2.91%	\$1,306.59
\$45,400	2.91%	\$1,321.14
\$45,400	2.91%	\$1,321.14
<b>Additional Contributions: \$15,417.18</b>		

*These example estimates show how Step-Up impacts benefits and take-home pay. Each person's situation is unique. You should make your own calculations based on your age, salary, and years of service. OPERS cannot make these calculations for you and cannot provide advice about your decision whether to enroll in Step-Up or the timing of that election.*

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- 1 Service calculated at the 2% rate includes partial years of service, partial years participation in Step-Up, service prior to enrollment, purchased credit, prior service, transported service, military service, bonus years and unused sick leave.
- 2 Members electing Step-Up may not 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 exceeds federal tax laws to receive the excess over such limits. (26 U.S.C.A. §415)