

**PROPOSED LEGISLATION: OKLAHOMA HB3313(2026)**

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM – HAZARDOUS

**OVERALL ASSESSMENT**



**MODERATELY BETTER**

For more details on how we make this assessment, please visit: [Equable.org/RSR-Policy-Score-Methodology](https://equable.org/RSR-Policy-Score-Methodology)

**PROPOSED LEGISLATION SUMMARY**

- The proposed bill would modify the Pathfinder defined contribution plan by enhancing benefits effective November 1, 2026.
- Employee mandatory contributions would increase by 0.5% from 4.5% to 5.0%. Employer required contributions would increase from 6.0% to 7.0%.
- Members would vest in their benefit immediately.
- The default benefit payout would change to a lifetime income annuity.

**HOW WOULD THE PROPOSED LEGISLATION CHANGE THE PROJECTED VALUE OF BENEFITS OR REPLACEMENT RATES FOR DIFFERENT GROUPS OF WORKERS COVERED BY THE RETIREMENT PLAN?**

**SHORT-TERM WORKERS**  
<10 Years of service

**MEDIUM-TERM WORKERS**  
10-20 years of service

**FULL-CAREER WORKERS**  
>20 years of service

SHARE OF ACTIVE PLAN PARTICIPANTS	76%		9%		15%	
AVERAGE RETIREMENT BENEFIT PROVIDED BY THE PLAN						
	ESTIMATED ANNUAL BENEFIT	NORMALIZED REPLACEMENT RATE	ESTIMATED ANNUAL BENEFIT	NORMALIZED REPLACEMENT RATE	ESTIMATED ANNUAL BENEFIT	NORMALIZED REPLACEMENT RATE
CURRENT PLAN	\$4,364	12.9%	\$11,542	27.3%	\$44,149	73.4%
PROPOSED CHANGES	\$4,987	13.4%	\$13,191	28.7%	\$50,456	78.7%
TOTAL VALUE OF BENEFIT EARNED (WITHDRAWN OR TAKEN AS A PENSION)						
CURRENT PLAN	\$74,641		\$197,437		\$755,194	
PROPOSED CHANGES	\$85,304		\$225,642		\$863,079	
NET CHANGE	↑ \$10,663 INCREASE		↑ \$28,205 INCREASE		↑ \$107,885 INCREASE	
RSR RETIREMENT BENEFITS SCORE (BASED ON 70% REPLACEMENT RATE TARGET)						
CURRENT PLAN	14.3 out of 30		15.0 out of 30		30 out of 30	
PROPOSED CHANGES	21.2 out of 30		21.2 out of 30		30 out of 30	
CHANGE IN SCORE	↑ 6.9 points INCREASE		↑ 6.2 points INCREASE		0.0 points NO CHANGE	

Notes: Benefit figures are in current dollars. The purchasing power of benefits earned may decline significantly for those who leave service years or decades before they are eligible to withdraw benefits. Estimated benefit values are based on a 25-year-old entrant earning an average starting salary and using the plan's salary growth assumptions. "Total Value" is equal to the net present value of benefits using the plan's reported assumptions from their most recent actuarial valuation. For more information about the Estimated Annual Benefit, Normalized Replacement Rate, and why those values may differ from your pension benefit calculator, please see our methodology article: <https://equable.org/methodology-replacement-rates/>

## EQUABLE'S ASSESSMENT

HB3313 would modify the existing Pathfinder defined contribution plan offered by the Oklahoma Public Employees Retirement System starting November 1, 2026. Pathfinder has been the retirement plan offered to new hires for OK PERS since 2015 and the proposed changes under HB3313 are intended to improve those benefits. Specifically, HB3313 increases the required employee contributions by 0.5%, increases required employer contributions by 1.0%, removes the vesting requirements for the employer contributions to members' individual retirement accounts, clarifies and formalizes the set of investment options offered to participants, and establishes a lifetime income annuity as the default distribution option.

Our overall assessment is changes to the **Pathfinder defined contribution plan proposed in HB3313 would offer moderately better retirement benefits than those currently available to Oklahoma PERS Hazardous members.**

That said, the changes proposed in HB3313, like all retirement reforms, offer a series of trade-offs that should be taken into consideration.

### Positives include:

- The increase in required contributions for both employers and employees will increase to total amount of funds being set aside for retirement, increasing account balances, and putting plan members on a more secure path to a secure retirement.
- Members under the proposed changes would immediately vest in employer contributions to their Pathfinder accounts, meaning that all contributions to their retirement accounts are portable should they want or need to leave OK PERS covered employment.
- Under the proposed bill, the OK PERS Board of Trustees is required to offer a formal set of investment options for members including both predetermined portfolio options and diversified investment choices. This will increase flexibility and optionality for those members that seek to direct their retirement investments while also maintaining a set of solid defaults for those that do not wish to be involved in the specifics of how their retirements are invested.
- The default benefit distribution would change to a lifetime income annuity, but members would still have the option to elect for a lump sum payout. This change to the benefit payout would provide members with a guaranteed income option that also removes the worries they will outlive their savings. By retaining the option for members to take other types of benefit distribution ensures that all members can receive their benefits in the way that is best for them.

### Negatives include:

- Increasing member and employer contributions come with a cost. For members, the 0.5% increase might not be that much, but it does mean more of their paychecks will go to costs outside of their control.
- Immediate vesting, while a best practice for defined contribution plans, removes one more barrier from a member deciding to leave their position and the plan. While the more generous benefits are a net positive, by removing all barriers to a member's benefits, the incentives to stay are slightly lessened.
- By offering multiple choice options, namely the investment options and lifetime income annuity benefit distribution, members may be presented with too many complex financial decisions. This places a larger burden on the plan to ensure default options are those that will best serve their members. There is also an increased need for member financial education for members to make informed decisions regarding their available options.

### ABOUT THE RETIREMENT SECURITY REPORT (RSR)

The RSR is a universe of in-depth research, interactive tools and other resources to shed light on the quality and value of retirement benefits for all public workers. All RSR projects are based on data from our comprehensive benefit database of retirement plans offered to public workers and use an open-source scoring methodology that accounts for three primary criteria: Eligibility, Income Adequacy (based on a 70% pre-retirement income replacement rate), and Flexibility & Mobility.

### ABOUT EQUABLE INSTITUTE

Equable is a bipartisan non-profit that works with public retirement system stakeholders to solve complex pension funding challenges with data-driven solutions. We exist to support public sector workers in understanding how their retirement systems can be improved, and to help state and local governments find ways to both fix threats to municipal finance stability and ensure the retirement security of all public servants.

## BACKGROUND DETAILS

### KEY RETIREMENT PLAN BENEFIT PROVISIONS

	CURRENT DC PLAN	PROPOSED PENSION PLAN
<b>VESTING</b>	5 years (graded vesting)	Immediate
<b>MEMBER CONTRIBUTION RATE</b>	Members are required to contribute 4.5% but can contribute up to 7.0% to get a higher match from the employer.	Members are required to contribute 5.0% but can contribute up to 7.0%.
<b>EMPLOYER CONTRIBUTION RATE</b>	Required to contribute 6.0% but match up to 7.0% if members contribute 7.0%.	Required to contribute 7.0%.
<b>REFUNDING POLICY</b>	Immediate vesting on member contributions and earnings. Employer portion vests in 20% increments per year until fully vested at 5 years.	Immediate vesting means members receive both member contributions and earnings along with employer contributions and earnings.
<b>COST-OF-LIVING ADJUSTMENTS</b>	No COLA available for defined contribution plans.	No COLA available for defined contribution plans.

### TOTAL RETIREMENT BENEFIT COMPARISON FOR CURRENT PLAN V. PROPOSED CHANGES

