



BRAD HENRY
GOVERNOR

STATE OF OKLAHOMA
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

March 25, 2004

TO: Superintendent of Schools and/or Financial Officers
FROM: Tommy C. Beavers, Executive Secretary
SUBJECT: TRS MATCHING FUNDS FOR THE SCHOOL YEAR 2004-05

Legislation enacted in 1999 requires the Board of Trustees of the Teachers' Retirement System to set a matching contribution rate local employers must make for employees whose salaries are paid by federal funds or externally sponsored agreements such as grants, contracts and cooperative agreements. The Board has set the contribution rate at **4.5% for the 2004-05 school year**. This is the same as the current rate for 2003-04.

The matching contribution rate is based on the State's contribution for employees whose salaries are paid by state funds.

THE 4.5% MATCHING CONTRIBUTION IS IN ADDITION TO THE LOCAL EMPLOYER CONTRIBUTION WHICH IS 7.05%. The 7.05% local employer contribution applies to all TRS members, including those paid with non-state funds.

THERE IS NO CHANGE IN THE EMPLOYEE CONTRIBUTION RATE, WHICH WILL REMAIN AT 7% OF REGULAR ANNUAL COMPENSATION.

Please be advised that you should plan for an increase in the matching rate for the 2005-06 school year. Next year the TRS Board will have to raise the matching rate to at least 5%. This is due to increased state contributions scheduled to begin July 1, 2004.

If you have questions about this or other retirement matters, please contact the Retirement Office. Our toll-free telephone number is 1-877-738-6365.