

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1217

Page 1, line 1, replace the second "and" with a comma

Page 1, line 2, remove "and" and after "54-52.6-03" insert ", 54-52.6-06, and subsection 2 of section 54-52.6-09"

Page 1, line 3, after "in" insert "and payment of administrative expenses of" and after "plan" insert "; to authorize the borrowing of funds; to provide an appropriation; to provide an effective date; and to provide for application"

Page 3, line 5, after the period insert "An eligible employee may not elect to participate in the defined contribution retirement plan until the eligible employee has attended an education program developed by the board."

Page 4, line 1, after the period insert "An eligible employee may not elect to participate in the defined contribution retirement plan until the eligible employee has attended an education program developed by the board."

Page 5, line 23, overstrike "and employee" and overstrike "pursuant to sections"

Page 5, line 24, overstrike "54-52-05 and 54-52-06" and insert immediately thereafter ", less vested employer contributions made pursuant to section 54-52-11.1"

Page 5, line 25, after "election" insert "plus the employee account balance"

Page 5, after line 27, insert:

"SECTION 5. AMENDMENT. Section 54-52.6-06 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-52.6-06. Administrative expenses - Continuing appropriation. The administrative expenses of the plan must be paid by the participating members in a manner determined by the board. The board ~~or~~ and vendors contracted for by the board may charge reasonable administrative expenses and deduct those expenses from the contribution to a participating member's account ~~in the defined contribution retirement plan established under this chapter~~, from the moneys already in a participating member's account, or from both. In determining reasonable administrative expenses, the board may include an amount necessary to implement an appropriate investment education program. The board shall place any money deducted by the board in an administrative expenses account with the state treasurer. The board may also use funds from the payroll clearing account established pursuant to section 54-52.3-03 to pay for consulting expenses. All moneys in the payroll clearing account and the administrative expenses account, not otherwise appropriated, or so much of the moneys as may be necessary, are appropriated to the board on a continuing basis for the purpose of retaining a consultant as required for the administration of this chapter.

SECTION 6. AMENDMENT. Subsection 2 of section 54-52.6-09 of the 1999 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. The employer shall contribute an amount equal to four and twelve hundredths percent of the monthly salary or wage of a participating member. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. Of the amount contributed by the employer on behalf of an employee first electing to participate in this program after June 30, 2001, the board may withhold up to six hundredths percent of the monthly salary or wage of the participating member for general administrative expenses, which moneys must be deposited into the administrative expenses account. The employer shall pay monthly such contribution into the participating member's account from its funds appropriated for payroll and salary or any other funds available for such purposes. If the employer fails to pay the contributions monthly, it is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due.

SECTION 7. AUTHORITY TO BORROW FUNDS. The public employees retirement system board may borrow up to \$250,000 from the Bank of North Dakota for the purpose of defraying the administrative expenses of the defined contribution retirement program until such time as there are sufficient assets in that program to pay off any loan and support the administrative expenses of the program. The term of the loan may not be longer than thirteen years. If requested by the public employees retirement system board, the Bank of North Dakota shall make any loan, at a rate agreed to by the parties.

SECTION 8. APPROPRIATION. There is appropriated out of any moneys in the administrative expense account created by section 54-52.6-06 and the payroll clearing account created by section 54-52.3-03, in the state treasury, the retirement fund, and the loan authorized by section 7 of this Act, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the public employees retirement system board for the purpose of administering this chapter, for the biennium beginning July 1, 2001, and ending June 30, 2003. The public employees retirement system board is authorized two additional full-time equivalent positions to implement this Act. The transaction costs experienced by the fund in liquidating securities to transfer to the defined contribution program on behalf of employees electing to transfer to that program must be reimbursed to the retirement fund in the same manner as contributions to the fund.

SECTION 9. EFFECTIVE DATE. Sections 5, 6, 7, and 8 of this Act become effective July 1, 2001, and sections 1, 2, 3, and 4 of this Act become effective July 1, 2003.

SECTION 10. APPLICATION OF ACT. This Act does not apply to nonclassified employees who did not elect to transfer to the defined contribution retirement plan within the timeframe provided by section 54-52.6-02 as that section was in effect on June 30, 2001."

Renumber accordingly