

Fifty-seventh
Legislative Assembly
of North Dakota

SENATE BILL NO. 2362

Introduced by

Senators Lindaas, Holmberg, Polovitz

Representatives Aarsvold, Jensen, Nottestad

1 A BILL for an Act to amend and reenact subsection 20 of section 54-52-01 and subsection 8 of
2 section 54-52.6-01 of the North Dakota Century Code, relating to the definition of wages and
3 salaries for purposes of the public employees retirement system; and to provide an
4 appropriation.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Subsection 20 of section 54-52-01 of the 1999
7 Supplement to the North Dakota Century Code is amended and reenacted as follows:

8 20. "Wages" and "salaries" means the member's earnings in eligible employment
9 under this chapter reported as salary on the member's federal income tax
10 withholding statements, including payments for overtime earned by employees of
11 the North Dakota mill and elevator association, plus any salary reduction or salary
12 deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. "Salary"
13 does not include fringe benefits such as payments for unused sick leave, personal
14 leave, vacation leave paid in a lump sum, ~~overtime~~, housing allowances,
15 transportation expenses, early retirement incentive pay, severance pay, medical
16 insurance, workers' compensation benefits, disability insurance premiums or
17 benefits, or salary received by a member in lieu of previously employer-provided
18 fringe benefits under an agreement between the member and participating
19 employer. Overtime must be reported and annualized pursuant to rules adopted
20 by the board. Bonuses may be considered as salary under this section if reported
21 and annualized pursuant to rules adopted by the board.

22 **SECTION 2. AMENDMENT.** Subsection 8 of section 54-52.6-01 of the 1999
23 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1 8. "Wages" and "salaries" means earnings in eligible employment under this chapter
2 reported as salary on a federal income tax withholding statement, including
3 payments for overtime earned by employees of the North Dakota mill and elevator
4 association, plus any salary reduction or salary deferral amounts under 26 U.S.C.
5 125, 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such
6 as payments for unused sick leave, personal leave, vacation leave paid in a lump
7 sum, ~~overtime~~, housing allowances, transportation expenses, early retirement,
8 incentive pay, severance pay, medical insurance, workers' compensation benefits,
9 disability insurance premiums or benefits, or salary received by a member in lieu of
10 previously employer-provided fringe benefits under an agreement between an
11 employee and a participating employer. Overtime must be reported and
12 annualized pursuant to rules adopted by the board. Bonuses may be considered
13 as salary under this section if reported and annualized pursuant to rules adopted
14 by the board.

15 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the public
16 employees retirement fund, not otherwise appropriated, the sum of \$7,300, or so much of the
17 sum as may be necessary, to the public employees retirement system board for the purpose of
18 defraying the expenses of administering this Act, for the biennium beginning July 1, 2001, and
19 ending June 30, 2003.