

Fifty-eighth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2247

Introduced by

Senators Lindaas, Espegard, Holmberg

Representatives Delmore, Nottestad, Potter

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 North Dakota
7 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 other than payments for
15 overtime earned by employees of the North Dakota mill and elevator association,
16 housing allowances, transportation expenses, early retirement incentive pay,
17 severance pay, medical insurance, workers' compensation benefits, disability
18 insurance premiums or benefits, or salary received by a member in lieu of
19 previously employer-provided fringe benefits under an agreement between the
20 member and participating employer. Overtime earned by employees of the North
21 Dakota mill and elevator association must be reported and annualized pursuant to
22 rules adopted by the board. Bonuses may be considered as salary under this
23 section if reported and annualized pursuant to rules adopted by the board.

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

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

19 **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the public
20 employees retirement fund, not otherwise appropriated, the sum of \$7,300, or so much of the
21 sum as may be necessary, to the public employees retirement system board for the purpose of
22 defraying the expenses of administering this Act, for the biennium beginning July 1, 2003, and
23 ending June 30, 2005.