

Sixtieth
Legislative Assembly
of North Dakota

Introduced by

(At the request of the Public Employees Retirement System)

1 A BILL for an Act to amend and reenact sections 39-03.1-10, 39-03.1-11.3, 54-52-06, and
2 54-52-17.5 and subsection 2 of section 54-52.6-09 of the North Dakota Century Code, relating
3 to employer contributions and increases to certain retirees' retirement payments under the
4 public employees retirement system; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 39-03.1-10 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **39-03.1-10. Contributions by the state.** The state shall contribute to the fund a sum
9 equal to ~~sixteen and seventy hundredths~~ twenty-one and seven-tenths percent of the monthly
10 salary or wage of a participating member. If the member's contribution is paid by the state
11 under subsection 2 of section 39-03.1-09, the state shall contribute, in addition, an amount
12 equal to the required member's contribution. The state shall pay the associated employer
13 contribution for those members who elect to exercise their rights under subsection 3 of section
14 39-03.1-10.1.

15 **SECTION 2. AMENDMENT.** Section 39-03.1-11.3 of the North Dakota Century Code
16 is amended and reenacted as follows:

17 **39-03.1-11.3. Supplemental retiree benefit payment.** ~~If the board determines that~~
18 ~~the fund has obtained a total return on investments of eleven and two tenths percent or higher~~
19 ~~for the fiscal year ending June 30, 2005, or June 30, 2006, and that the fund has the necessary~~
20 ~~margin to pay for the benefit, the~~ The board shall authorize a increase the monthly payment to
21 each retiree individual or the individual's beneficiary receiving benefit payments under this
22 chapter as of ~~the date of the fiscal year end in the amount of fifty~~ August 1, 2009, by two percent
23 of the retiree's then current monthly benefit payment. ~~The payment must be made the January~~
24 ~~following the fiscal year end. The board may only make one payment under this section.~~

1 **SECTION 3. AMENDMENT.** Section 54-52-06 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-52-06. Employer's contribution to retirement plan.** Each governmental unit shall
4 contribute an amount equal to ~~four~~ five and twelve-hundredths percent of the monthly salary or
5 wage of a participating member. For those members who elect to exercise their rights under
6 section 54-52-17.14, the employing governmental unit, or in the case of a member not presently
7 under covered employment the most recent employing governmental unit, shall pay the
8 associated employer contribution. If the employee's contribution is paid by the governmental
9 unit under subsection 3 of section 54-52-05, the employer unit shall contribute, in addition, an
10 amount equal to the required employee's contribution. Each governmental unit shall pay the
11 contribution monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump
12 sum, into the retirement fund from its funds appropriated for payroll and salary or any other
13 funds available for these purposes. ~~Any~~ A governmental unit failing to pay the contributions
14 monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, is
15 subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each
16 month of delay or fraction thereof after the payment became due. In lieu of assessing a civil
17 penalty or one percent per month, or both, interest at the actuarial rate of return may be
18 assessed for each month the contributions are delinquent. If contributions are paid within
19 ninety days of the date they became due, penalty and interest to be paid on delinquent
20 contributions may be waived. An employer is required to submit contributions for any past
21 eligible employee who was employed after July 1, 1977, for which contributions were not made
22 if the employee would have been eligible to become vested had the employee participated and
23 if the employee elects to join the public employees retirement system. Employer contributions
24 may not be assessed for eligible service that an employee has waived pursuant to subsection 1
25 of section 54-52-05. The board shall report to each session of the legislative assembly the
26 contributions necessary, as determined by the actuarial study, to maintain the fund's actuarial
27 soundness.

28 **SECTION 4. AMENDMENT.** Section 54-52-17.5 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **54-52-17.5. Postretirement adjustments.** An individual or the individual's beneficiary
31 who, on ~~July 31, 2004~~ August 1, 2009, is receiving retirement benefits under subdivision a, c, d,

or e of subsection 4 of section 54-52-17 is entitled to receive an increase in benefits equal to ~~six~~
two percent of the individual's present benefits with the increase payable beginning August 1,
~~2004~~ 2009.

SECTION 5. AMENDMENT. Subsection 2 of section 54-52.6-09 of the North Dakota
Century Code is amended and reenacted as follows:

2. The employer shall contribute an amount equal to ~~four~~ five 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.
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 6. EFFECTIVE DATE. This Act becomes effective on August 1, 2009.