

Sixty-first  
Legislative Assembly  
of North Dakota

Introduced by

1 A BILL for an Act to amend and reenact sections 54-52-02.9, 54-52-27, and 54-52.1-03.2, and  
2 subsection 2 of section 54-52.1-03.3 of the North Dakota Century Code, relating to the retiree  
3 health benefit fund.

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

5 **SECTION 1. AMENDMENT.** Section 54-52-02.9 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **54-52-02.9. Participation by temporary employees.** A temporary employee may  
8 elect, within one hundred eighty days of beginning employment, to participate in the public  
9 employees retirement system and receive credit for service after enrollment. The temporary  
10 employee shall pay monthly to the fund an amount equal to eight and twelve-hundredths  
11 percent times the temporary employee's present monthly salary. The temporary employee  
12 shall also pay the required monthly contribution to the retiree health benefit fund established  
13 under section 54-52.1-03.2 ~~one percent times the temporary employee's present monthly~~  
14 ~~salary~~. This contribution must be recorded as a member contribution pursuant to section  
15 54-52.1-03.2. An employer may not pay the temporary employee's contributions. A temporary  
16 employee may continue to participate as a temporary employee in the public employees  
17 retirement system until termination of employment or reclassification of the temporary employee  
18 as a permanent employee. A temporary employee may not purchase any additional credit,  
19 including additional credit under section 54-52-17.4 or past service under section 54-52-02.6.

20 **SECTION 2. AMENDMENT.** Section 54-52-27 of the North Dakota Century Code is  
21 amended and reenacted as follows:

22 **54-52-27. Purchase of sick leave credit.** A member is entitled to credit in the  
23 retirement system for each month of unused sick leave, as certified by the member's employer,  
24 if the member or the member's employer pays an amount equal to the member's final average

1 salary, times the number of months of sick leave converted, times the percent of employer and  
2 employee contributions to the retirement program of the member, plus ~~one percent~~ the required  
3 contribution for the retiree health benefits program. Hours of sick leave equal to a fraction of a  
4 month are deemed to be a full month for purposes of conversion to service credit. A member  
5 may convert all of the member's certified sick leave or a part of the member's certified sick  
6 leave.

7 **SECTION 3. AMENDMENT.** Section 54-52.1-03.2 of the North Dakota Century Code  
8 is amended and reenacted as follows:

9 **54-52.1-03.2. Retiree health benefits fund - Appropriation.**

- 10 1. The board shall establish a retiree health benefits fund account with the Bank of  
11 North Dakota for the purpose of prefunding and providing hospital benefits  
12 coverage and medical benefits coverage under the uniform group insurance  
13 program for retired eligible employees or surviving spouses of retired eligible  
14 employees and their dependents as provided in this chapter. The state shall  
15 contribute monthly to the retiree health benefits fund an amount equal to one and  
16 forty-five hundredths percent of the monthly salaries and wages of all participating  
17 members of the highway patrolmen's retirement system under chapter 39-03.1,  
18 and one and forty-five hundredths percent of the monthly salaries of all supreme or  
19 district court judges who are participating members of the public employees  
20 retirement system under chapter 54-52. Each governmental unit that contributes to  
21 the public employees retirement system fund under section 54-52-06 or the  
22 retirement plan under chapter 54-52.6 shall contribute monthly to the retiree health  
23 benefits fund an amount equal to one and forty-five hundredths percent of the  
24 monthly salaries or wages of all participating members of the public employees  
25 retirement system under chapter 54-52 or chapter 54-52.6, except for nonteaching  
26 employees of the superintendent of public instruction who elect to participate in the  
27 public employees retirement system pursuant to section 54-52-02.13 and  
28 employees of the state board for career and technical education who elect to  
29 participate in the public employees retirement system pursuant to section  
30 54-52-02.14. For nonteaching employees of the superintendent of public  
31 instruction who elect to participate in the public employees retirement system

1           pursuant to section 54-52-02.13, the superintendent of public instruction shall  
2           contribute monthly to the retiree health benefits fund an amount equal to three and  
3           ~~one-tenth~~ fifty-five hundredths percent of the monthly salaries or wages of those  
4           nonteaching employee members, beginning on the first of the month following the  
5           transfer under section 54-52-02.13 and continuing thereafter for a period of eight  
6           years, after which time the superintendent of public instruction shall contribute one  
7           and forty-five hundredths percent of the monthly salary or wages of those  
8           nonteaching employee members. For employees of the state board for career and  
9           technical education who elect to participate in the public employees retirement  
10          system pursuant to section 54-52-02.14, the state board for career and technical  
11          education shall contribute monthly to the retiree health benefits fund an amount  
12          equal to two and eighty-five hundredths percent of the monthly salary or wages of  
13          those employee members, beginning on the first of the month following the transfer  
14          under section 54-52-02.14 and continuing thereafter for a period of eight years,  
15          after which time the state board for career and technical education shall contribute  
16          one percent of the monthly salary or wages of those employee members. The  
17          employer of a national guard security officer or firefighter shall contribute monthly  
18          to the retiree health benefits fund an amount equal to one and forty-five hundredths  
19          percent of the monthly salaries or wages of all national guard security officers or  
20          firefighters participating in the public employees retirement system under chapter  
21          54-52. Job service North Dakota shall reimburse monthly the retiree health  
22          benefits fund for credit received under section 54-52.1-03.3 by members of the  
23          retirement program established by job service North Dakota under section  
24          52-11-01. The board, as trustee of the fund and in exclusive control of its  
25          administration, shall:

26          a.    Provide for the investment and disbursement of moneys of the retiree health  
27               benefits fund and administrative expenditures in the same manner as moneys  
28               of the public employees retirement system are invested, disbursed, or  
29               expended.

30          b.    Adopt rules necessary for the proper administration of the retiree health  
31               benefits fund, including enrollment procedures.

2. All moneys deposited in the fund established under subsection 1, not otherwise appropriated, are hereby appropriated to the board for the purpose of making investments for the fund and to make contributions toward hospital and medical benefits coverage for eligible retired employees or surviving spouses of eligible retired employees and their dependents under the uniform group insurance program.

3. If a member terminates employment because of death, permanent and total disability, or any voluntary or involuntary reason prior to retirement, the member or the member's designated beneficiary is entitled to the member's account balance at termination. If a member's account balance is withdrawn, the member relinquishes all rights to benefits under the retiree health benefits fund.

**SECTION 4. AMENDMENT.** Subsection 2 of section 54-52.1-03.3 of the North Dakota Century Code is amended and reenacted as follows:

2. The board shall calculate the allowable monthly credit toward hospital and medical benefits coverage for a person eligible under subsection 1 in an amount equal to ~~four~~ five dollars ~~and fifty cents~~ multiplied by the member's or deceased member's number of years of credited service under the highway patrolmen's retirement system, the public employees retirement system, the retirement program established by job service North Dakota under section 52-11-01, or the judges' retirement program established under chapter 27-17. For a member of the public employees retirement system receiving an early retirement benefit or the surviving spouse of that member, or a former participating member of the defined contribution retirement plan who is receiving a periodic distribution and would not meet the normal retirement provisions of the public employees retirement system, the allowable monthly credit must be reduced by three percent if the member terminates employment within one year prior to attaining the age of sixty-five and an additional reduction factor of six percent shall apply for each year the member terminates employment prior to attaining the age of sixty-four. For a member of the highway patrolmen's retirement system receiving an early retirement benefit or the surviving spouse of that member, the allowable monthly credit must be reduced by three percent if the member terminates employment within one year prior to

1           attaining the age of fifty-five and an additional reduction factor of six percent shall  
2           apply for each year the member terminates employment prior to attaining the age  
3           of fifty-four. For a member of the retirement program established by job service  
4           North Dakota under section 52-11-01 receiving an early retirement benefit or a  
5           discontinued service annuity under the plan provisions of that retirement program  
6           or the surviving spouse of that member, the allowable monthly credit must be  
7           reduced by three percent if the member terminates employment within one year  
8           prior to attaining the age of sixty-five and an additional reduction factor of six  
9           percent applies for each year the member terminates employment prior to attaining  
10          the age of sixty-four.