

## **TESTIMONY OF REBECCA FRICKE**

### **Senate Bill 2227 – Relating to Retired Employee Return to Work and Participation in the NDPERS Retirement System**

Good morning, Mr. Chairman and members of the Committee. My name is Rebecca Fricke and I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I appear before you today in a neutral position on the bill.

Section 1 of Senate Bill 2227 provides that an employee who retires under normal retirement and returns to employment with the same employer is not eligible to participate in the retirement plan if the employee returns to work for the same employer and is appointed by an elected state official to an unclassified position for the duration of the elected official's term or until a successor is appointed. Rather, the employee continues to maintain that employee's retirement status.

Section 2 provides a retroactive application to December 14, 2024. Section 3 provides this as an emergency measure.

NDPERS has confirmed with our federal tax compliance consultant that this bill as amended does not pose a plan compliance concern given the return to work employee who meets the above requirements is not given a choice to participate. Rather, the bill states that they are not eligible to participate.

This concludes my testimony and I'd be happy to answer any questions you may have.