

TESTIMONY OF DERRICK HOHBEIN

House Bill 1077 – Clarifies the Eligibility for the National Guard Retirement Plan

Good Morning, Mr. Chairman and members of the committee. My name is Derrick Hohbein and I am the Chief Operating/Financial Officer of the North Dakota Public Employees Retirement System, or NDPERS. I appreciate the committee taking the time to analyze House Bill 1077, which clarifies the individuals who are eligible for the National Guard Retirement Plan. I am here today on behalf of the NDPERS Board to provide information in a neutral capacity so the policy makers are able to make an informed decision regarding the bill.

House Bill 1077 expands the definition of a National Guard security officer or firefighter to include security officer employees. It is our understanding this is more of a technical correction being submitted by the Adjutant General's Office, and have confirmed with the agency that there are not additional employees impacted at this time, unless they decide to fill some vacant positions. As such, there is no fiscal impact that is expected if the Legislation were to pass.

Mr. Chairman, I appreciate the committee taking the time to learn more about the impact this bill will have to our state. This concludes my testimony, and I'd be happy to answer any questions the committee may have.



January 7, 2025

Representative Austen Schauer, Chair
Legislative Employee Benefits Programs Committee
North Dakota State Government

**Re: North Dakota Public Employees Retirement System Legislative Studies – Provisions from
Bill No. 25.8103.01000**

Dear Representative Schauer:

In accordance with your request, we have analyzed the impact of Bill No. 25.8103.01000 on the North Dakota Public Employees Retirement System (NDPERS). Our review is actuarial in nature; we are not attorneys and cannot provide legal advice.

Systems Affected

North Dakota Public Employees Retirement System (Public Safety with prior Main System service)

Summary

Bill No. 25.8103.01000:

- Clarifies the definition of “National guard security officer or firefighter” to include security officer employees

Actuarial Impact of Bill 8103

There is no actuarial impact. Plan participation, benefits, and funding are not affected by the proposed change.

Based on input provided by PERS and confirmed with the Adjutant General’s human resources department, current individuals employed in this capacity are already members of the National Guard plan.

Policy Issue Analysis

Benefits Policy Issues

- Adequacy of Retirement Benefits
No impact.
- Competitiveness
No impact.
- Benefits Equity and Group Integrity
No impact.
- Purchasing Power
No impact.
- Preservation of Benefits
No impact.
- Portability
No impact.
- Ancillary Benefits
No impact.
- Social Security
No impact.

Funding Policy Issues

- Actuarial Impacts

No impact.

- Investment Impacts

No impact.

Administration Issues

- Implementation Issues

No impact.

- Administrative Costs

No impact.

- Needed Authority

The bill appears to provide appropriate levels of administrative and governance authority to the PERS Board to implement the changes made by the bill.

- Integration

None.

- Employee Communications

No impact.

- Miscellaneous and Drafting Issues

No impact.

Disclosures and Additional Information

We have reviewed the bill and provided a policy issue analysis from our perspective as actuaries. However, the policy issue analysis should not be considered to be comprehensive and there may be additional benefits policy, administration issues or legal issues that are not discussed in this letter.

The signing actuary is independent of the plan sponsor.

Bonita J. Wurst and Abra D. Hill are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,



Bonita J. Wurst, ASA, EA, MAAA, FCA
Senior Consultant



Abra D. Hill, ASA, MAAA, FCA
Consultant

cc: Rebecca Fricke, NDPERS
Joshua Murner, GRS

