

# SOCIAL SECURITY

## CHAPTER 371

S. B. No. 255  
(Decker, Lowe)

### RATES AND COVERAGE OF UNEMPLOYMENT INSURANCE

#### AN ACT

To create and enact subsection 27 of section 52-01-01 of the 1965 Supplement to the North Dakota Century Code, related to definitions; and to amend and reenact section 52-05-03 of the North Dakota Century Code, related to election of unemployment compensation coverage and rates of contributions.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1.) Subsection 27 of section 52-01-01 of the 1965 Supplement to the North Dakota Century Code is hereby created and enacted to read as follows:

27. The term "governmental unit" means the state of North Dakota and all its political subdivisions, and all of its departments and instrumentalities.

§ 2. **Amendment.)** Section 52-05-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**52-05-03. Employment Not Included Within Title May Be Deemed Subject to Provisions of Title.)** Any employing unit for which services are performed that do not constitute employment as defined in this title may file with the bureau a written election that all such services with respect to which payments are not required under an employment security law of any other state or of the federal government, and which are performed by individuals in its employ in one or more distinct establishments or places of business shall be deemed to constitute employment by an employer for all the purposes of this title for not less than two calendar years. Upon the written approval of such election by the bureau, such services shall be deemed to constitute employment subject to the provisions of this title from and after the date stated in such approval. Such services shall cease to be deemed employment subject hereto as of January first of any calendar year subsequent to such two calendar years, only if during January of such year such employing unit has filed with the bureau a

written notice to that effect. The bureau in its discretion may on its own motion terminate any election agreement under this section upon thirty days' notice to the employer. The rate of contribution for employment covered by an election under this section shall be seven percent of the wages paid after 1959, unless the employer qualifies for a rate of contribution of less than the standard rate, as provided in chapter 52-04, however, a governmental unit which hereafter becomes an employer under this chapter, shall reimburse the state unemployment fund, at the times and in the manner provided by regulation of the bureau, in an amount equal to its share of costs to the unemployment fund. After the termination of an election under this chapter, governmental units shall remain liable for their proportionate share of benefits which are based on wages paid for services during the period of election.

Approved February 24, 1967.

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## CHAPTER 372

S. B. No. 199  
(Larson)

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### UNEMPLOYMENT RATE AND WAGE BASE

#### AN ACT

To amend and reenact section 52-04-03 of the North Dakota Century Code, pertaining to rates and wage base for unemployment compensation contributions; and to amend and reenact subsection 1 of section 52-04-06 of the 1963 Supplement to the North Dakota Century Code, related to the variation in standard rate of unemployment compensation contributions and the schedule of rates.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

**§ 1. Amendment.)** Section 52-04-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**52-04-03. Rates and Base of Contributions of Wages Paid by Employer.)** Each employer shall pay contributions equal to two and seven-tenths percent of wages paid by him during the calendar year with respect to employment, except as otherwise provided in this chapter. For the purposes of this chapter,

wages shall not include that part of remuneration which after remuneration equal to 70 percent of the statewide average annual wage, rounded to the nearest one hundred dollars, for the four calendar quarter periods ending on June thirtieth of the preceding year, has been paid in a calendar year to an individual by an employer or his predecessor with respect to employment during any calendar year, is paid to such individual by such employer during such calendar year provided, that if the definition of the term "wages" as contained in the Federal Unemployment Tax Act is amended to include remuneration in excess of amounts specified in this section paid to an individual by an employer, under the federal Act during any calendar year, wages for the purposes of this section shall include remuneration paid in a calendar year to an individual by an employer subject to this Act or his predecessor with respect to employment during any calendar year up to an amount equal to the dollar limitations specified in the Federal Unemployment Tax Act. For 1968, the amount of wages subject to tax shall not be more than three thousand three hundred dollars; for 1969, the amount of wages subject to the tax shall not be more than three thousand four hundred dollars. The average annual wage shall be computed as follows: on or before December first of each year the total wages, as reported on contribution reports on or before such date, with respect to all employment during the four consecutive calendar quarters ending on June thirtieth of such year shall be divided by the average monthly number of covered workers as reported on contribution reports for the same four calendar quarters. For the purpose of this chapter, the term employment shall include service constituting employment under any employment security law of another state or of the federal government.

**§ 2. Amendment.)** Subsection 1 of section 52-04-06 of the 1963 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. For the calendar years 1968 and 1969 the rate of contributions will not be higher than the rates at column II of the schedule of rates unless the reserve for benefits as of December thirty-first of the preceding calendar year is less than the highest amount of benefits paid in any one of the preceding five calendar years. For the calendar year 1970 and for each calendar year thereafter the bureau shall determine the ratio of reserves for the payment of benefits as of December thirty-first of the

preceding calendar year, to taxable wages for such preceding calendar year which have been reported to the bureau on or before January thirty-first of the succeeding calendar year. If such ratio is:

- a. Less than three percent, the schedule of rates at column I will be in effect;
- b. Three percent but less than four percent, the schedule of rates at column II will be in effect;
- c. Four percent but less than five percent, the schedule of rates at column III will be in effect;
- d. Five percent but less than six percent, the schedule of rates at column IV will be in effect;
- e. Six percent but less than seven percent, the schedule of rates at column V will be in effect;
- f. Seven percent but less than eight percent, the schedule of rates at column VI will be in effect;
- g. Eight percent but less than nine percent, the schedule of rates at column VII will be in effect;
- h. Nine percent or more, the schedule of rates at column VIII will be in effect.

If the fund reserve ratio decreases during the calendar year 1970 or any calendar year thereafter, the schedule of rates will not be advanced by more than one column for any calendar year, except that the schedule of rates at column I will be in effect for each calendar year that the fund reserve ratio is less than three percent on December thirty-first of the preceding calendar year. The percent of the average annual payroll by which the cumulative contributions paid by an employer on or before January thirty-first of any year, with respect to wages paid by him prior to the first day of January of that calendar year, exceeds the cumulative benefits which were chargeable to his account and paid on or before December thirty-first of the preceding calendar year, shall be such employer's reserve ratio. The contribution rate for the ensuing calendar year of an employer eligible under section 52-04-05 will be the rate of contribution on the line in the schedule of rates opposite his reserve ratio as established for that year.

### Schedule of Rates—Fund Reserve Ratio

EMPLOYER'S RESERVE RATIO	Col. I— Less Than 3%	Col. II— 3% But Less Than 4%	Col. III— 4% But Less Than 5%	Col. IV— 5% But Less Than 6%	Col. V— 6% But Less Than 7%	Col. VI— 7% But Less Than 8%	Col. VII— 8% But Less Than 9%	Col. VIII— 9% and Over
Minus Balance	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%	4.2%
0% but less than 1%	4.1%	4.1%	3.9%	3.9%	3.7%	2.7%	2.7%	2.7%
1% but less than 2%	4.1%	3.9%	3.9%	3.7%	3.5%	2.7%	2.7%	2.5%
2% but less than 3%	3.9%	3.9%	3.7%	3.5%	3.3%	2.7%	2.5%	2.3%
3% but less than 4%	3.9%	3.7%	3.5%	3.3%	3.1%	2.5%	2.3%	2.1%
4% but less than 5%	3.7%	3.5%	3.3%	3.1%	2.9%	2.3%	2.1%	1.9%
5% but less than 6%	3.5%	3.3%	3.1%	2.9%	2.7%	2.1%	1.9%	1.7%
6% but less than 7%	3.3%	3.1%	2.9%	2.7%	2.5%	1.9%	1.7%	1.5%
7% but less than 8%	3.1%	2.9%	2.7%	2.5%	2.3%	1.7%	1.5%	1.3%
8% but less than 9%	2.9%	2.7%	2.5%	2.3%	2.1%	1.5%	1.3%	1.1%
9% but less than 10%	2.7%	2.5%	2.3%	2.1%	1.9%	1.3%	1.1%	0.9%
10% but less than 11%	2.7%	2.3%	2.1%	1.9%	1.7%	1.1%	0.9%	0.7%
11% but less than 12%	2.7%	2.1%	1.9%	1.7%	1.5%	0.9%	0.7%	0.5%
12% but less than 13%	2.7%	1.9%	1.7%	1.5%	1.3%	0.7%	0.5%	0.3%
13% but less than 14%	2.7%	1.7%	1.5%	1.3%	1.1%	0.5%	0.3%	0.3%
14% but less than 15%	2.7%	1.5%	1.3%	1.1%	0.9%	0.3%	0.3%	0.3%
15% but less than 16%	2.7%	1.3%	1.1%	0.9%	0.7%	0.3%	0.3%	0.3%
16% and over	2.7%	1.1%	0.9%	0.7%	0.5%	0.3%	0.3%	0.3%

Approved February 27, 1967.

## CHAPTER 373

H. B. No. 783

(Moquist, Olienyk, Kuehn)

## MILITARY RETIREMENT PAYMENTS

## AN ACT

To amend and reenact subsection 9 of section 52-06-02 of the North Century Code, relating to receipt of military retirement payments as a disqualification for unemployment compensation benefits.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

**§ 1. Amendment.)** Subsection 9 of section 52-06-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

**52-06-02. Disqualification for Benefits.)** An individual shall be disqualified for benefits:

9. For any week for which such individual is receiving or has claimed and will receive retirement payments under a retirement plan to whose financing any employing unit has substantially contributed or under any retirement system supported in whole or in part by public contributions or under both. If the retirement payment referred to is less than the benefits which would otherwise be due, claimant shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such retirement payment raised to the next higher multiple of one dollar. Retirement pay based on twenty or more years of military service as a member of the armed forces of the United States shall be excluded herefrom and shall in no way affect benefits to which a claimant might otherwise be entitled.

Approved March 10, 1967.

## CHAPTER 374

H. B. No. 712

(Brown)

## PRIMARY INSURANCE BENEFIT

## AN ACT

To amend and reenact subdivision (2) of subsection D. of section 52-09-20 of the North Dakota Century Code and to create and enact subparagraph (3) of subsection D. of section 52-09-20 of the North Dakota Century Code, relating to definitions of primary insurance benefit under North Dakota old age and survivor insurance system.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1. **Amendment.)** Subparagraph (2) of subsection D. of section 52-09-20 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

- (2) An amount equal to one per centum of the amount computed under paragraph (1) multiplied by the number of years in which two hundred dollars or more of wages were paid to such individual.

§ 2.) Subparagraph (3) of subsection D. of section 52-09-20 of the North Dakota Century Code is hereby created and enacted to read as follows:

- (3) From and after April 1, 1967, the term "primary insurance benefit" shall be the total of the sums determined in (1) and (2) of this subsection plus ten dollars. Where the primary insurance benefit thus computed is less than fifteen dollars, such benefit shall be fifteen dollars. The provisions herein shall apply to valid claims filed before and after the specified date.

Approved March 1, 1967.

## CHAPTER 375

H. B. No. 801

(Sanstead, Erickson(26) )

## SOCIAL SECURITY DIVIDED RETIREMENT SYSTEMS

## AN ACT

To create and enact section 52-10-11 of the North Dakota Century Code, related to divided retirement systems for social security coverage.

*Be It Enacted by the Legislative Assembly of the State of North Dakota:*

§ 1.) Section 52-10-11 of the North Dakota Century Code is hereby created and enacted to read as follows:

**52-10-11. Systems Divided—Referendum on Social Security.)**

1. Notwithstanding the provisions of sections 52-10-05 and 52-10-07, with respect to the employees of any political subdivision who are under a locally administered retirement system in existence prior to April 23, 1957, including the North Dakota teachers insurance and retirement fund for the purposes of this section, the governor is empowered to authorize a referendum for a divided retirement system as provided by section 218 of title II of the Social Security Act. The system shall be divided as follows:
  - a. Group A of the divided retirement system shall be composed of:
    - (1) Persons, in positions covered in a locally administered retirement system at the time the political subdivision submits the plan of coverage, who have indicated in accordance with this section that they desire coverage under an agreement under section 218 of title II of the Federal Social Security Act;
    - (2) Individuals, including former employees, who become employed in a position covered by a local retirement system after April 23, 1957, and inactive members who become employed in positions covered by a locally administered retirement system after said date.
  - b. Group B shall be composed of all other persons who are employed in positions covered by a local retire-



ment system at the time referred to in subsection 1 a (1) of this section.

2. Each person who is an actively employed person in a position covered by a local retirement system on the date the political subdivision makes application to the governor for a referendum under this section, shall indicate whether he desires to be a member of group A or group B on a form furnished for that purpose by the state agency and deliver said form to the office of the state agency. An employee who chooses to become a member of group A shall thereby elect to become subject to the laws relating to group A. Each such employee shall enter his mailing address on such form. At the time the state agency certifies to the governor that the plan of coverage required by section 52-10-05 meets the requirements of the law, the state agency shall certify to the governor the names and addresses of the employees of the political subdivision who have indicated their desire to become members of group A.
3. When the state agency has certified to the governor the names and addresses of group A, the governor shall forthwith take all actions necessary for the conduct of a referendum under section 52-10-07 so that members of group A may vote in favor of or against coverage under the federal old age and survivors insurance system. If a majority of the members of group A vote in favor of such coverage, the amendments made and provisions created by this Act shall be fully operative. If less than a majority vote in favor of such coverage, such amendments and provisions shall not continue in effect and a retirement system shall be deemed not to be divided into group A and group B.
4. Employees in positions covered by locally administered retirement plans who have indicated their desire to become members of group B under this section may request a transfer to group A, provided such request is in writing and received by the state agency within the time limit specified in section 218 of title II of the Social Security Act.

Approved March 15, 1967.