

**HOUSE BILL NO. 1070**

Introduced by

Government and Veterans Affairs Committee

(At the request of the Public Employees Retirement System)

1 A BILL for an Act to create and enact a new section to chapter 39-03.1 and a new section to  
2 chapter 54-52 of the North Dakota Century Code, relating to supplemental payments to retirees  
3 under the highway patrolmen's retirement system and the public employees retirement system;  
4 and to amend and reenact subsection 2 of section 39-03.1-11 and subsection 2 of section  
5 54-52-17 of the North Dakota Century Code, relating to calculation of final average salary under  
6 the highway patrolmen's retirement system and the public employees retirement system.

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

8 **SECTION 1. AMENDMENT.** Subsection 2 of section 39-03.1-11 of the North Dakota  
9 Century Code is amended and reenacted as follows:

10 2. Retirement benefits are based on the contributor's final average salary. Final  
11 average salary is the average of the highest salary received by the contributor for  
12 any thirty-six ~~consecutive~~ months employed during the last one hundred twenty  
13 months of employment. For contributors who retire on or after July 1, 2009, final  
14 average salary is the average of the highest salary received by the contributor for  
15 any thirty-six months employed during the last one hundred eighty months of  
16 employment. Months not employed or months in which employment was not as a  
17 permanent employee are excluded in arriving at the thirty-six months to be used for  
18 the purpose of computing an average. If the contributor has worked for less than  
19 thirty-six months at the postponed retirement date, the final average salary is the  
20 average salary for all months of employment.

21 **SECTION 2.** A new section to chapter 39-03.1 of the North Dakota Century Code is  
22 created and enacted as follows:

23 **Supplemental retiree benefit payment.** If the board determines that the fund has  
24 obtained a total return on investments of eleven and two-tenths percent or higher for the fiscal

1 year ending June 30, 2005, or June 30, 2006, and that the fund has the necessary margin to  
2 pay for the benefit, the board shall authorize a payment to each retiree receiving benefit  
3 payments under this chapter as of the date of the fiscal yearend in the amount of fifty percent of  
4 the retiree's then current monthly benefit payment. The payment must be made the January  
5 following the fiscal yearend. The board may only make one payment under this section.

6 **SECTION 3. AMENDMENT.** Subsection 2 of section 54-52-17 of the North Dakota  
7 Century Code is amended and reenacted as follows:

8 2. Retirement benefits are calculated from the participating member's final average  
9 salary, which is the average of the highest salary received by the member for any  
10 thirty-six months employed during the last one hundred twenty months of  
11 employment. For members who retire on or after July 1, 2009, final average salary  
12 is the average of the highest salary received by the member for any thirty-six  
13 months employed during the last one hundred eighty months of employment.  
14 Months not employed are excluded in arriving at the thirty-six months to be used  
15 for the purpose of computing an average. If the participating member has worked  
16 for less than thirty-six months at the normal retirement date, the final average  
17 salary is the average salary for the total months of employment.

18 **SECTION 4.** A new section to chapter 54-52 of the North Dakota Century Code is  
19 created and enacted as follows:

20 **Supplemental retiree benefit payment.** If the board determines that the fund has  
21 obtained a total return on investments of eleven and two-tenths percent or higher for the fiscal  
22 year ending June 30, 2005, or June 30, 2006, and that the fund has the necessary margin to  
23 pay for the benefit, the board shall authorize a payment to each retiree receiving benefit  
24 payments under this chapter as of the date of the fiscal yearend in the amount of fifty percent of  
25 the retiree's then current monthly benefit payment. The payment must be made the January  
26 following the fiscal yearend. The board may only make one payment to each retiree under this  
27 section.