

SENATE BILL NO. 2047

Introduced by

Government and Veterans Affairs Committee

(At the request of the Public Employees Retirement System)

1 A BILL for an Act to amend and reenact sections 54-52.2-01, 54-52.2-02, and 54-52.2-05 of the
2 North Dakota Century Code, relating to automatic enrollment of employees in the deferred
3 compensation program under the public employees retirement system.

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

5 **SECTION 1. AMENDMENT.** Section 54-52.2-01 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-52.2-01. Deferred compensation program for public employees - Contract.** A
8 participating employer shall automatically enroll employees first employed with the state on or
9 after August 1, 2007, in the deferred compensation program, effective the first day of the third
10 full month following the employee's first day of employment with the state, unless the employee
11 executes and files with the public employees retirement system board a prescribed form for
12 opting out of the automatic enrollment within thirty days of beginning employment. The state
13 shall withhold twenty-five dollars per month from the compensation of each employee subject to
14 the automatic enrollment provided for in this section, and the state shall forward those moneys
15 to the board for deposit into an investment option selected by the board for each employee.
16 The state or any county, city, or other political subdivision may, by contract, otherwise agree
17 with any employee to defer, in whole or in part, any portion of that employee's compensation
18 and may subsequently, with the consent of the employee, fund a deferred compensation
19 program for the employee. The deferred compensation program may consist of a contract,
20 purchase, or investment in a fixed or variable life insurance or annuity contract from any life
21 underwriter duly licensed by this state who represents an insurance company licensed to
22 contract business in this state, a savings account at a federally insured financial institution or
23 the Bank of North Dakota, an account with or managed by a dealer registered under chapter
24 10-04, or any combination of contracts or accounts authorized by this section, as specified by

1 the employee. The public employees retirement board shall specify methods of payment of
2 deferred compensation funds to be selected by individual employees. That board shall
3 determine the number of employees participating in a deferred compensation program
4 necessary to qualify for automatic payroll deduction.

5 **SECTION 2. AMENDMENT.** Section 54-52.2-02 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-52.2-02. Deferred employee's compensation - Agreements.** The public
8 employees retirement board, acting on behalf of each state agency, department, board,
9 commission, or institution, may enter into contractual agreements with employees of a state
10 agency, department, board, commission, or institution, including employees who were
11 automatically enrolled in the deferred compensation program pursuant to section 54-52.2-01,
12 on behalf of the state to defer any portion of that employee's compensation allowed under
13 section 457 of the Internal Revenue Code [26 U.S.C. 457].

14 **SECTION 3. AMENDMENT.** Section 54-52.2-05 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **54-52.2-05. Administrators authorized to make payments or investments.**
17 Notwithstanding any other provision of law to the contrary, those persons designated to
18 administer the deferred compensation program ~~are hereby authorized to~~ may make payments
19 or investments under the deferred compensation program ~~as specified by the employee~~ in
20 accordance with section 54-52.2-01. The payments or investments may not be construed to be
21 a prohibited use of the general assets of the state, county, city, or other political subdivision.