

**Sixtieth Legislative Assembly of North Dakota
In Regular Session Commencing Wednesday, January 3, 2007**

SENATE BILL NO. 2047
(Government and Veterans Affairs Committee)
(At the request of the Public Employees Retirement System Board)

AN ACT to amend and reenact sections 54-52.2-01, 54-52.2-02, and 54-52.2-05 of the North Dakota Century Code, relating to automatic enrollment of employees in the deferred compensation program under the public employees retirement system.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

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

54-52.2-01. Deferred compensation program for public employees - Contract. Except for an employee employed by an institution under the control of the state board of higher education or the North Dakota university system board office who is eligible for membership in the teachers' insurance and annuity association of America-college retirement equities fund (TIAA-CREF), a participating employer shall automatically enroll employees first employed with the state on or after August 1, 2007, in the deferred compensation program, effective the first day of the month following the employee's first full month of employment with the state, unless the employee executes and files with the public employees retirement system board a prescribed form for opting out of the automatic enrollment within thirty days of beginning employment. The state shall withhold twenty-five dollars per month from the compensation of each employee subject to the automatic enrollment provided for in this section, and the state shall forward those moneys to the board for deposit into an investment option selected by the board for each employee. The state or any county, city, or other political subdivision may, by contract, otherwise agree with any employee to defer, in whole or in part, any portion of that employee's compensation and may subsequently, with the consent of the employee, fund a deferred compensation program for the employee. The deferred compensation program may consist of a contract, purchase, or investment in a fixed or variable life insurance or annuity contract from any life underwriter duly licensed by this state who represents an insurance company licensed to contract business in this state, a savings account at a federally insured financial institution or the Bank of North Dakota, an account with or managed by a dealer registered under chapter 10-04, or any combination of contracts or accounts authorized by this section, as specified by the employee. The public employees retirement board shall specify methods of payment of deferred compensation funds to be selected by individual employees. That board shall determine the number of employees participating in a deferred compensation program necessary to qualify for automatic payroll deduction.

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

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

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

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

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixtieth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2047.

Senate Vote: Yeas 46 Nays 0 Absent 1

House Vote: Yeas 77 Nays 14 Absent 3

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2007.

Approved at _____ M. on _____, 2007.

Governor

Filed in this office this _____ day of _____, 2007,
at _____ o'clock _____ M.

Secretary of State

Date of Action:

Honorable Alvin A. Jaeger
Secretary of State
Bismarck, North Dakota

I certify that this Act, Senate Bill No. 2047, together with the objections of Governor John Hoeven, was returned to the Senate, being the body in which it originated, on , at ; that the objections of the Governor were read at length on , and entered upon the Journal; that the Bill was taken up for reconsideration; that the motion for reconsideration prevailed on ; and that the roll was called and the Bill failed to pass, with less than two-thirds of the members-elect voting in the affirmative.

Vote: Yeas

 Nays

 Absent and
 not voting

President of the Senate

Secretary of the Senate