

SENATE BILL NO. 2051

Introduced by

Government and Veterans Affairs Committee

(At the request of the Public Employees Retirement System Board)

1 A BILL for an Act to amend and reenact sections 39-03.1-10, 39-03.1-11.3, 54-52-06, and
2 24-52-17.5 and subsection 2 of section 54-52.6-09 of the North Dakota Century Code, relating
3 to employer contributions and increases to certain retirees' retirement payments under the
4 public employees retirement system; and to provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 39-03.1-10 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **39-03.1-10. Contributions by the state.** The state shall contribute to the fund a sum
9 equal to ~~sixteen and seventy hundredths~~ twenty and sixty-five hundredths percent of the
10 monthly salary or wage of a participating member. If the member's contribution is paid by the
11 state under subsection 2 of section 39-03.1-09, the state shall contribute, in addition, an amount
12 equal to the required member's contribution. The state shall pay the associated employer
13 contribution for those members who elect to exercise their rights under subsection 3 of section
14 39-03.1-10.1.

15 **SECTION 2. AMENDMENT.** Section 39-03.1-11.3 of the North Dakota Century Code
16 is amended and reenacted as follows:

17 **39-03.1-11.3. Supplemental retiree benefit payment.** ~~If the board determines that~~
18 ~~the fund has obtained a total return on investments of eleven and two tenths percent or higher~~
19 ~~for the fiscal year ending June 30, 2005, or June 30, 2006, and that the fund has the necessary~~
20 ~~margin to pay for the benefit, the~~ The board shall authorize a increase the monthly payment to
21 each retiree individual or the individual's beneficiary receiving benefit payments under this
22 chapter as of ~~the date of the fiscal yearend in the amount of fifty~~ August 1, 2009, by two percent
23 of the retiree's then current monthly benefit payment. ~~The payment must be made the January~~
24 ~~following the fiscal yearend. The board may only make one payment under this section.~~

1 **SECTION 3. AMENDMENT.** Section 54-52-06 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-52-06. Employer's contribution to retirement plan.** Each governmental unit shall
4 contribute an amount equal to four and ~~twelve-hundredths~~ seventy-six hundredths percent of
5 the monthly salary or wage of a participating member. For those members who elect to
6 exercise their rights under section 54-52-17.14, the employing governmental unit, or in the case
7 of a member not presently under covered employment the most recent employing governmental
8 unit, shall pay the associated employer contribution. If the employee's contribution is paid by
9 the governmental unit under subsection 3 of section 54-52-05, the employer unit shall
10 contribute, in addition, an amount equal to the required employee's contribution. Each
11 governmental unit shall pay the contribution monthly, or in the case of an election made
12 pursuant to section 54-52-17.14 a lump sum, into the retirement fund from its funds
13 appropriated for payroll and salary or any other funds available for these purposes. ~~Any~~ A
14 governmental unit failing to pay the contributions monthly, or in the case of an election made
15 pursuant to section 54-52-17.14 a lump sum, is subject to a civil penalty of fifty dollars and, as
16 interest, one percent of the amount due for each month of delay or fraction thereof after the
17 payment became due. In lieu of assessing a civil penalty or one percent per month, or both,
18 interest at the actuarial rate of return may be assessed for each month the contributions are
19 delinquent. If contributions are paid within ninety days of the date they became due, penalty
20 and interest to be paid on delinquent contributions may be waived. An employer is required to
21 submit contributions for any past eligible employee who was employed after July 1, 1977, for
22 which contributions were not made if the employee would have been eligible to become vested
23 had the employee participated and if the employee elects to join the public employees
24 retirement system. Employer contributions may not be assessed for eligible service that an
25 employee has waived pursuant to subsection 1 of section 54-52-05. The board shall report to
26 each session of the legislative assembly the contributions necessary, as determined by the
27 actuarial study, to maintain the fund's actuarial soundness.

28 **SECTION 4. AMENDMENT.** Section 54-52-17.5 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **54-52-17.5. Postretirement adjustments.** An individual or the individual's beneficiary
31 who, on ~~July 31, 2004~~ August 1, 2009, is receiving retirement benefits under subdivision a, c, d,

1 or e of subsection 4 of section 54-52-17 is entitled to receive an increase in benefits equal to ~~six~~
2 two percent of the individual's present benefits with the increase payable beginning August 1,
3 ~~2004~~ 2009.

4 **SECTION 5. AMENDMENT.** Subsection 2 of section 54-52.6-09 of the North Dakota
5 Century Code is amended and reenacted as follows:

6 2. The employer shall contribute an amount equal to four and ~~twelve~~ seventy-six
7 hundredths percent of the monthly salary or wage of a participating member. If the
8 employee's contribution is paid by the employer under subsection 3, the employer
9 shall contribute, in addition, an amount equal to the required employee's
10 contribution. The employer shall pay monthly such contribution into the
11 participating member's account from its funds appropriated for payroll and salary or
12 any other funds available for such purposes. If the employer fails to pay the
13 contributions monthly, it is subject to a civil penalty of fifty dollars and, as interest,
14 one percent of the amount due for each month of delay or fraction thereof after the
15 payment became due.

16 **SECTION 6. EFFECTIVE DATE.** This Act becomes effective on August 1, 2009.