

SENATE BILL NO. 2154

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 subsection 1 of section 54-52.1-03.2 and subsection 2
2 of section 54-52.1-03.3 of the North Dakota Century Code, relating to the retiree health benefits
3 fund.

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

5 **SECTION 1. AMENDMENT.** Subsection 1 of section 54-52.1-03.2 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 1. The board shall establish a retiree health benefits fund account with the Bank of
8 North Dakota for the purpose of prefunding and providing hospital benefits
9 coverage and medical benefits coverage under the uniform group insurance
10 program for retired eligible employees or surviving spouses of retired eligible
11 employees and their dependents as provided in this chapter. The state shall
12 contribute monthly to the retiree health benefits fund an amount equal to one and
13 fourteen hundredths percent of the monthly salaries and wages of all participating
14 members of the highway patrolmen's retirement system under chapter 39-03.1,
15 and one and fourteen hundredths percent of the monthly salaries of all supreme or
16 district court judges who are participating members of the public employees
17 retirement system under chapter 54-52. Each governmental unit that contributes to
18 the public employees retirement system fund under section 54-52-06 or the
19 retirement plan under chapter 54-52.6 shall contribute monthly to the retiree health
20 benefits fund an amount equal to one and fourteen hundredths percent of the
21 monthly salaries or wages of all participating members of the public employees
22 retirement system under chapter 54-52 or chapter 54-52.6, except for nonteaching
23 employees of the superintendent of public instruction who elect to participate in the
24 public employees retirement system pursuant to section 54-52-02.13 and

1 employees of the state board for career and technical education who elect to
2 participate in the public employees retirement system pursuant to section
3 54-52-02.14. For nonteaching employees of the superintendent of public
4 instruction who elect to participate in the public employees retirement system
5 pursuant to section 54-52-02.13, the superintendent of public instruction shall
6 contribute monthly to the retiree health benefits fund an amount equal to three and
7 ~~one-tenth~~ one-quarter percent of the monthly salaries or wages of those
8 nonteaching employee members, beginning on the first of the month following the
9 transfer under section 54-52-02.13 and continuing thereafter for a period of eight
10 years, after which time the superintendent of public instruction shall contribute one
11 and fourteen hundredths percent of the monthly salary or wages of those
12 nonteaching employee members. For employees of the state board for career and
13 technical education who elect to participate in the public employees retirement
14 system pursuant to section 54-52-02.14, the state board for career and technical
15 education shall contribute monthly to the retiree health benefits fund an amount
16 equal to ~~two and eighty-five hundredths~~ three percent of the monthly salary or
17 wages of those employee members, beginning on the first of the month following
18 the transfer under section 54-52-02.14 and continuing thereafter for a period of
19 eight years, after which time the state board for career and technical education
20 shall contribute one and fourteen hundredths percent of the monthly salary or
21 wages of those employee members. The employer of a national guard security
22 officer or firefighter shall contribute monthly to the retiree health benefits fund an
23 amount equal to one and fourteen hundredths percent of the monthly salaries or
24 wages of all national guard security officers or firefighters participating in the public
25 employees retirement system under chapter 54-52. Job service North Dakota shall
26 reimburse monthly the retiree health benefits fund for credit received under section
27 54-52.1-03.3 by members of the retirement program established by job service
28 North Dakota under section 52-11-01. The board, as trustee of the fund and in
29 exclusive control of its administration, shall:
30 a. Provide for the investment and disbursement of moneys of the retiree health
31 benefits fund and administrative expenditures in the same manner as moneys

1 of the public employees retirement system are invested, disbursed, or
2 expended.

3 b. Adopt rules necessary for the proper administration of the retiree health
4 benefits fund, including enrollment procedures.

5 **SECTION 2. AMENDMENT.** Subsection 2 of section 54-52.1-03.3 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 2. The board shall calculate the allowable monthly credit toward hospital and medical
8 benefits coverage for a person eligible under subsection 1 in an amount equal to
9 four five dollars ~~and fifty cents~~ multiplied by the member's or deceased member's
10 number of years of credited service under the highway patrolmen's retirement
11 system, the public employees retirement system, the retirement program
12 established by job service North Dakota under section 52-11-01, or the judges'
13 retirement program established under chapter 27-17. For a member of the public
14 employees retirement system receiving an early retirement benefit or the surviving
15 spouse of that member, or a former participating member of the defined
16 contribution retirement plan who is receiving a periodic distribution and would not
17 meet the normal retirement provisions of the public employees retirement system,
18 the allowable monthly credit must be reduced by three percent if the member
19 terminates employment within one year prior to attaining the age of sixty-five and
20 an additional reduction factor of six percent shall apply for each year the member
21 terminates employment prior to attaining the age of sixty-four. For a member of the
22 highway patrolmen's retirement system receiving an early retirement benefit or the
23 surviving spouse of that member, the allowable monthly credit must be reduced by
24 three percent if the member terminates employment within one year prior to
25 attaining the age of fifty-five and an additional reduction factor of six percent shall
26 apply for each year the member terminates employment prior to attaining the age
27 of fifty-four. For a member of the retirement program established by job service
28 North Dakota under section 52-11-01 receiving an early retirement benefit or a
29 discontinued service annuity under the plan provisions of that retirement program
30 or the surviving spouse of that member, the allowable monthly credit must be
31 reduced by three percent if the member terminates employment within one year

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- 1 prior to attaining the age of sixty-five and an additional reduction factor of six
- 2 percent applies for each year the member terminates employment prior to attaining
- 3 the age of sixty-four.