

Introduced by

(At the request of the Adjutant General)

1 A BILL for an Act to amend and reenact section 54-52-01, subsection 3 of section 54-52-05,  
2 sections 54-52-06.4 and 54-52-06.5, subsection 3 of section 54-52-17, and section  
3 54-52.1-03.2 of the North Dakota Century Code, relating to state employee retirement plans;  
4 and to repeal section 54-52-06.2 of the North Dakota Century Code, relating to retirement  
5 contributions by national guard security officers and firefighters.

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

7 **SECTION 1. AMENDMENT.** Section 54-52-01 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **54-52-01. (Effective through July 31, 2017) Definition of terms.**

10 As used in this chapter, unless the context otherwise requires:

- 11 1. "Account balance" means the total contributions made by the employee, vested  
12 employer contributions under section 54-52-11.1, the vested portion of the vesting  
13 fund as of June 30, 1977, and interest credited thereon at the rate established by the  
14 board.
- 15 2. "Beneficiary" means any person in receipt of a benefit provided by this plan or any  
16 person designated by a participating member to receive benefits.
- 17 3. "Correctional officer" means a participating member who is employed as a correctional  
18 officer by a political subdivision.
- 19 4. "Eligible employee" means all permanent employees who meet all of the eligibility  
20 requirements set by this chapter and who are eighteen years or more of age, and  
21 includes appointive and elective officials under sections 54-52-02.5, 54-52-02.11, and  
22 54-52-02.12, and nonteaching employees of the superintendent of public instruction,  
23 including the superintendent of public instruction, who elect to transfer from the  
24 teachers' fund for retirement to the public employees retirement system under section

- 1           54-52-02.13, and employees of the state board for career and technical education who  
2           elect to transfer from the teachers' fund for retirement to the public employees  
3           retirement system under section 54-52-02.14. Eligible employee does not include state  
4           employees who elect to become members of the retirement plan established under  
5           chapter 54-52.6.
- 6           5. "Employee" means any person employed by a governmental unit, whose  
7           compensation is paid out of the governmental unit's funds, or funds controlled or  
8           administered by a governmental unit, or paid by the federal government through any of  
9           its executive or administrative officials; licensed employees of a school district means  
10          those employees eligible to participate in the teachers' fund for retirement who, except  
11          under subsection 2 of section 54-52-17.2, are not eligible employees under this  
12          chapter.
- 13          6. "Employer" means a governmental unit.
- 14          7. "Funding agent" or "agents" means an investment firm, trust bank, or other financial  
15          institution which the retirement board may select to hold and invest the employers' and  
16          members' contributions.
- 17          8. "Governmental unit" means the state of North Dakota, except the highway patrol for  
18          members of the retirement plan created under chapter 39-03.1, or a participating  
19          political subdivision thereof.
- 20          9. "National guard security officer ~~or firefighter~~" means a participating member who is:  
21          a. A security police employee of the North Dakota national guard; ~~or~~  
22          b. ~~A firefighter employee of the North Dakota national guard.~~
- 23          10. "Participating member" means all eligible employees who through payment into the  
24          plan have established a claim against the plan.
- 25          11. "Peace officer" means a participating member who is a peace officer as defined in  
26          section 12-63-01 and is employed as a peace officer by the bureau of criminal  
27          investigation or by a political subdivision and, notwithstanding subsection 12, for  
28          persons employed after August 1, 2005, is employed thirty-two hours or more per  
29          week and at least twenty weeks each year of employment. Participating members of  
30          the law enforcement retirement plan created by this chapter who begin employment

- 1 after August 1, 2005, are ineligible to participate concurrently in any other retirement  
2 plan administered by the public employees retirement system.
- 3 12. "Permanent employee" means a governmental unit employee whose services are not  
4 limited in duration and who is filling an approved and regularly funded position in an  
5 eligible governmental unit, and is employed twenty hours or more per week and at  
6 least twenty weeks each year of employment.
- 7 13. "Prior service" means service or employment prior to July 1, 1966.
- 8 14. "Prior service credit" means such credit toward a retirement benefit as the retirement  
9 board may determine under the provisions of this chapter.
- 10 15. "Public employees retirement system" means the retirement plan and program  
11 established by this chapter.
- 12 16. "Retirement" means the acceptance of a retirement allowance under this chapter upon  
13 either termination of employment or termination of participation in the retirement plan  
14 and meeting the normal retirement date.
- 15 17. "Retirement board" or "board" means the seven persons designated by this chapter as  
16 the governing authority for the retirement system created.
- 17 18. "Seasonal employee" means a participating member who does not work twelve  
18 months a year.
- 19 19. "Service" means employment on or after July 1, 1966.
- 20 20. "Service benefit" means the credit toward retirement benefits as determined by the  
21 retirement board under the provisions of this chapter.
- 22 21. "Temporary employee" means a governmental unit employee who is not eligible to  
23 participate as a permanent employee, who is at least eighteen years old and not  
24 actively contributing to another employer-sponsored pension fund, and, if employed by  
25 a school district, occupies a noncertified teacher's position.
- 26 22. "Wages" and "salaries" means the member's earnings in eligible employment under  
27 this chapter reported as salary on the member's federal income tax withholding  
28 statements plus any salary reduction or salary deferral amounts under 26 U.S.C. 125,  
29 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as  
30 payments for unused sick leave, personal leave, vacation leave paid in a lump sum,  
31 overtime, housing allowances, transportation expenses, early retirement incentive pay,

1 severance pay, medical insurance, workforce safety and insurance benefits, disability  
2 insurance premiums or benefits, or salary received by a member in lieu of previously  
3 employer-provided fringe benefits under an agreement between the member and  
4 participating employer. Bonuses may be considered as salary under this section if  
5 reported and annualized pursuant to rules adopted by the board.

6 **(Effective after July 31, 2017) Definition of terms.** As used in this chapter, unless the  
7 context otherwise requires:

- 8 1. "Account balance" means the total contributions made by the employee, vested  
9 employer contributions under section 54-52-11.1, the vested portion of the vesting  
10 fund as of June 30, 1977, and interest credited thereon at the rate established by the  
11 board.
- 12 2. "Beneficiary" means any person in receipt of a benefit provided by this plan or any  
13 person designated by a participating member to receive benefits.
- 14 3. "Correctional officer" means a participating member who is employed as a correctional  
15 officer by a political subdivision.
- 16 4. "Eligible employee" means all permanent employees who meet all of the eligibility  
17 requirements set by this chapter and who are eighteen years or more of age, and  
18 includes appointive and elective officials under sections 54-52-02.5, 54-52-02.11, and  
19 54-52-02.12, and nonteaching employees of the superintendent of public instruction,  
20 including the superintendent of public instruction, who elect to transfer from the  
21 teachers' fund for retirement to the public employees retirement system under section  
22 54-52-02.13, and employees of the state board for career and technical education who  
23 elect to transfer from the teachers' fund for retirement to the public employees  
24 retirement system under section 54-52-02.14. Eligible employee does not include  
25 nonclassified state employees who elect to become members of the retirement plan  
26 established under chapter 54-52.6 but does include employees of the judicial branch  
27 and employees of the board of higher education and state institutions under the  
28 jurisdiction of the board.
- 29 5. "Employee" means any person employed by a governmental unit, whose  
30 compensation is paid out of the governmental unit's funds, or funds controlled or  
31 administered by a governmental unit, or paid by the federal government through any of

1           its executive or administrative officials; licensed employees of a school district means  
2           those employees eligible to participate in the teachers' fund for retirement who, except  
3           under subsection 2 of section 54-52-17.2, are not eligible employees under this  
4           chapter.

5           6. "Employer" means a governmental unit.

6           7. "Funding agent" or "agents" means an investment firm, trust bank, or other financial  
7           institution which the retirement board may select to hold and invest the employers' and  
8           members' contributions.

9           8. "Governmental unit" means the state of North Dakota, except the highway patrol for  
10          members of the retirement plan created under chapter 39-03.1, or a participating  
11          political subdivision thereof.

12          9. "National guard security officer ~~or firefighter~~" means a participating member who is:

13          a. A a security police employee of the North Dakota national guard; ~~or~~

14          b. ~~A firefighter employee of the North Dakota national guard.~~

15          10. "Participating member" means all eligible employees who through payment into the  
16          plan have established a claim against the plan.

17          11. "Peace officer" means a participating member who is a peace officer as defined in  
18          section 12-63-01 and is employed as a peace officer by the bureau of criminal  
19          investigation or by a political subdivision and, notwithstanding subsection 12, for  
20          persons employed after August 1, 2005, is employed thirty-two hours or more per  
21          week and at least twenty weeks each year of employment. Participating members of  
22          the law enforcement retirement plan created by this chapter who begin employment  
23          after August 1, 2005, are ineligible to participate concurrently in any other retirement  
24          plan administered by the public employees retirement system.

25          12. "Permanent employee" means a governmental unit employee whose services are not  
26          limited in duration and who is filling an approved and regularly funded position in an  
27          eligible governmental unit, and is employed twenty hours or more per week and at  
28          least twenty weeks each year of employment.

29          13. "Prior service" means service or employment prior to July 1, 1966.

30          14. "Prior service credit" means such credit toward a retirement benefit as the retirement  
31          board may determine under the provisions of this chapter.

- 1       15. "Public employees retirement system" means the retirement plan and program  
2           established by this chapter.
- 3       16. "Retirement" means the acceptance of a retirement allowance under this chapter upon  
4           either termination of employment or termination of participation in the retirement plan  
5           and meeting the normal retirement date.
- 6       17. "Retirement board" or "board" means the seven persons designated by this chapter as  
7           the governing authority for the retirement system created.
- 8       18. "Seasonal employee" means a participating member who does not work twelve  
9           months a year.
- 10      19. "Service" means employment on or after July 1, 1966.
- 11      20. "Service benefit" means the credit toward retirement benefits as determined by the  
12           retirement board under the provisions of this chapter.
- 13      21. "Temporary employee" means a governmental unit employee who is not eligible to  
14           participate as a permanent employee, who is at least eighteen years old and not  
15           actively contributing to another employer-sponsored pension fund, and, if employed by  
16           a school district, occupies a noncertified teacher's position.
- 17      22. "Wages" and "salaries" means the member's earnings in eligible employment under  
18           this chapter reported as salary on the member's federal income tax withholding  
19           statements plus any salary reduction or salary deferral amounts under 26 U.S.C. 125,  
20           401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as  
21           payments for unused sick leave, personal leave, vacation leave paid in a lump sum,  
22           overtime, housing allowances, transportation expenses, early retirement incentive pay,  
23           severance pay, medical insurance, workforce safety and insurance benefits, disability  
24           insurance premiums or benefits, or salary received by a member in lieu of previously  
25           employer-provided fringe benefits under an agreement between the member and  
26           participating employer. Bonuses may be considered as salary under this section if  
27           reported and annualized pursuant to rules adopted by the board.

28       **SECTION 2. AMENDMENT.** Subsection 3 of section 54-52-05 of the North Dakota Century  
29 Code is amended and reenacted as follows:

- 30       3. Each employer, at its option, may pay all or a portion of the employee contributions  
31           required by subsection 2 and sections 54-52-06.1, ~~54-52-06.2~~, 54-52-06.3, and

1 54-52-06.4 or the employee contributions required to purchase service credit on a  
2 pretax basis pursuant to subsection 5 of section 54-52-17.4. Employees may not  
3 receive the contributed amounts directly once the employer has elected to pay the  
4 employee contributions. The amount paid must be paid by the employer in lieu of  
5 contributions by the employee. If the state determines not to pay the contributions, the  
6 amount that would have been paid must continue to be deducted from the employee's  
7 compensation. If contributions are paid by the employer, they must be treated as  
8 employer contributions in determining tax treatment under this code and the federal  
9 Internal Revenue Code. If contributions are paid by the employer, they may not be  
10 included as gross income of the employee in determining tax treatment under this  
11 code and the Internal Revenue Code until they are distributed or made available. The  
12 employer shall pay these employee contributions from the same source of funds used  
13 in paying compensation to the employee or from the levy authorized by subsection 5  
14 of section 57-15-28.1. The employer shall pay these contributions by effecting an  
15 equal cash reduction in the gross salary of the employee or by an offset against future  
16 salary increases or by a contribution of a reduction in gross salary and offset against  
17 future salary increases. If employee contributions are paid by the employer, they must  
18 be treated for the purposes of this chapter in the same manner and to the same extent  
19 as employee contributions made ~~prior to~~before the date on which employee  
20 contributions were assumed by the employer. An employer exercising its option under  
21 this subsection shall report its choice to the board in writing.

22 **SECTION 3. AMENDMENT.** Section 54-52-06.4 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24 **54-52-06.4. Contribution by peace officers employed by the bureau of criminal**  
25 **investigation or security officers employed by the national guard - Employer**  
26 **contribution.**

27 Each peace officer employed by the bureau of criminal investigation or national guard  
28 security officer who is a member of the public employees retirement system is assessed and  
29 shall pay monthly four percent of the employee's monthly salary. Peace officer contributions  
30 increase by one percent of the member's monthly salary beginning with the monthly reporting  
31 period of January 2012, and with an additional increase of one percent, beginning with the

1 reporting period of January 2013. The assessment must be deducted and retained out of the  
2 employee's salary in equal monthly installments. The peace officer's or security officer's  
3 employer shall contribute an amount determined by the board to be actuarially required to  
4 support the level of benefits specified in section 54-52-17. The employer's contribution must be  
5 paid from funds appropriated for salary or from any other funds available for such purposes. If  
6 the peace officer's or security officer's assessment is paid by the employer under subsection 3  
7 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required  
8 peace officer's or security officer's assessment.

9 **SECTION 4. AMENDMENT.** Section 54-52-06.5 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **54-52-06.5. Reduction in member and employer contributions.**

12 The required increase in the amount of member and employer contributions under sections  
13 54-52-02.9, 54-52-05, 54-52-06, 54-52-06.1, ~~54-52-06.2~~, 54-52-06.3, 54-52.6-02, and  
14 54-52.6-09 must be reduced to the rate in effect on July 1, 2013, effective on the July first that  
15 follows the first valuation of the public employees retirement system main system showing a  
16 ratio of the actuarial value of assets to the actuarial accrued liability of the public employees  
17 retirement system main system that is equal to or greater than one hundred percent.

18 **SECTION 5. AMENDMENT.** Subsection 3 of section 54-52-17 of the North Dakota Century  
19 Code is amended and reenacted as follows:

20 3. Retirement dates are defined as follows:

21 a. Normal retirement date, except for a national guard security officer ~~or firefighter~~  
22 or a peace officer or correctional officer employed by the bureau of criminal  
23 investigation or by a political subdivision, is:

24 (1) The first day of the month next following the month in which the member  
25 attains the age of sixty-five years; or

26 (2) When the member has a combined total of years of service credit and years  
27 of age equal to eighty-five and has not received a retirement benefit under  
28 this chapter.

29 b. Normal retirement date for a national guard security officer ~~or firefighter~~ is the first  
30 day of the month next following the month in which the national guard security  
31 officer ~~or firefighter~~ attains the age of fifty-five years and has completed at least



- 1                   three eligible years of employment as a national guard security officer ~~or~~  
2                   firefighter.
- 3                   c. Normal retirement date for a peace officer or correctional officer employed by a  
4                   political subdivision is:
- 5                   (1) The first day of the month next following the month in which the peace  
6                   officer or correctional officer attains the age of fifty-five years and has  
7                   completed at least three eligible years of employment as a peace officer or  
8                   correctional officer; or
- 9                   (2) When the peace officer or correctional officer has a combined total of years  
10                  of service credit and years of age equal to eighty-five and has not received  
11                  a retirement benefit under this chapter.
- 12                  d. Normal retirement date for a peace officer employed by the bureau of criminal  
13                  investigation is:
- 14                  (1) The first day of the month next following the month in which the peace  
15                  officer attains the age of fifty-five years and has completed at least three  
16                  eligible years of employment as a peace officer; or
- 17                  (2) When the peace officer has a combined total of years of service credit and  
18                  years of age equal to eighty-five and has not received a retirement benefit  
19                  under this chapter.
- 20                  e. Postponed retirement date is the first day of the month next following the month  
21                  in which the member, on or after July 1, 1977, actually severs or has severed the  
22                  member's employment after reaching the normal retirement date.
- 23                  f. Early retirement date, except for a national guard security officer or ~~firefighter~~ ~~or~~ a  
24                  peace officer or correctional officer employed by the bureau of criminal  
25                  investigation or by a political subdivision, is the first day of the month next  
26                  following the month in which the member attains the age of fifty-five years and  
27                  has completed three years of eligible employment. For a national guard security  
28                  officer ~~or firefighter~~, early retirement date is the first day of the month next  
29                  following the month in which the national guard security officer ~~or firefighter~~  
30                  attains the age of fifty years and has completed at least three years of eligible  
31                  employment. For a peace officer or correctional officer employed by the bureau of

1 criminal investigation or by a political subdivision, early retirement date is the first  
2 day of the month next following the month in which the peace officer or  
3 correctional officer attains the age of fifty years and has completed at least three  
4 years of eligible employment.

5 g. Disability retirement date is the first day of the month after a member becomes  
6 permanently and totally disabled, according to medical evidence called for under  
7 the rules of the board, and has completed at least one hundred eighty days of  
8 eligible employment. For supreme and district court judges, permanent and total  
9 disability is based solely on a judge's inability to perform judicial duties arising out  
10 of physical or mental impairment, as determined pursuant to rules adopted by the  
11 board or as provided by subdivision a of subsection 3 of section 27-23-03. A  
12 member is eligible to receive disability retirement benefits only if the member:

- 13 (1) Became disabled during the period of eligible employment; and
- 14 (2) Applies for disability retirement benefits within twelve months of the date the  
15 member terminates employment.

16 A member is eligible to continue to receive disability benefits as long as the  
17 permanent and total disability continues and the member submits the necessary  
18 documentation and undergoes medical testing required by the board, or for as  
19 long as the member participates in a rehabilitation program required by the  
20 board, or both. If the board determines that a member no longer meets the  
21 eligibility definition, the board may discontinue the disability retirement benefit.  
22 The board may pay the cost of any medical testing or rehabilitation services it  
23 deems necessary and these payments are appropriated from the retirement fund  
24 for those purposes.

25 **SECTION 6. AMENDMENT.** Section 54-52.1-03.2 of the North Dakota Century Code is  
26 amended and reenacted as follows:

27 **54-52.1-03.2. (Contingent expiration date) Retiree health benefits fund -**  
28 **Appropriation.**

- 29 1. The board shall establish a retiree health benefits fund account with the Bank of North  
30 Dakota for the purpose of prefunding and providing hospital benefits coverage and  
31 medical benefits coverage under the uniform group insurance program for retired

1 eligible employees or surviving spouses of retired eligible employees and their  
2 dependents as provided in this chapter. The state shall contribute monthly to the  
3 retiree health benefits fund an amount equal to one and fourteen hundredths percent  
4 of the monthly salaries and wages of all participating members of the highway  
5 patrolmen's retirement system under chapter 39-03.1, and one and fourteen  
6 hundredths percent of the monthly salaries of all supreme or district court judges who  
7 are participating members of the public employees retirement system under chapter  
8 54-52. Each governmental unit that contributes to the public employees retirement  
9 system fund under section 54-52-06 or the retirement plan under chapter 54-52.6 shall  
10 contribute monthly to the retiree health benefits fund an amount equal to one and  
11 fourteen hundredths percent of the monthly salaries or wages of all participating  
12 members of the public employees retirement system under chapter 54-52 or chapter  
13 54-52.6, except for nonteaching employees of the superintendent of public instruction  
14 who elect to participate in the public employees retirement system pursuant to section  
15 54-52-02.13 and employees of the state board for career and technical education who  
16 elect to participate in the public employees retirement system pursuant to section  
17 54-52-02.14. For nonteaching employees of the superintendent of public instruction  
18 who elect to participate in the public employees retirement system pursuant to section  
19 54-52-02.13, the superintendent of public instruction shall contribute monthly to the  
20 retiree health benefits fund an amount equal to three and twenty-four hundredths  
21 percent of the monthly salaries or wages of those nonteaching employee members,  
22 beginning on the first of the month following the transfer under section 54-52-02.13  
23 and continuing thereafter for a period of eight years, after which time the  
24 superintendent of public instruction shall contribute one and fourteen hundredths  
25 percent of the monthly salary or wages of those nonteaching employee members. For  
26 employees of the state board for career and technical education who elect to  
27 participate in the public employees retirement system pursuant to section 54-52-02.14,  
28 the state board for career and technical education shall contribute monthly to the  
29 retiree health benefits fund an amount equal to two and ninety-nine hundredths  
30 percent of the monthly salary or wages of those employee members, beginning on the  
31 first of the month following the transfer under section 54-52-02.14 and continuing

1 thereafter for a period of eight years, after which time the state board for career and  
2 technical education shall contribute one and fourteen hundredths percent of the  
3 monthly salary or wages of those employee members. The employer of a national  
4 guard security officer ~~or firefighter~~ shall contribute monthly to the retiree health  
5 benefits fund an amount equal to one and fourteen hundredths percent of the monthly  
6 salaries or wages of all national guard security officers ~~or firefighters~~ participating in  
7 the public employees retirement system under chapter 54-52. Job service North  
8 Dakota shall reimburse monthly the retiree health benefits fund for credit received  
9 under section 54-52.1-03.3 by members of the retirement program established by job  
10 service North Dakota under section 52-11-01. The board, as trustee of the fund and in  
11 exclusive control of its administration, shall:

- 12 a. Provide for the investment and disbursement of moneys of the retiree health  
13 benefits fund and administrative expenditures in the same manner as moneys of  
14 the public employees retirement system are invested, disbursed, or expended.  
15 b. Adopt rules necessary for the proper administration of the retiree health benefits  
16 fund, including enrollment procedures.

- 17 2. All moneys deposited in the fund established under subsection 1, not otherwise  
18 appropriated, are hereby appropriated to the board for the purpose of making  
19 investments for the fund and to make contributions toward hospital and medical  
20 benefits coverage for eligible retired employees or surviving spouses of eligible retired  
21 employees and their dependents under the uniform group insurance program.  
22 3. If a member terminates employment because of death, permanent and total disability,  
23 or any voluntary or involuntary reason prior to retirement, the member or the member's  
24 designated beneficiary is entitled to the member's account balance at termination. If a  
25 member's account balance is withdrawn, the member relinquishes all rights to benefits  
26 under the retiree health benefits fund.

27 **(Contingent effective date) Retiree health benefits fund - Appropriation.**

- 28 1. The board shall establish a retiree health benefits fund account with the Bank of North  
29 Dakota for the purpose of prefunding and providing hospital benefits coverage and  
30 medical benefits coverage and prescription drug coverage under any health insurance  
31 program and dental, vision, and long-term care benefits coverage under the uniform

1 group insurance program for retired eligible employees or surviving spouses of retired  
2 eligible employees and their dependents as provided in this chapter. The state shall  
3 contribute monthly to the retiree health benefits fund an amount equal to one and  
4 fourteen hundredths percent of the monthly salaries and wages of all participating  
5 members of the highway patrolmen's retirement system under chapter 39-03.1, and  
6 one and fourteen hundredths percent of the monthly salaries of all supreme or district  
7 court judges who are participating members of the public employees retirement  
8 system under chapter 54-52. Each governmental unit that contributes to the public  
9 employees retirement system fund under section 54-52-06 or the retirement plan  
10 under chapter 54-52.6 shall contribute monthly to the retiree health benefits fund an  
11 amount equal to one and fourteen hundredths percent of the monthly salaries or  
12 wages of all participating members of the public employees retirement system under  
13 chapter 54-52 or chapter 54-52.6, except for nonteaching employees of the  
14 superintendent of public instruction who elect to participate in the public employees  
15 retirement system pursuant to section 54-52-02.13 and employees of the state board  
16 for career and technical education who elect to participate in the public employees  
17 retirement system pursuant to section 54-52-02.14. For nonteaching employees of the  
18 superintendent of public instruction who elect to participate in the public employees  
19 retirement system pursuant to section 54-52-02.13, the superintendent of public  
20 instruction shall contribute monthly to the retiree health benefits fund an amount equal  
21 to three and twenty-four hundredths percent of the monthly salaries or wages of those  
22 nonteaching employee members, beginning on the first of the month following the  
23 transfer under section 54-52-02.13 and continuing thereafter for a period of eight  
24 years, after which time the superintendent of public instruction shall contribute one and  
25 fourteen hundredths percent of the monthly salary or wages of those nonteaching  
26 employee members. For employees of the state board for career and technical  
27 education who elect to participate in the public employees retirement system pursuant  
28 to section 54-52-02.14, the state board for career and technical education shall  
29 contribute monthly to the retiree health benefits fund an amount equal to two and  
30 ninety-nine hundredths percent of the monthly salary or wages of those employee  
31 members, beginning on the first of the month following the transfer under section

1           54-52-02.14 and continuing thereafter for a period of eight years, after which time the  
2           state board for career and technical education shall contribute one and fourteen  
3           hundredths percent of the monthly salary or wages of those employee members. The  
4           employer of a national guard security officer ~~or firefighter~~ shall contribute monthly to  
5           the retiree health benefits fund an amount equal to one and fourteen hundredths  
6           percent of the monthly salaries or wages of all national guard security officers ~~or~~  
7           ~~firefighters~~ participating in the public employees retirement system under chapter  
8           54-52. Job service North Dakota shall reimburse monthly the retiree health benefits  
9           fund for credit received under section 54-52.1-03.3 by members of the retirement  
10          program established by job service North Dakota under section 52-11-01. The board,  
11          as trustee of the fund and in exclusive control of its administration, shall:

12          a.    Provide for the investment and disbursement of moneys of the retiree health  
13               benefits fund and administrative expenditures in the same manner as moneys of  
14               the public employees retirement system are invested, disbursed, or expended.

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

17          2.    All moneys deposited in the fund established under subsection 1, not otherwise  
18               appropriated, are hereby appropriated to the board for the purpose of making  
19               investments for the fund and to make contributions toward hospital and medical  
20               benefits coverage and prescription drug coverage under any health insurance program  
21               and dental, vision, and long-term care benefits coverage under the uniform group  
22               insurance program for eligible retired employees or surviving spouses of eligible  
23               retired employees and their dependents as elected.

24          3.    If a member terminates employment because of death, permanent and total disability,  
25               or any voluntary or involuntary reason prior to retirement, the member or the member's  
26               designated beneficiary is entitled to the member's account balance at termination. If a  
27               member's account balance is withdrawn, the member relinquishes all rights to benefits  
28               under the retiree health benefits fund.

29          **SECTION 7. REPEAL.** Section 54-52-06.2 of the North Dakota Century Code is repealed.