

BILL NO.

Introduced by

(At the request of the Public Employees Retirement System)

1 A BILL for an Act to amend and reenact subsection 2 of section 39-03.1-11 and subsection 2 of
2 section 54-52-17 of the North Dakota Century Code, relating to the computation of final average
3 salary for benefits under the highway patrolmen's retirement system and the public employees
4 retirement system.

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

6 **SECTION 1. AMENDMENT.** Subsection 2 of section 39-03.1-11 of the North Dakota
7 Century Code is amended and reenacted as follows:

8 2. Retirement benefits are based on the contributor's final average salary. Final average
9 salary is the average of the highest salary received by the contributor for any thirty-six
10 months employed during the last one hundred twenty months of employment. For
11 ~~contributors~~ a contributor who ~~terminateterminates~~ employment on or after August 1,
12 2010, final average salary is the average of the highest salary received by the
13 contributor for any thirty-six months employed during the last one hundred eighty
14 months of employment. For ~~contributors~~ a contributor who ~~terminateterminates~~
15 employment between July 31, 2005, and August 1, 2010, final average salary is the
16 average of the highest salary received by the ~~member~~ contributor for any thirty-six
17 months employed during the period for which the board has appropriate and accurate
18 salary records on its electronic database, but that period may not be more than the
19 last one hundred eighty months of employment. For ~~members~~ a contributor who
20 ~~terminateterminates~~ employment after December 31, 2019, final average salary is the
21 ~~higher of the final average salary calculated on December 31, 2019, or the average~~
22 salary earned in the three highest periods of twelve consecutive months employed
23 during the last one hundred eighty months of employment. Months without earnings
24 are excluded for the purpose of computing an average. If the contributor has worked

1 for less than thirty-six months at the postponed retirement date, the final average
2 salary is the average salary for all months of employment.

3 **SECTION 2. AMENDMENT.** Subsection 2 of section 54-52-17 of the North Dakota Century
4 Code is amended and reenacted as follows:

5 2. Retirement benefits are calculated from the participating member's final average
6 salary, which is the average of the highest salary received by the member for any
7 thirty-six months employed during the last one hundred twenty months of employment.
8 For ~~members~~a member who ~~terminat~~terminates employment on or after August 1,
9 2010, final average salary is the average of the highest salary received by the member
10 for any thirty-six months employed during the last one hundred eighty months of
11 employment. For ~~members~~a member who ~~terminat~~terminates employment between
12 July 31, 2005, and August 1, 2010, final average salary is the average of the highest
13 salary received by the member for any thirty-six months employed during the period
14 for which the board has appropriate and accurate salary records on the board's
15 electronic database, but that period may not be more than the last one hundred eighty
16 months of employment. For ~~members~~a member who ~~terminat~~terminates employment
17 after December 31, 2019, final average salary is the ~~higher of the final average salary~~
18 ~~calculated on December 31, 2019, or the~~ average salary earned in the three highest
19 periods of twelve consecutive months employed during the last one hundred eighty
20 months of employment. Months without earnings are excluded for the purpose of
21 computing an average. If the participating member has worked for less than thirty-six
22 months at the normal retirement date, the final average salary is the average salary for
23 the total months of employment.