

TESTIMONY OF SCOTT MILLER

Senate Bill 2044 – Technical Corrections

Good Morning, my name is Scott Miller. I am the Executive Director of the North Dakota Public Employees Retirement System, or NDPERS. I appear before you today in support of Senate Bill 2044.

Senate Bill 2044 proposes several technical corrections to the statutes we administer. These technical corrections are primarily changes to make our statutes consistent with how we are required to administer our programs, or how we actually currently administer our programs. None of the provisions of this bill have an actuarial effect on the system, nor do they require any additional funding. The Employee Benefits Programs Committee gave this bill a favorable recommendation.

Section 1 provides a citation change to a Highway Patrol Retirement Plan section that was missed when changes were originally made years ago.

Section 2 provides a change to the Highway Patrol plan's required minimum distribution statutes to keep that plan in compliance with Internal Revenue Code requirements. In late 2019, Congress increased the age at which minimum distributions from retirement plans must begin from age 70 ½ to age 72. This technical change to the Highway Patrol statute incorporates that federal requirement into the statute. Similar changes to the PERS Main plan and the Defined Contribution plan are in later sections.

Section 3 clarifies that if a beneficiary passes away before we can pay them a benefit, we are required to pay their named beneficiary or, if there is no named beneficiary, their estate.

Section 4 reduces the amount of time we have to wait before we can publish the name of a missing member in an effort to locate them. Currently we must wait two years, and this change reduces that to one year. We have found that once a member has been missing for two years, it is very difficult to locate them. We hope that reducing that to one year will increase the number of members we are able to locate and get them the benefits they are owed.

Section 5 makes the Internal Revenue Code changes to the required minimum distribution age for the Main PERS plan.

Section 6 makes this statute consistent with changes enacted last session to expand the insurance plans for which our retirees can use their Retiree Health Insurance Credit

monies. If you recall, last session you approved expanding the insurance plans to include dental, vision and long-term care plans that were not offered through NDPERS. This section should have been changed at the same time, but was missed. This change is to make this section consistent with those changes from last year.

Section 7 reverses changes to NDCC section 54-52.1-03.3 that were inadvertently made last session. NDPERS had proposed certain changes to that section last session, and during the legislative process other changes were made that we did not notice. Those changes altered the language relating to when a Retiree Health Insurance Credit (RHIC) beneficiary could receive RHIC reimbursement monies, and introduced potential restrictions on that benefit that were not intended. The change proposed in section 7 reverses those changes and clarifies when those benefits can be provided to beneficiaries.

Section 8 makes the Internal Revenue Code changes to the required minimum distribution age for the PERS Defined Contribution plan.

In summary, Senate Bill 2044 primarily clarifies or corrects existing law, in addition to adding necessary language to ensure we comply with Internal Revenue Code changes. We appreciate your positive consideration of this Bill. That concludes my testimony.