

BILL NO.

Introduced by

(North Dakota 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.

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

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

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

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

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