

SENATE BILL NO. 2239

Introduced by

Senators Cleary, Dever

Representative Boschee

1 A BILL for an Act to amend and reenact subsection 1 of section 54-52-06, subsection 3 of
2 section 54-52.6-01, and subsection 3 of section 54-52.6-02 of the North Dakota Century Code,
3 relating to public employees retirement system main system plan employer contribution rates
4 and participation in the public employees retirement system defined contribution plan; to provide
5 an appropriation; and to provide for application.

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

7 **SECTION 1. AMENDMENT.** Subsection 1 of section 54-52-06 of the North Dakota Century
8 Code is amended and reenacted as follows:

9 1. ~~Each~~As determined by actuarial valuations, each governmental unit shall contribute to
10 the defined benefit plan an amount equal to ~~four and twelve-hundredths percent of the~~
11 ~~monthly salary or wage of a participating member. Governmental unit contributions~~
12 ~~increase by one percent of the monthly salary or wage of a participating member~~
13 ~~beginning with the monthly reporting period of January 2012; with an additional~~
14 ~~increase of one percent, beginning with the reporting period of January 2013; and with~~
15 ~~an additional increase of one percent, beginning with the monthly reporting period of~~
16 ~~January 2014. For a participating member who first enrolls after December 31, 2019,~~
17 ~~the governmental unit shall contribute an additional amount equal to one and fourteen~~
18 ~~hundredths percent of the monthly salary or wage of the participating member~~on a
19 level percent of compensation basis for all main system defined benefit retirement plan
20 employees sufficient under the actuarial valuation to meet both the normal cost plus
21 the actuarially determined amount required to amortize the unfunded accrued liability
22 of the main system plan over a closed period of thirty and one-half years, beginning
23 January 1, 2024, and continuing through June 30, 2054. By November fifteenth of
24 each even-numbered year the board shall publish the contribution rate required under

1 this subsection. The board shall calculate this rate based on the July first actuarial
2 report of that year.

3 **SECTION 2. AMENDMENT.** Subsection 3 of section 54-52.6-01 of the North Dakota
4 Century Code is amended and reenacted as follows:

5 3. "Eligible employee" means a permanent state employee, except an employee of the
6 judicial branch or an employee of the board of higher education and state institutions
7 under the jurisdiction of the board, who is eighteen years or more of age ~~and who is in~~
8 ~~a position not classified by North Dakota human resource management services.~~ If a
9 participating member loses permanent employee status and becomes a temporary
10 employee, the member may still participate in the defined contribution retirement plan.

11 **SECTION 3. AMENDMENT.** Subsection 3 of section 54-52.6-02 of the North Dakota
12 Century Code is amended and reenacted as follows:

13 3. An eligible employee who elects to participate in the retirement plan established under
14 this chapter must remain a participant even if that employee ~~returns to the classified-~~
15 ~~service or~~ becomes employed by a political subdivision that participates in the public
16 employees retirement system. The contribution amount must be as provided in this
17 chapter, regardless of the position in which the employee is employed.

18 Notwithstanding the irrevocability provisions of this chapter, if a member who elects to
19 participate in the retirement plan established under this chapter becomes a supreme
20 or district court judge, becomes a member of the highway patrol, becomes employed
21 in a position subject to teachers' fund for retirement membership, or becomes an
22 employee of the board of higher education or state institution under the jurisdiction of
23 the board who is eligible to participate in an alternative retirement program established
24 under subsection 6 of section 15-10-17, the member's status as a member of the
25 defined contribution retirement plan is suspended, and the member becomes a new
26 member of the retirement plan for which that member's new position is eligible. The
27 member's account balance remains in the defined contribution retirement plan, but no
28 new contributions may be made to that account. The member's service credit and
29 salary history that were forfeited as a result of the member's transfer to the defined
30 contribution retirement plan remain forfeited, and service credit accumulation in the
31 new retirement plan begins from the first day of employment in the new position. If the

1 member later returns to employment that is eligible for the defined contribution plan,
2 the member's suspension must be terminated, the member again becomes a member
3 of the defined contribution retirement plan, and the member's account resumes
4 accepting contributions. At the member's option, and pursuant to rules adopted by the
5 board, the member may transfer any available balance as determined by the
6 provisions of the alternate retirement plan into the member's account under this
7 chapter.

8 **SECTION 4. APPROPRIATION - TRANSFER - GENERAL FUND TO PUBLIC**
9 **EMPLOYEES RETIREMENT SYSTEM FUND - REDUCTION OF UNFUNDED LIABILITY.**

10 There is appropriated out of any moneys in the general fund in the state treasury, not otherwise
11 appropriated, the sum of \$250,000,000, or so much of the sum as may be necessary, to the
12 public employees retirement system, which the office of management and budget shall transfer
13 to the public employees retirement system main system plan on July 1, 2023, for the purpose of
14 reducing the unfunded liability of the public employees retirement system main system plan, for
15 the biennium beginning July 1, 2023, and ending June 30, 2025.

16 **SECTION 5. APPLICATION.** Section 1 of this Act applies to employer contributions
17 beginning January 2024, using a contribution rate based on the July 1, 2022, actuarial analysis.
18 Section 2 of this Act applies to permanent state employees hired after June 30, 2023.