

**SECTION 5. AMENDMENT.** A new section to chapter 54-52.5 of the North Dakota Century Code is created and enacted as follows:

**Incentive compensation program**

The state retirement and investment office may develop an incentive compensation program for full-time equivalent investment related positions ~~related to the internal management of necessary for~~ the investment of funds under the control of the state investment board. The program must promote profitability, productivity, and responsible fund management. The provisions of the program must be approved annually by the state investment board. The provisions must ensure that the payouts do not occur unless the risk-based performance of the investments that are internally managed exceed the risk-based performance of policy benchmarks. Any amounts paid under this program shall be considered compensation and not personal profit on behalf of the employee.