North Dakota Legislative Council
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SUMMARY OF REENACTMENT OF PROVISIONS RELATING TO THE EFFECTIVE DATE FOR THE PUBLIC EMPLOYEES RETIREMENT SYSTEM DEFINED CONTRIBUTION PLAN TRANSITION - LC# 23.1138.01000

This memorandum describes the bill draft [23.1138.01000], which reenacts the following sections of Senate Bill No. 2015 (2023):

- Sections 36 through 40 and 44 through 50, relating to the January 1, 2024, effective date of the transition from the Public Employees Retirement System (PERS) defined benefit retirement plan to a defined contribution retirement plan;
- Part of Section 59, relating to the exemption from the requirements of the Employee Benefits Programs Committee; and
- Section 66, providing for a contingent effective date. (appendix)

SECTION 1

Section 1 reenacts Section 36 of Senate Bill No. 2015, which provides for the transition of newly elected and appointed state officials from the PERS defined benefit retirement plan to the defined contribution retirement plan effective January 1, 2024. This section, as well as Sections 2 through 12, do not become effective unless the contingency of Section 14 is met. If the contingency is not met, the transition to the defined contribution retirement plan occurs January 1, 2025.

SECTION 2

Section 2 reenacts Section 37 of Senate Bill No. 2015, which provides the opportunity for temporary employees to participate in the PERS defined contribution retirement plan effective January 1, 2024.

SECTION 3

Section 3 reenacts Section 38 of Senate Bill No. 2015, which provides for the transition of nonstate elected officials of participating counties from the PERS defined benefit retirement plan to the defined contribution retirement plan effective January 1, 2024.

SECTION 4

Section 4 reenacts Section 39 of Senate Bill No. 2015, which provides for the transition of nonstate appointed officials of participating employers from the PERS defined benefit retirement plan to the defined contribution retirement plan effective January 1, 2024.

SECTION 5

Section 5 reenacts Section 40 of Senate Bill No. 2015, which provides for the closure of the PERS defined benefit retirement plan to new hires and the transition of new hires to the defined contribution retirement plan effective January 1, 2024.

SECTION 6

Section 6 reenacts Section 44 of Senate Bill No. 2015, which provides for the PERS deferred compensation plan to provide for employer matching of certain employee contributions effective January 1, 2024.

SECTION 7

Section 7 reenacts Section 45 of Senate Bill No. 2015, which amends the definition of "eligible employee" used in the PERS defined contribution retirement plan law to provide for a distinction between employees who participated in the PERS defined contribution retirement plan before January 1, 2024, and after December 31, 2023.

SECTION 8

Section 8 reenacts Section 46 of Senate Bill No. 2015, which provides for closure of the existing PERS defined contribution retirement plan to new hires effective December 31, 2023.

SECTION 9

Section 9 reenacts Section 47 of Senate Bill No. 2015, which provides for new hires of eligible employees to transition into the new PERS defined contribution retirement plan effective January 1, 2024.

SECTION 10

Section 10 reenacts Section 48 of Senate Bill No. 2015, which provides an opportunity for recently hired state employees to elect to participate in the existing PERS defined contribution retirement plan effective December 31, 2023.

SECTION 11

Section 11 reenacts Section 49 of Senate Bill No. 2015, which provides for closure of the opportunity for eligible state employees to opt to participate in the existing PERS defined contribution retirement plan effective December 31, 2023.

SECTION 12

Section 12 reenacts Section 50 of Senate Bill No. 2015, which provides for a January 1, 2024, distinction between the contribution rates for eligible employees under the new and the existing PERS defined contribution retirement plans.

SECTION 13

Section 13 reenacts part of Section 59 of Senate Bill No. 2015, which provides the Act is not subject to the requirements of North Dakota Century Code Section 54-35-02.4, which establishes the powers and duties of the Employee Benefits Programs Committee. In effect, this section exempts the Act from the actuarial analysis requirement of Section 54-35-02.4.

SECTION 14

Section 14 reenacts Section 66 of Senate Bill No. 2015, which provides a contingent effective date for Sections 1 through 12 of the Act. This contingent effective date provides if before January 1, 2024, the PERS Board certifies to the Legislative Council that PERS is prepared to close the main system defined benefit retirement plan on December 31, 2023, the defined benefit plan will close December 31, 2023, and new hires will be transitioned to the defined contribution retirement plan effective January 1, 2024.

SECTION 15

Section 15 provides Sections 13 and 14, the provisions regarding the exemption of the Employee Benefits Programs Committee requirements and the contingent effective date, become effective on the date the Act is filed with the Secretary of State.

ATTACH:1

SECTION 66. CONTINGENT EFFECTIVE DATE. Sections 36 through 40 and sections 44 through 50 of this Act become effective on January 1, 2024, if before that date the retirement board certifies to the legislative council that the public employees retirement system is prepared to close the main system defined benefit retirement plan on December 31, 2023, and to open the new defined contribution retirement plan on January 1, 2024.