



# North Dakota House of Representatives

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## Representative Josh Boschee

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Minority Leader

**COMMITTEES:**  
Industry, Business and Labor

March 27, 2023

Good morning, Chair Wanzek and members of the Government Operations Subdivision of the Senate Appropriations Committee,

For the record, my name is Josh Boschee and I serve as a Representative from District 44, which comprises downtown and north Fargo.

House Bill 1309 is introduced on behalf of the Bureau of Criminal Investigation, who as most of you know, is our state's law enforcement agency that supports all other law enforcement agencies. BCI agents regularly provide assistance and leadership to our local and county law enforcement agencies. BCI agents play an integral role in investigating fraud, cybercrimes, sexual exploitation of minors and intervening in major illicit drug operations throughout the state.

HB 1309 makes adjustments to the retirement benefits for BCI agents and in collaboration with BCI, has been amended to the 2000 version in front of you, however I have attached to my testimony a proposed further amended version for your consideration that includes a technical correction, which I will use to walk you through the sections:

- Section 1 requires BCI agents to increase their contribution to their retirement by 1% over the next two calendar years
- Section 2 increases the vesting period to 10 years of service for BCI agents, up from three years of service for current agents
- Section 3 is the further amendment beyond the Senate's 6th order action, which was flagged by PERS to address BCI agents eligibility for early retirement
- Section 4 provides a multiplier of three for newly hired agents' first 20 years of service. For any years of service beyond 20 years, the multiplier is reduced to 1.75, which would be in congruence with current agents' multiplier

The goal of these changes is to allow BCI agents to retire closer to the age of 55. You will hear from BCI Director Lonnie Grabowska after me, who can provide more specific information as to why this change is being requested including the reality of balancing the required experience of new agents with the physicality of the job impacting agents who are 55 or older.

The Employee Benefits Program Committee, which I currently chair, provided a unanimous favorable recommendation for this legislation this past October and will review the actuarial analysis of the amended version at our meeting tomorrow afternoon. The strong support is based on the need to make sure that BCI has the ability to recruit and retain the best and brightest law enforcement, while ensuring adequate succession planning for agents who are near retirement.

It is my understanding that the Attorney General's office is working with their respective Appropriations subdivision to have the funds necessary for this change to be included in their budget. As you can see in the legislative history, 1309 received strong support from the three committees it has been in front of, the full House and now hopefully the Senate Appropriations committee.

Chair Wanzek and members of the committee, I am happy to answer any questions you may have.



**HOUSE BILL NO. 1309**

Introduced by

Representatives Boschee, Heinert, Martinson, Nathe, M. Ruby, Schneider

Senators Braunberger, Cleary, Dever, K. Roers

1 A BILL for an Act to amend and reenact ~~subdivision~~ section 54-52-06.4, subdivisions e and g of  
2 subsection 3 of section 54-52-17, and subsection 4 of section 54-52-17 of the North Dakota  
3 Century Code, relating to retirement benefits for peace officers employed by the bureau of  
4 criminal investigation.

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

6 **SECTION 1. AMENDMENT.** Section 54-52-06.4 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **54-52-06.4. Contribution by peace officers employed by the bureau of criminal**  
9 **investigation or security officers employed by the national guard - Employer**  
10 **contribution.**

11 1. a. Each peace officer employed by the bureau of criminal investigation who is a  
12 member of the public employees retirement system is assessed and shall pay  
13 monthly four percent of the employee's monthly salary. Peace officer  
14 contributions increase by one percent of the member's monthly salary beginning  
15 with the monthly reporting period of January 2012, ~~and~~ with an additional  
16 increase of one percent, beginning with the reporting period of January 2013,  
17 with an additional increase of one percent, beginning with the reporting period of  
18 January 2024; and with an additional increase of one percent, beginning with the  
19 reporting period of January 2025.

20 b. Effective August 1, 2015, each national guard security officer who is a member of  
21 the public employee's retirement system is assessed and monthly shall pay six  
22 percent of the employee's monthly salary. National guard security officer  
23 contributions decrease by one-half of one percent of the member's monthly  
24 salary beginning with the monthly reporting period of January 2016.



1           c. The assessment under this subsection must be deducted and retained out of the  
2           employee's salary in equal monthly installments.

3           2. The employer of a peace officer's officer employed by the bureau of criminal  
4           investigation or national guard security officer's employer officer shall contribute an  
5           amount determined by the board to be actuarially required to support the level of  
6           benefits specified in section 54-52-17. The employer's contribution must be paid from  
7           funds appropriated for salary or from any other funds available for such purposes. If  
8           the peace officer's or security officer's assessment is paid by the employer under  
9           subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount  
10          equal to the required peace officer's or security officer's assessment.

11          **SECTION 2. AMENDMENT.** Subdivision e of subsection 3 of section 54-52-17 of the North  
12          Dakota Century Code is amended and reenacted as follows:

13           e. Normal retirement date for a peace officer employed by the bureau of criminal  
14           investigation is:

15           (1) ~~The~~

16           (1) (a) For a member employed before August 1, 2023, the first day of the  
17           month next following the month in which the peace officer attains the  
18           age of fifty-five years and has completed at least three eligible years  
19           of employment; and

20           (b) For a member employed after July 31, 2023, the first day of the month  
21           next following the month in which the peace officer attains the age of  
22           fifty-five years and has completed at least ten eligible years of  
23           employment; or

24           (2) When the peace officer has a combined total of years of service credit and  
25           years of age equal to eighty-five and has not received a retirement benefit  
26           under this chapter.

27          **SECTION 3. AMENDMENT.** Subdivision g of subsection 3 of section 54-52-17 of the North  
28          Dakota Century Code is amended and reenacted as follows:

29           g. (1) Early retirement date, except for a national guard security officer or  
30           firefighter, a firefighter-employed by a political subdivision, or a peace  
31           officer, or correctional officer employed by the bureau of criminal-



- 1 ~~investigation or by a political subdivision, or a peace officer employed by the~~  
2 ~~bureau of criminal investigation.~~ is the first day of the month next following  
3 the month in which the member attains the age of fifty-five years and has  
4 completed three years of eligible employment.
- 5 (2) For a national guard security officer or firefighter, early retirement date is the  
6 first day of the month next following the month in which the national guard  
7 security officer or firefighter attains the age of fifty years and has completed  
8 at least three years of eligible employment.
- 9 (3) For a firefighter ~~employed by a political subdivision or a~~ peace officer, or  
10 correctional officer employed by ~~the bureau of criminal investigation or by a~~  
11 political subdivision, early retirement date is the first day of the month next  
12 following the month in which the peace officer, firefighter, or correctional  
13 officer attains the age of fifty years and has completed at least three years  
14 of eligible employment.
- 15 (4) For a peace officer employed by the bureau of criminal investigation:  
16 (a) Before August 1, 2023, early retirement date is the first day of the  
17 month next following the month in which the peace officer attains the  
18 age of fifty years and has completed at least three years of eligible  
19 employment.  
20 (b) After July 31, 2023, early retirement date is the first day of the month  
21 next following the month in which the peace officer attains the age of  
22 fifty years and has completed at least ten years of eligible  
23 employment.

24 **SECTION 4. AMENDMENT.** Subsection 4 of section 54-52-17 of the North Dakota Century  
25 Code is amended and reenacted as follows:

- 26 4. The board shall calculate retirement benefits as follows:  
27 a. Normal retirement benefits for all retirees, except supreme and district court  
28 judges and peace officers employed by the bureau of criminal investigation,  
29 reaching normal retirement date equal an annual amount, payable monthly,  
30 comprised of a service benefit and a prior service benefit, as defined in this  
31 chapter, which is determined as follows:

- 1                   (1) For members first enrolled:
- 2                   (a) Before January 1, 2020, service benefit equals two percent of final
- 3                   average salary multiplied by the number of years of service
- 4                   employment.
- 5                   (b) After December 31, 2019, service benefit equals one and seventy-five
- 6                   hundredths percent of final average salary multiplied by the number of
- 7                   years of service employment.
- 8                   (2) Prior service benefit equals two percent of final average salary multiplied by
- 9                   the number of years of prior service employment.
- 10                  b. Normal retirement benefits for all supreme and district court judges under the
- 11                  public employees retirement system reaching normal retirement date equal an
- 12                  annual amount, payable monthly, comprised of a benefit as defined in this
- 13                  chapter, determined as follows:
- 14                  (1) Benefits must be calculated from the time of appointment or election to the
- 15                  bench and must equal three and one-half percent of final average salary
- 16                  multiplied by the first ten years of judicial service, two and eighty hundredths
- 17                  percent of final average salary multiplied by the second ten years of judicial
- 18                  service, and one and one-fourth percent of final average salary multiplied by
- 19                  the number of years of judicial service exceeding twenty years.
- 20                  (2) Service benefits must include, in addition, an amount equal to the percent
- 21                  specified in subdivision a of final average salary multiplied by the number of
- 22                  years of nonjudicial employee service and employment.
- 23                  c. Normal retirement benefits for a peace officer employed by the bureau of criminal
- 24                  investigation reaching the normal retirement date equals an annual amount,
- 25                  payable monthly, comprised of a service benefit and a prior service benefit
- 26                  determined as follows:
- 27                  (1) The first twenty years of credited service multiplied by three percent of final
- 28                  average salary.
- 29                  (2) For years in excess of twenty years of credited service multiplied by one
- 30                  and seventy-five hundredths percent of final average salary.

- 1           d. Postponed retirement benefits are calculated as for single life benefits for those  
2           members who retired on or after July 1, 1977.
- 3           d.e. Early retirement benefits are calculated as for single life benefits accrued to the  
4           date of termination of employment, but must be actuarially reduced to account for  
5           benefit payments beginning before the normal retirement date, as determined  
6           under subsection 3. Except for a national guard security officer or firefighter, a  
7           firefighter employed by a political subdivision, a peace officer or correctional  
8           officer employed by the bureau of criminal investigation or by a political  
9           subdivision, or a supreme court or district court judge, early retirement benefits  
10          for members first enrolled after December 31, 2015, are calculated for single life  
11          benefits accrued to the date of termination of employment, but must be reduced  
12          by fixed rate of eight percent per year to account for benefit payments beginning  
13          before the normal retirement date. A retiree, other than a supreme or district court  
14          judge, is eligible for early retirement benefits only after having completed three  
15          years of eligible employment. A supreme or district court judge retiree is eligible  
16          for early retirement benefits only after having completed five years of eligible  
17          employment.
- 18          e.f. Except for supreme and district court judges, disability retirement benefits are  
19          twenty-five percent of the member's final average salary. Disability retirement  
20          benefits for supreme and district court judges are seventy percent of final  
21          average salary reduced by the member's primary social security benefits and by  
22          any workforce safety and insurance benefits paid. The minimum monthly  
23          disability retirement benefit under this section is one hundred dollars.



