

Seventieth  
Legislative Assembly  
of North Dakota

**BILL NO.**

Introduced by

Senator Cleary

1 A BILL for an Act to amend and reenact sections 54-52-06.3, 54-52-06.4, 54-52-17, and  
2 54-52-17.5 of the North Dakota Century Code, relating to retirement benefits for public  
3 employees retirement system public safety plan members; to provide an appropriation; and to  
4 provide an effective date.

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

6 **SECTION 1. AMENDMENT.** Section 54-52-06.3 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **54-52-06.3. Contribution by peace officers, firefighters, dispatchers, emergency**  
9 **medical services personnel, and correctional officers employed by political**  
10 **subdivisions - Employer contribution.**

11 1. Each peace officer, firefighter, dispatcher, emergency medical services personnel, or  
12 correctional officer employed by a political subdivision that enters an agreement with  
13 the retirement board on behalf of its peace officers, firefighters, dispatchers,  
14 emergency medical services personnel, and correctional officers separately from its  
15 other employees and who is a member of the public employees retirement system is  
16 assessed and shall pay monthly four percent of the employee's monthly salary. The  
17 assessment must be deducted and retained out of the employee's salary in equal  
18 monthly installments. Peace officer, firefighter, dispatcher, emergency medical  
19 services personnel, or correctional officer contributions increase ~~by~~ as follows:

20 a. By one-half of one percent of the member's monthly salary beginning with the  
21 monthly reporting period of January 2012, and with an additional increase of  
22 one-half of one percent, beginning with the monthly reporting period of  
23 January 2013, and with an additional increase of one-half of one percent,  
24 beginning with the monthly reporting period of January 2014. ~~The assessment~~

1                    ~~must be deducted and retained out of the employee's salary in equal monthly-~~  
2                    ~~installments; and~~

3                    b. By the amount determined by the board to be actuarially required to support the  
4                    level of benefits as specified in section 54-52-17 to account for the increase of  
5                    the multiplier to two and twenty-five hundredths percent of final average salary  
6                    less the employer contribution and employee contribution amounts in effect on  
7                    July 1, 2026, beginning with the monthly reporting period of January 2028.

8                    2. The peace officer's, firefighter's, dispatcher's, emergency medical services  
9                    personnel's, or correctional officer's employer shall contribute an amount determined  
10                    by the board to be actuarially required to support the level of benefits specified in  
11                    section 54-52-17. If the peace officer's, firefighter's, dispatcher's, emergency medical  
12                    services personnel's, or correctional officer's assessment is paid by the employer  
13                    under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an  
14                    amount equal to the required peace officer's, firefighter's, dispatcher's, emergency  
15                    medical services personnel's, or correctional officer's assessment.

16                    **SECTION 2. AMENDMENT.** Section 54-52-06.4 of the North Dakota Century Code is  
17                    amended and reenacted as follows:

18                    **54-52-06.4. Contribution by peace officers, dispatchers, firefighters, and correctional**  
19                    **officers employed by the state or security officers employed by the national guard -**  
20                    **Employer contribution. (Retroactive application - [See note](#))**

21                    1. a. Each peace officer employed by the bureau of criminal investigation who is a  
22                    member of the public employees retirement system is assessed and shall pay  
23                    monthly four percent of the employee's monthly salary. Peace officer  
24                    contributions increase by one percent of the member's monthly salary beginning  
25                    with the monthly reporting period of January 2012; with an additional increase of  
26                    one percent, beginning with the reporting period of January 2013; with an  
27                    additional increase of one percent, beginning with the reporting period of  
28                    January 2024; and with an additional increase of one percent, beginning with the  
29                    reporting period of January 2025.

30                    b. Each correctional officer, dispatcher, firefighter, and peace officer employed by  
31                    the state, other than a peace officer employed by the bureau of criminal

1 investigation, who is a member of the public employees retirement system is  
2 assessed and shall pay six percent of the employee's monthly salary.

3 Correctional officer, dispatcher, firefighter, and peace officer contributions  
4 increase by the amount determined by the board to be actuarially required to  
5 support the level of benefits specified in section 54-52-17 to account for the  
6 increase of the multiplier to two and twenty-five hundredths percent less the  
7 employer contribution and employee contribution amounts in effect on July 1,  
8 2026, beginning with the monthly reporting period of January 2028.

9 c. Effective August 1, 2015, each national guard security officer who is a member of  
10 the public employee's retirement system is assessed and monthly shall pay  
11 six percent of the employee's monthly salary. National guard security officer  
12 contributions decrease by one-half of one percent of the member's monthly  
13 salary beginning with the monthly reporting period of January 2016. National  
14 guard security officer contributions increase by the amount determined by the  
15 board to be actuarially required to support the level of benefits specified in  
16 section 54-52-17 to account for the increase of the multiplier to two and twenty-  
17 five hundredths percent less the employer contribution and employee contribution  
18 amounts in effect on July 1, 2026, beginning with the monthly reporting period of  
19 January 2028.

20 d. The assessment under this subsection must be deducted and retained out of the  
21 employee's salary in equal monthly installments.

22 2. The employer of a correctional officer, dispatcher, firefighter, or peace officer employed  
23 by the state or a national guard security officer shall contribute an amount determined  
24 by the board to be actuarially required to support the level of benefits specified in  
25 section 54-52-17. The employer's contribution must be paid from funds appropriated  
26 for salary or from any other funds available for such purposes. If the correctional  
27 officer's, dispatcher's, firefighter's, peace officer's, or security officer's assessment is  
28 paid by the employer under subsection 3 of section 54-52-05, the employer shall  
29 contribute, in addition, an amount equal to the required correctional officer's,  
30 dispatcher's, firefighter's, peace officer's, or security officer's assessment.

1       **SECTION 3. AMENDMENT.** Section 54-52-17 of the North Dakota Century Code is  
2 amended and reenacted as follows:

3       **54-52-17. Formulation of plan. (Retroactive application - [See note](#))**

4       Participating members shall receive benefits according to this section and according to  
5 rules adopted by the board, not inconsistent with this chapter. An individual is not entitled to  
6 receive a prior service benefit if the individual was not continuously employed by a  
7 governmental unit in North Dakota for a period of not less than two years immediately before  
8 eligibility for retirement.

- 9       1. Participating members shall receive credit for full-time employment or its equivalent  
10       from the date they attain eligibility until their normal retirement date, postponed  
11       retirement date, or early retirement date, as defined in this section. Part-time  
12       employment will be recognized as full-time employment on a prorated basis as the  
13       board may prescribe.
- 14       2. Retirement benefits are calculated from the participating member's final average  
15       salary, which is the average of the highest salary received by the member for any  
16       thirty-six months employed during the last one hundred twenty months of employment.  
17       For members who terminate employment on or after August 1, 2010, final average  
18       salary is the average of the highest salary received by the member for any thirty-six  
19       months employed during the last one hundred eighty months of employment. For  
20       members who terminate employment between July 31, 2005, and August 1, 2010, final  
21       average salary is the average of the highest salary received by the member for any  
22       thirty-six months employed during the period for which the board has appropriate and  
23       accurate salary records on the board's electronic database, but that period may not be  
24       more than the last one hundred eighty months of employment. For members who  
25       terminate employment after December 31, 2019, final average salary is the higher of  
26       the final average salary calculated on December 31, 2019, or the average salary  
27       earned in the three highest periods of twelve consecutive months employed during the  
28       last one hundred eighty months of employment. Months without earnings are excluded  
29       for the purpose of computing an average. If the participating member has worked for  
30       less than thirty-six months at the normal retirement date, the final average salary is the  
31       average salary for the total months of employment.

- 1           3. Retirement dates are defined as follows:
- 2           a. Normal retirement date, except for a national guard security officer or firefighter, a  
3 firefighter, dispatcher, correctional officer, or peace officer employed by the state,  
4 or a firefighter, dispatcher, emergency medical services personnel, peace officer,  
5 or correctional officer employed by a political subdivision, is:
- 6           (1) The first day of the month next following the month in which the member  
7 attains the age of sixty-five years; or
- 8           (2) When the member has a combined total of years of service credit and years  
9 of age equal to eighty-five and has not received a retirement benefit under  
10 this chapter.
- 11          b. Normal retirement date for members first enrolled after December 31, 2015,  
12 except for a national guard security officer or firefighter, a firefighter, dispatcher,  
13 correctional officer, or peace officer employed by the state, a firefighter,  
14 dispatcher, emergency medical services personnel, peace officer, or correctional  
15 officer employed by a political subdivision, or a supreme court or district court  
16 judge, is:
- 17          (1) The first day of the month next following the month in which the member  
18 attains the age of sixty-five years; or
- 19          (2) When the member has a combined total of years of service credit and years  
20 of age equal to ninety and the member attains a minimum age of sixty and  
21 has not received a retirement benefit under this chapter.
- 22          c. Normal retirement date for a national guard security officer or firefighter is:
- 23          (1) ~~The~~ the first day of the month next following the month in which the  
24 ~~national guard security officer or firefighter~~ member attains the age of fifty-five  
25 years and has completed:
- 26          (1) (a) If first enrolled before January 1, 2028, at least three eligible years of  
27 employment; or
- 28          (b) If first enrolled after December 31, 2027, at least five eligible years of  
29 employment; or

- 1                   (2) ~~When the national guard security officer or firefighter has a~~ combined total  
2                   of years of service credit and years of age equal to eighty-five and has not  
3                   received a retirement benefit under this chapter.
- 4           d. Normal retirement date for a dispatcher, emergency medical services personnel,  
5           peace officer, firefighter, or correctional officer employed by a political subdivision  
6           is:
- 7           (4) ~~The~~ the first day of the month next following the month in which the  
8           dispatcher, emergency medical services personnel, peace officer, firefighter,  
9           or ~~correctional officer~~ member attains the age of fifty-five years and has  
10           completed:
- 11           (1) (a) If first enrolled before January 1, 2028, at least three eligible years of  
12           employment; or  
13           (b) If first enrolled after December 31, 2027, at least five eligible years of  
14           employment; or
- 15           (2) ~~When the dispatcher, emergency medical services personnel, peace officer,~~  
16           ~~firefighter, or correctional officer has a~~ combined total of years of service  
17           credit and years of age equal to eighty-five and has not received a  
18           retirement benefit under this chapter.
- 19           e. (1) Normal retirement date for a peace officer employed by the bureau of  
20           criminal investigation is:
- 21           (a) [1] For a member employed before August 1, 2023, the first day of  
22           the month next following the month in which the peace officer  
23           attains the age of fifty-five years and has completed at least  
24           three eligible years of employment; and  
25           [2] For a member employed after July 31, 2023, the first day of the  
26           month next following the month in which the peace officer attains  
27           the age of fifty-five years and has completed at least ten eligible  
28           years of employment; or  
29           (b) When the peace officer has a combined total of years of service credit  
30           and years of age equal to eighty-five and has not received a  
31           retirement benefit under this chapter.

- 1                   (2) Normal retirement date for a firefighter, dispatcher, correctional officer, or  
2                   peace officer employed by the state, other than a peace officer employed by  
3                   the bureau of criminal investigation, is:
- 4                   (a) ~~The the first day of the month next following the month in which the~~  
5                   ~~firefighter, dispatcher, correctional officer, or peace officer~~member  
6                   attains the age of fifty-five years and has completed:
- 7                   (a) [1] If first enrolled before January 1, 2028, at least three eligible  
8                   years of employment; or
- 9                   [2] If first enrolled after December 31, 2027, at least five eligible  
10                  years of employment; or
- 11                  (b) ~~When the firefighter, dispatcher, correctional officer, or peace officer~~  
12                  ~~has a~~A combined total of years of service credit and years of age  
13                  equal to eighty-five and has not received a retirement benefit under  
14                  this chapter.
- 15                  f. Postponed retirement date is the first day of the month next following the month  
16                  in which the member, on or after July 1, 1977, actually severs or has severed the  
17                  member's employment after reaching the normal retirement date.
- 18                  g. (1) Early retirement date, except for a national guard security officer or  
19                  firefighter, a firefighter, dispatcher, emergency medical services personnel,  
20                  peace officer, or correctional officer employed by a political subdivision, or a  
21                  firefighter, dispatcher, correctional officer, or peace officer employed by the  
22                  state, is the first day of the month next following the month in which the  
23                  member attains the age of fifty-five years and has completed three years of  
24                  eligible employment.
- 25                  (2) For a national guard security officer or firefighter, ~~early retirement date is the~~  
26                  ~~first day of the month next following the month in which the national guard~~  
27                  ~~security officer or firefighter attains the age of fifty years and has completed~~  
28                  ~~at least three years of eligible employment.~~
- 29                  (3) ~~For~~ a firefighter, dispatcher, correctional officer, or peace officer employed  
30                  by the state, other than a peace officer employed by the bureau of criminal  
31                  investigation, or a dispatcher, emergency medical services personnel,

1 firefighter, peace officer, or correctional officer employed by a political  
2 subdivision, early retirement date is the first day of the month next following  
3 the month in which the ~~dispatcher, emergency medical services personnel,~~  
4 ~~peace officer, firefighter, or correctional officer~~ member attains the age of fifty  
5 years and has completed ~~at least three years of eligible employment:~~

6 (a) If first enrolled before January 1, 2028, at least three years of eligible  
7 employment; or

8 (b) If first enrolled after December 31, 2027, at least five years of eligible  
9 employment.

10 ~~(4)~~(3) For a peace officer employed by the bureau of criminal investigation, early  
11 retirement date is the first day of the month next following the month in  
12 which the peace officer attains the age of fifty years and has completed:

13 (a) If hired before August 1, 2023, at least three years of eligible  
14 employment; or

15 (b) If hired after July 31, 2023, at least ten years of eligible employment.

16 h. Disability retirement date is the first day of the month after a member becomes  
17 permanently and totally disabled, according to medical evidence called for under  
18 the rules of the board, and has completed at least one hundred eighty days of  
19 eligible employment. For supreme and district court judges, permanent and total  
20 disability is based solely on a judge's inability to perform judicial duties arising out  
21 of physical or mental impairment, as determined pursuant to rules adopted by the  
22 board or as provided by subdivision a of subsection 3 of section 27-23-03.

23 (1) A member is eligible to receive disability retirement benefits only if the  
24 member became disabled during the period of eligible employment and  
25 applies for disability retirement benefits within twelve months of the date the  
26 member terminates employment.

27 (2) A member is eligible to continue to receive disability benefits as long as the  
28 permanent and total disability continues and the member submits the  
29 necessary documentation and undergoes medical testing required by the  
30 board, or for as long as the member participates in a rehabilitation program  
31 required by the board, or both. If the board determines a member no longer

1                   meets the eligibility definition, the board may discontinue the disability  
2                   retirement benefit. The board may pay the cost of any medical testing or  
3                   rehabilitation services the board deems necessary and these payments are  
4                   appropriated from the retirement fund for those purposes. A member's  
5                   receipt of disability benefits under this section is limited to receipt from the  
6                   fund to which the member was actively contributing at the time the member  
7                   became disabled.

8                   (3) A member who has reached normal retirement age or normal retirement  
9                   date and is eligible for unreduced retirement benefits may not apply for a  
10                  disability retirement benefit.

11               4. The board shall calculate retirement benefits as follows:

12               a. Normal retirement benefits for a retiree, except a supreme or district court judge  
13               and, peace officer employed by the bureau of criminal investigation, national  
14               guard security officer or firefighter, a firefighter, dispatcher, emergency medical  
15               services personnel, peace officer, or correctional officer employed by a political  
16               subdivision, or a firefighter, dispatcher, correctional officer, or peace officer  
17               employed by the state, reaching normal retirement date equals an annual  
18               amount, payable monthly, comprised of a service benefit and a prior service  
19               benefit, as defined in this chapter, which is determined as follows:

20               (1) For a member first enrolled:

21                   (a) Before January 1, 2020, service benefit equals two percent of final  
22                   average salary multiplied by the number of years of service  
23                   employment.

24                   (b) After December 31, 2019, service benefit equals one and seventy-five  
25                   hundredths percent of final average salary multiplied by the number of  
26                   years of service employment.

27               (2) Prior service benefit equals two percent of final average salary multiplied by  
28               the number of years of prior service employment.

29               b. Normal retirement benefits for a supreme or district court judge under the public  
30               employees retirement system reaching normal retirement date equals an annual

1 amount, payable monthly, comprised of a benefit as defined in this chapter,  
2 determined as follows:

3 (1) Benefits must be calculated from the time of appointment or election to the  
4 bench and must equal three and one-half percent of final average salary  
5 multiplied by the first ten years of judicial service, two and eighty hundredths  
6 percent of final average salary multiplied by the second ten years of judicial  
7 service, and one and one-fourth percent of final average salary multiplied by  
8 the number of years of judicial service exceeding twenty years.

9 (2) Service benefits must include, in addition, an amount equal to the percent  
10 specified in subdivision a of final average salary multiplied by the number of  
11 years of nonjudicial employee service and employment.

12 c. Normal retirement benefits for a peace officer employed by the bureau of criminal  
13 investigation reaching the normal retirement date equals an annual amount,  
14 payable monthly, comprised of a service benefit and a prior service benefit  
15 determined as follows:

16 (1) The first twenty years of credited service multiplied by three percent of final  
17 average salary.

18 (2) For years in excess of twenty years of credited service multiplied by one  
19 and seventy-five hundredths percent of final average salary.

20 d. Normal retirement benefits for a national guard security officer or firefighter, a  
21 firefighter, dispatcher, emergency medical services personnel, peace officer, or  
22 correctional officer employed by a political subdivision, or a firefighter, dispatcher,  
23 correctional officer, or peace officer employed by the state, reaching normal  
24 retirement date who retires after December 31, 2027, equals an amount, payable  
25 monthly, comprised of a service benefit equal to two and twenty-five hundredths  
26 percent of final average salary multiplied by the number of years of service  
27 employment.

28 e. Postponed retirement benefits are calculated as for single life benefits for those  
29 members who retired on or after July 1, 1977.

30 e.f. Early retirement benefits are calculated as for single life benefits accrued to the  
31 date of termination of employment, but must be actuarially reduced to account for

1 benefit payments beginning before the normal retirement date, as determined  
2 under subsection 3. Except for a national guard security officer or firefighter, a  
3 firefighter, dispatcher, ~~or~~ emergency medical services personnel, peace officer, or  
4 correctional officer employed by a political subdivision, a firefighter, dispatcher,  
5 correctional officer, or peace officer employed by a ~~governmental unit~~the state, or  
6 a supreme court or district court judge, early retirement benefits for members first  
7 enrolled after December 31, 2015, are calculated for single life benefits accrued  
8 to the date of termination of employment, but must be reduced by fixed rate of  
9 eight percent per year to account for benefit payments beginning before the  
10 normal retirement date. A retiree, other than a supreme or district court judge, ~~or~~  
11 a peace officer employed by the bureau of criminal investigation and hired after  
12 July 31, 2023, or a national guard security officer or firefighter, a firefighter,  
13 dispatcher, emergency medical services personnel, peace officer, or correctional  
14 officer employed by a political subdivision, or a firefighter, dispatcher, correctional  
15 officer, or peace officer employed by the state and first enrolled after  
16 December 31, 2027, is eligible for early retirement benefits only after having  
17 completed three years of eligible employment. A supreme or district court judge  
18 retiree, or a national guard security officer or firefighter, a firefighter, dispatcher,  
19 emergency medical services personnel, peace officer, or correctional officer  
20 employed by a political subdivision, or a firefighter, dispatcher, correctional officer,  
21 or peace officer employed by the state and first enrolled after December 31,  
22 2027, is eligible for early retirement benefits only after having completed five  
23 years of eligible employment. A peace officer employed by the bureau of criminal  
24 investigation and hired after July 31, 2023, is eligible for early retirement benefits  
25 only after having completed ten years of eligible employment.

26 f.g. Except for a supreme or district court judge, disability retirement benefits are  
27 twenty-five percent of the member's final average salary. Disability retirement  
28 benefits for a supreme or district court judge are seventy percent of final average  
29 salary reduced by any social security benefits and by any workforce safety and  
30 insurance benefits paid to the member. The minimum monthly disability  
31 retirement benefit under this section is one hundred dollars.

- 1           5. Upon termination of employment after completing three years of eligible employment,  
2           except for a supreme or district court judge, or a national guard security officer or  
3           firefighter, a firefighter, dispatcher, emergency medical services personnel, peace  
4           officer, or correctional officer employed by a political subdivision, or a firefighter,  
5           dispatcher, correctional officer, or peace officer employed by the state and first  
6           enrolled after December 31, 2027, who must complete five years of eligible  
7           employment, or a peace officer employed by the bureau of criminal investigation and  
8           hired after July 31, 2023, who must complete ten years of eligible employment, but  
9           before normal retirement date, a member who does not elect to receive early  
10          retirement benefits is eligible to receive deferred vested retirement benefits payable  
11          commencing on the member's normal retirement date in one of the optional forms  
12          provided in subsection 9. Members who have delayed or inadvertently failed to apply  
13          for retirement benefits to commence on their normal retirement date may choose to  
14          receive either a lump sum payment equal to the amount of missed payments, or an  
15          actuarial increase to the form of benefit the member has selected, which increase  
16          must reflect the missed payments.
- 17          6. If before retiring a member dies after completing three years of eligible employment,  
18          except for a supreme or district court judge, or a national guard security officer or  
19          firefighter, a firefighter, dispatcher, emergency medical services personnel, peace  
20          officer, or correctional officer employed by a political subdivision, or a firefighter,  
21          dispatcher, correctional officer, or peace officer employed by the state and first  
22          enrolled after December 31, 2027, who must have completed five years of eligible  
23          employment, or a peace officer employed by the bureau of criminal investigation and  
24          hired after July 31, 2023, who must complete ten years of eligible employment, the  
25          board shall pay the member's account balance to the member's designated  
26          beneficiary as provided in this subsection. If the member has designated an alternate  
27          beneficiary with the surviving spouse's written consent, the board shall pay the  
28          member's account balance to the named beneficiary. If the member has named more  
29          than one primary beneficiary, the board shall pay the member's account balance to the  
30          named primary beneficiaries in the percentages designated by the member or, if the  
31          member has not designated a percentage for the beneficiaries, in equal percentages.

1 If one or more of the primary beneficiaries has predeceased the member, the board  
2 shall pay the predeceased beneficiary's share to the remaining primary beneficiaries.  
3 If any beneficiary survives the member, yet dies before distribution of the beneficiary's  
4 share, the beneficiary must be treated as if the beneficiary predeceased the member.  
5 If there are no remaining primary beneficiaries, the board shall pay the member's  
6 account balance to the contingent beneficiaries in the same manner. If there are no  
7 remaining designated beneficiaries, the board shall pay the member's account  
8 balance to the member's estate. If the member has not designated an alternate  
9 beneficiary or the surviving spouse is the beneficiary, the surviving spouse of the  
10 member may select a form of payment as follows:

11 a. If the member was a supreme or district court judge, the surviving spouse may  
12 select one of the following optional forms of payment:

13 (1) A lump sum payment of the member's retirement account as of the date of  
14 death.

15 (2) Payments as calculated for the deceased member as if the member was of  
16 normal retirement age at the date of death, payable until the spouse dies.

17 b. The surviving spouse of all other members may select one of the following  
18 options:

19 (1) A lump sum payment of the member's retirement account as of the date of  
20 death.

21 (2) Payment of a monthly retirement benefit equal to fifty percent of the  
22 deceased member's accrued single life retirement benefits until the spouse  
23 dies.

24 (3) If the member dies on or after the member's normal retirement date, the  
25 payment of a monthly retirement benefit equal to an amount that would have  
26 been paid to the surviving spouse if the member had retired on the day of  
27 the member's death and had selected a one hundred percent joint and  
28 survivor annuity, payable until the spouse dies. A surviving spouse who  
29 received a benefit under this subsection as of July 31, 1995, is entitled to  
30 the higher of that person's existing benefit or the equivalent of the accrued  
31 benefit available under the one hundred percent joint and survivor provision

1 as if the deceased member were of normal retirement age, with the increase  
2 payable beginning August 1, 1995.

- 3 7. If a member not coming under the provisions of subsection 6 terminates employment  
4 because of death, permanent and total disability, or any voluntary or involuntary  
5 reason prior to retirement, the member or the member's designated beneficiary is  
6 entitled to the member's account balance at termination. The board automatically shall  
7 refund a member's account balance if the member has completed less than three  
8 years of eligible employment, has an account balance of less than one thousand  
9 dollars, and was not a supreme or district court judge ~~or~~ a peace officer employed by  
10 the bureau of criminal investigation and hired after July 31, 2023, or a national guard  
11 security officer or firefighter, a firefighter, dispatcher, emergency medical services  
12 personnel, peace officer, or correctional officer employed by a political subdivision, or  
13 a firefighter, dispatcher, correctional officer, or peace officer employed by the state and  
14 first enrolled after December 31, 2027. If the member was a supreme or district court  
15 judge, or a national guard security officer or firefighter, a firefighter, dispatcher,  
16 emergency medical services personnel, peace officer, or correctional officer employed  
17 by a political subdivision, or a firefighter, dispatcher, correctional officer, or peace  
18 officer employed by the state and first enrolled after December 31, 2027, the board  
19 automatically shall refund a member's account balance if the member completed less  
20 than five years of eligible employment and has an account balance of less than one  
21 thousand dollars. If the member was a peace officer employed by the bureau of  
22 criminal investigation and hired after July 31, 2023, the board automatically shall  
23 refund a member's account balance if the member completed less than ten years of  
24 eligible employment and has an account balance of less than one thousand dollars. A  
25 member may waive the refund if the member submits a written statement to the board,  
26 within thirty days after termination, requesting that the member's account balance  
27 remain in the fund.
- 28 8. The surviving spouse of a member receiving retirement benefits must be the  
29 member's primary beneficiary unless there is no surviving spouse or the surviving  
30 spouse designates an alternate beneficiary in writing. If a member receiving retirement  
31 benefits or the member's surviving spouse receiving retirement benefits dies before

1 the total amount of benefits paid to either or both equals the amount of the member's  
2 account balance at retirement, the difference must be paid to the named beneficiary of  
3 the recipient or, if there is no named beneficiary, to the recipient's estate. A benefit  
4 payment owed to the member, surviving spouse, or alternate beneficiary which was  
5 not paid before the death of the member, surviving spouse, or alternate beneficiary  
6 must be paid to the named beneficiary of the recipient or, if there is no named  
7 beneficiary, to the recipient's estate.

8 9. a. The board shall adopt rules providing for the receipt of retirement benefits in the  
9 following optional forms:

10 (1) Single life.

11 (2) An actuarially equivalent joint and survivor option, with fifty percent or one  
12 hundred percent options.

13 (3) Actuarially equivalent life with ten-year or twenty-year certain options.

14 (4) An actuarially equivalent partial lump sum distribution option with a  
15 twelve-month maximum lump sum distribution.

16 (5) An actuarially equivalent graduated benefit option with either a one percent  
17 or two percent increase to be applied the first day of January of each year.

18 b. Except for a supreme or district court judge, unless a member specifically  
19 requests that the member receive benefits according to one of these options at  
20 the time of applying for retirement, all retirement benefits must be in the form of a  
21 single life benefit. For a supreme or district court judge, unless a member  
22 specifically requests that the member receive benefits according to one of these  
23 options at the time of applying for retirement, all retirement benefits must be in  
24 the form of a lifetime monthly pension with fifty percent of the benefit continuing  
25 for the life of the surviving spouse, if any.

26 10. The fund may accept rollovers from other eligible plans under rules adopted by the  
27 board for the purchase of additional service credit, but only to the extent the transfer is  
28 a rollover contribution that meets the requirement of section 408 of the Internal  
29 Revenue Code.

30 11. The board may accept trustee-to-trustee transfers as permitted by Internal Revenue  
31 Code section 403(b)(13) and section 457(e)(17) from an Internal Revenue Code

1 section 403(b) annuity or Internal Revenue Code section 457 deferred compensation  
2 plan for the purchase of permissive service credit, as defined in Internal Revenue  
3 Code section 415(n)(3)(A) or as repayment of a cashout from a governmental plan  
4 under Internal Revenue Code section 415(k)(3).

5 12. The board may establish individual retirement accounts and individual retirement  
6 annuities as permitted under section 408(q) of the Internal Revenue Code to allow  
7 employees to make voluntary employee contributions. The board may adopt rules to  
8 implement and administer the accounts and annuities under this section.

9 **SECTION 4. AMENDMENT.** Section 54-52-17.5 of the North Dakota Century Code is  
10 amended and reenacted as follows:

11 **54-52-17.5. Postretirement adjustments.**

12 An individual or the individual's beneficiary who, on July 31, 2001, is receiving retirement  
13 benefits under subdivision a, c, d, e, or ef of subsection 4 of section 54-52-17 is entitled to  
14 receive an increase in benefits equal to six percent of the individual's present benefits with the  
15 increase payable beginning August 1, 2001.

16 **SECTION 5. APPROPRIATION - PUBLIC EMPLOYEES RETIREMENT SYSTEM -**

17 **TRANSFER - GENERAL FUND TO PUBLIC EMPLOYEES RETIREMENT SYSTEM FUND -**

18 **ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state  
19 treasury, not otherwise appropriated, the sum of \$\_\_\_\_\_, or so much of the sum as may be  
20 necessary, to the public employees retirement system, which the office of management and  
21 budget shall transfer to the public employees retirement system fund, for the purpose of  
22 covering the cost of increasing the service benefit multiplier for national guard security officers  
23 and firefighters, firefighters, dispatchers, emergency medical services personnel, peace officers,  
24 and correctional officers employed by a political subdivision, and firefighters, dispatchers,  
25 correctional officers, and peace officers employed by the state, who retire after December 31,  
26 2027, to two and twenty-five hundredths percent through December 31, 2027, for the biennium  
27 beginning July 1, 2027, and ending June 30, 2029. This funding is considered a one-time  
28 funding item.

29 **SECTION 6. EFFECTIVE DATE.** This Act becomes effective on January 1, 2028.

**NOTE:** This bill draft contains blanks that must be filled in before introduction.