

Introduced by

Representative Porter

1 A BILL for an Act to amend and reenact sections 54-52-01, 54-52-06.4, and 54-52-17 of the
2 North Dakota Century Code, relating to the public employees retirement system public safety
3 retirement plan.

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

5 **SECTION 1. AMENDMENT.** Section 54-52-01 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-52-01. Definition of terms.**

8 As used in this chapter, unless the context otherwise requires:

- 9 1. "Account balance" means the total contributions made by the employee, vested
10 employer contributions under section 54-52-11.1, the vested portion of the vesting
11 fund as of June 30, 1977, and interest credited thereon at the rate established by the
12 board.
- 13 2. "Beneficiary" means any person in receipt of a benefit provided by this plan or any
14 person designated by a participating member to receive benefits.
- 15 3. "Correctional officer" means a participating member who is employed as a correctional
16 officer by a governmental unit and, notwithstanding subsection ~~46~~17, for an individual
17 employed on or after August 1, 2025, is employed at least thirty-two hours per week
18 and at least twenty weeks each year of employment. A correctional officer who is a
19 participating member of the public safety retirement plan created by this chapter who
20 begins employment on or after August 1, 2025, is ineligible to participate concurrently
21 in any other retirement plan administered by the public employees retirement system.
22 The term includes an individual employed by a correctional facility as defined in
23 section 12-44.1-01, who is enrolled in, but has not yet completed, a correctional officer

- 1 course approved or certified by the North Dakota department of corrections and
2 rehabilitation.
- 3 4. "Deferred member" means a participating member who is not actively participating in
4 the main plan under this chapter and who has an account intact in the main plan under
5 this chapter.
- 6 5. "Dispatcher" means a participating member who is employed as a state radio
7 dispatcher by the state or is employed as a public safety answering point dispatcher
8 by a political subdivision and, notwithstanding subsection ~~46~~17, for an individual
9 employed on or after August 1, 2025, is employed at least thirty-two hours per week
10 and at least twenty weeks each year of employment. A dispatcher who is a
11 participating member of the public safety retirement plan created by this chapter who
12 begins employment on or after August 1, 2025, is ineligible to participate concurrently
13 in any other retirement plan administered by the public employees retirement system.
- 14 6. "Eligible employee", except as otherwise provided under section 54-52-02.15, means
15 a permanent employee who meets all of the eligibility requirements set by this chapter
16 and who is eighteen years or more of age. The term includes appointive and elective
17 officials under sections 54-52-02.5, 54-52-02.11, and 54-52-02.12, and nonteaching
18 employees of the superintendent of public instruction, including the superintendent of
19 public instruction, who elect to transfer from the teachers' fund for retirement to the
20 public employees retirement system under section 54-52-02.13, and employees of the
21 state board for career and technical education who elect to transfer from the teachers'
22 fund for retirement to the public employees retirement system under section
23 54-52-02.14. The term does not include nonclassified state employees who elected
24 under section 54-52.6-02 to become members of the retirement plan established
25 under chapter 54-52.6. The term does include employees of the judicial branch and
26 employees of the board of higher education and state institutions under the jurisdiction
27 of the board of higher education.
- 28 7. "Emergency medical services personnel" means a participating member employed by
29 a political subdivision as an emergency medical services personnel, as defined under
30 section 23-27-02 and, notwithstanding subsection ~~46~~17, for an individual employed on
31 or after August 1, 2025, is employed at least thirty-two hours per week and at least

1 twenty weeks each year of employment. An emergency medical services personnel
2 who is a participating member of the public safety retirement plan created by this
3 chapter who begins employment on or after August 1, 2025, is ineligible to participate
4 concurrently in any other retirement plan administered by the public employees
5 retirement system.

6 8. a. "Emergency medical services professional" means a participating member
7 employed by the state as an emergency medical services professional, as
8 defined under section 23-27-02 and, notwithstanding subsection 17, for an
9 individual employed on or after August 1, 2027, who:

10 (1) Is employed at least thirty-two hours per week and at least twenty weeks
11 each year of employment; and

12 (2) Has achieved at least the second level of training and certification in
13 accordance with the rules of the department of health and human services
14 and the certification is required as a condition of employment.

15 b. An emergency medical services professional who is a participating member of
16 the public safety retirement plan created by this chapter who begins employment
17 on or after August 1, 2027, is ineligible to participate concurrently in any other
18 retirement plan administered by the public employees retirement system.

19 9. "Employee" means any individual employed by a governmental unit, whose
20 compensation is paid out of the governmental unit's funds, or funds controlled or
21 administered by a governmental unit, or paid by the federal government through any of
22 its executive or administrative officials; licensed employees of a school district means
23 those employees eligible to participate in the teachers' fund for retirement who, except
24 under subsection 2 of section 54-52-17.2, are not eligible employees under this
25 chapter.

26 ~~9-10.~~ "Employer" means a governmental unit.

27 ~~10-11.~~ "Firefighter" means a participating member who is employed as a firefighter by the
28 state or a political subdivision and, notwithstanding subsection ~~46~~17, for an individual
29 employed after July 31, 2017, is employed at least thirty-two hours per week and at
30 least twenty weeks each year of employment. A firefighter who is a participating
31 member of the public safety retirement plan created by this chapter who begins

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- 1 employment after July 31, 2017, is ineligible to participate concurrently in any other
2 retirement plan administered by the public employees retirement system. The term
3 does not include a firefighter employee of the North Dakota national guard.
- 4 ~~41.12.~~ "Funding agent" or "agents" means an investment firm, trust bank, or other financial
5 institution which the retirement board may select to hold and invest the employers' and
6 members' contributions.
- 7 ~~42.13.~~ "Governmental unit" means the state of North Dakota, except the highway patrol for
8 members of the retirement plan created under chapter 39-03.1, or a participating
9 political subdivision of the state.
- 10 ~~43.14.~~ "National guard security officer or firefighter" means a participating member who is:
11 a. A security police employee of the North Dakota national guard;
12 b. A security officer employee of the North Dakota national guard; or
13 c. A firefighter employee of the North Dakota national guard.
- 14 ~~44.15.~~ "Participating member" means an eligible employee who through payment into the
15 plan has established a claim against the plan.
- 16 ~~45.16.~~ "Peace officer" means a participating member who is a peace officer as defined in
17 section 12-63-01 and is employed as a peace officer by the state, except by the
18 highway patrol for members of the retirement plan created under chapter 39-03.1, or is
19 employed by a political subdivision and, notwithstanding subsection ~~44.17~~, for
20 ~~persons~~an individual employed after August 1, 2005, is employed thirty-two hours or
21 more per week and at least twenty weeks each year of employment. A peace officer
22 who is a participating member of the public safety retirement plan created by this
23 chapter who begins employment after August 1, 2005, is ineligible to participate
24 concurrently in any other retirement plan administered by the public employees
25 retirement system.
- 26 ~~46.17.~~ "Permanent employee" means an employee whose services are not limited in duration
27 and who is filling an approved and regularly funded position in an eligible
28 governmental unit, and is employed twenty hours or more per week and at least
29 twenty weeks each year of employment.
- 30 ~~47.18.~~ "Prior service" means service or employment before July 1, 1966.

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- 1 ~~18-19.~~ "Prior service credit" means such credit toward a retirement benefit as the retirement
2 board may determine under the provisions of this chapter.
- 3 ~~19-20.~~ "Public employees retirement system" means the retirement plan and program
4 established by this chapter.
- 5 ~~20-21.~~ "Retirement" means the acceptance of a retirement allowance under this chapter upon
6 either termination of employment or termination of participation in the retirement plan.
- 7 ~~21-22.~~ "Retirement board" or "board" means the governing authority created under section
8 54-52-03.
- 9 ~~22-23.~~ "Seasonal employee" means a participating member who does not work twelve
10 months a year.
- 11 ~~23-24.~~ "Service" means employment on or after July 1, 1966.
- 12 ~~24-25.~~ "Service benefit" means the credit toward retirement benefits as determined by the
13 retirement board under the provisions of this chapter.
- 14 ~~25-26.~~ "Temporary employee" means an employee who is not eligible to participate as a
15 permanent employee, who is at least eighteen years old and not actively contributing
16 to another employer-sponsored retirement fund, and, if employed by a school district,
17 occupies a noncertified teacher's position.
- 18 ~~26-27.~~ "Wages" and "salaries" means the member's earnings in eligible employment under
19 this chapter reported as salary on the member's federal income tax withholding
20 statements plus any salary reduction or salary deferral amounts under 26 U.S.C. 125,
21 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as
22 payments for unused sick leave, personal leave, vacation leave paid in a lump sum,
23 overtime, housing allowances, transportation expenses, early retirement incentive pay,
24 severance pay, medical insurance, workforce safety and insurance benefits, disability
25 insurance premiums or benefits, or salary received by a member in lieu of previously
26 employer-provided fringe benefits under an agreement between the member and
27 participating employer. Bonuses may be considered as salary under this section if
28 reported and annualized pursuant to rules adopted by the board.

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

1 **54-52-06.4. Contribution by peace officers, dispatchers, firefighters, emergency**
2 **medical services professionals, and correctional officers employed by the state or**
3 **security officers employed by the national guard - Employer contribution. (Retroactive**
4 **application - [See note](#))**

- 5 1. a. Each peace officer employed by the bureau of criminal investigation who is a
6 member of the public employees retirement system is assessed and shall pay
7 monthly four percent of the employee's monthly salary. Peace officer
8 contributions increase by one percent of the member's monthly salary beginning
9 with the monthly reporting period of January 2012; with an additional increase of
10 one percent, beginning with the reporting period of January 2013; with an
11 additional increase of one percent, beginning with the reporting period of
12 January 2024; and with an additional increase of one percent, beginning with the
13 reporting period of January 2025.
- 14 b. Each correctional officer, dispatcher, emergency medical services professional,
15 firefighter, and peace officer employed by the state, other than a peace officer
16 employed by the bureau of criminal investigation, who is a member of the public
17 employees retirement system is assessed and shall pay six percent of the
18 employee's monthly salary.
- 19 c. Effective August 1, 2015, each national guard security officer who is a member of
20 the public employee's retirement system is assessed and monthly shall pay
21 six percent of the employee's monthly salary. National guard security officer
22 contributions decrease by one-half of one percent of the member's monthly
23 salary beginning with the monthly reporting period of January 2016.
- 24 d. The assessment under this subsection must be deducted and retained out of the
25 employee's salary in equal monthly installments.
- 26 2. The employer of a correctional officer, dispatcher, emergency medical services
27 professional, firefighter, or peace officer employed by the state or a national guard
28 security officer shall contribute an amount determined by the board to be actuarially
29 required to support the level of benefits specified in section 54-52-17. The employer's
30 contribution must be paid from funds appropriated for salary or from any other funds
31 available for such purposes. If the correctional officer's, dispatcher's, emergency

1 ~~medical services professional's, firefighter's, peace officer's, or security officer's~~
2 assessment is paid by the employer under subsection 3 of section 54-52-05, the
3 employer shall contribute, in addition, an amount equal to the required ~~correctional-~~
4 ~~officer's, dispatcher's, firefighter's, peace officer's, or security officer's~~member's
5 assessment.

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

8 **54-52-17. Formulation of plan. (Retroactive application - [See note](#))**

9 Participating members shall receive benefits according to this section and according to
10 rules adopted by the board, not inconsistent with this chapter. An individual is not entitled to
11 receive a prior service benefit if the individual was not continuously employed by a
12 governmental unit in North Dakota for ~~a period of not less than~~at least two years immediately
13 before eligibility for retirement.

- 14 1. Participating members shall receive credit for full-time employment or its equivalent
15 from the date they attain eligibility until their normal retirement date, postponed
16 retirement date, or early retirement date, as defined in this section. Part-time
17 employment will be recognized as full-time employment on a prorated basis as the
18 board may prescribe.
- 19 2. Retirement benefits are calculated from the participating member's final average
20 salary, which is the average of the highest salary received by the member for any
21 thirty-six months employed during the last one hundred twenty months of employment.
22 For members who terminate employment on or after August 1, 2010, final average
23 salary is the average of the highest salary received by the member for any thirty-six
24 months employed during the last one hundred eighty months of employment. For
25 members who terminate employment between July 31, 2005, and August 1, 2010, final
26 average salary is the average of the highest salary received by the member for any
27 thirty-six months employed during the period for which the board has appropriate and
28 accurate salary records on the board's electronic database, but that period may not be
29 more than the last one hundred eighty months of employment. For members who
30 terminate employment after December 31, 2019, final average salary is the higher of
31 the final average salary calculated on December 31, 2019, or the average salary

1 earned in the three highest periods of twelve consecutive months employed during the
2 last one hundred eighty months of employment. Months without earnings are excluded
3 for the purpose of computing an average. If the participating member has worked for
4 less than thirty-six months at the normal retirement date, the final average salary is the
5 average salary for the total months of employment.

6 3. Retirement dates are defined as follows:

7 a. Normal retirement date, except for a national guard security officer or firefighter, a
8 firefighter, dispatcher, correctional officer, emergency medical services
9 professional, or peace officer employed by the state, or a firefighter, dispatcher,
10 emergency medical services personnel, peace officer, or correctional officer
11 employed by a political subdivision, is:

12 (1) The first day of the month next following the month in which the member
13 attains the age of sixty-five years; or

14 (2) When the member has a combined total of years of service credit and years
15 of age equal to eighty-five and has not received a retirement benefit under
16 this chapter.

17 b. Normal retirement date for members first enrolled after December 31, 2015,
18 except for a national guard security officer or firefighter, a firefighter, dispatcher,
19 correctional officer, emergency medical services professional, or peace officer
20 employed by the state, a firefighter, dispatcher, emergency medical services
21 personnel, peace officer, or correctional officer employed by a political
22 subdivision, or a supreme court or district court judge, is:

23 (1) The first day of the month next following the month in which the member
24 attains the age of sixty-five years; or

25 (2) When the member has a combined total of years of service credit and years
26 of age equal to ninety and the member attains a minimum age of sixty and
27 has not received a retirement benefit under this chapter.

28 c. Normal retirement date for a national guard security officer or firefighter is:

29 (1) The first day of the month next following the month in which the national
30 guard security officer or firefighter attains the age of fifty-five years and has
31 completed at least three eligible years of 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 (1) The first day of the month next following the month in which the ~~dispatcher,~~
8 ~~emergency medical services personnel, peace officer, firefighter, or~~
9 ~~correctional officer~~member attains the age of fifty-five years and has
10 completed at least three eligible years of employment; or

11 (2) When the ~~dispatcher, emergency medical services personnel, peace officer,~~
12 ~~firefighter, or correctional officer~~member has a combined total of years of
13 service credit and years of age equal to eighty-five and has not received a
14 retirement benefit under this chapter.

15 e. (1) Normal retirement date for a peace officer employed by the bureau of
16 criminal investigation is:

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

21 [2] For a member employed after July 31, 2023, the first day of the
22 month next following the month in which the peace officer attains
23 the age of fifty-five years and has completed at least ten eligible
24 years of employment; or

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

28 (2) Normal retirement date for a firefighter, dispatcher, correctional officer,
29 emergency medical services professional, or peace officer employed by the
30 state, other than a peace officer employed by the bureau of criminal
31 investigation, is:

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

- 1 (4) For a peace officer employed by the bureau of criminal investigation, early
2 retirement date is the first day of the month next following the month in
3 which the peace officer attains the age of fifty years and has completed:
4 (a) If hired before August 1, 2023, at least three years of eligible
5 employment; or
6 (b) If hired after July 31, 2023, at least ten years of eligible employment.
- 7 h. Disability retirement date is the first day of the month after a member becomes
8 permanently and totally disabled, according to medical evidence called for under
9 the rules of the board, and has completed at least one hundred eighty days of
10 eligible employment. For supreme and district court judges, permanent and total
11 disability is based solely on a judge's inability to perform judicial duties arising out
12 of physical or mental impairment, as determined pursuant to rules adopted by the
13 board or as provided by subdivision a of subsection 3 of section 27-23-03.
- 14 (1) A member is eligible to receive disability retirement benefits only if the
15 member became disabled during the period of eligible employment and
16 applies for disability retirement benefits within twelve months of the date the
17 member terminates employment.
- 18 (2) A member is eligible to continue to receive disability benefits as long as the
19 permanent and total disability continues and the member submits the
20 necessary documentation and undergoes medical testing required by the
21 board, or for as long as the member participates in a rehabilitation program
22 required by the board, or both. If the board determines a member no longer
23 meets the eligibility definition, the board may discontinue the disability
24 retirement benefit. The board may pay the cost of any medical testing or
25 rehabilitation services the board deems necessary and these payments are
26 appropriated from the retirement fund for those purposes. A member's
27 receipt of disability benefits under this section is limited to receipt from the
28 fund to which the member was actively contributing at the time the member
29 became disabled.

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

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

5 a. Normal retirement benefits for a retiree, except a supreme or district court judge
6 and/or peace officer employed by the bureau of criminal investigation, reaching
7 normal retirement date equals an annual amount, payable monthly, comprised of
8 a service benefit and a prior service benefit, as defined in this chapter, which is
9 determined as follows:

10 (1) For a member first enrolled:

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

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

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

19 b. Normal retirement benefits for a supreme or district court judge under the public
20 employees retirement system reaching normal retirement date equals an annual
21 amount, payable monthly, comprised of a benefit as defined in this chapter,
22 determined as follows:

23 (1) Benefits must be calculated from the time of appointment or election to the
24 bench and must equal three and one-half percent of final average salary
25 multiplied by the first ten years of judicial service, two and eighty hundredths
26 percent of final average salary multiplied by the second ten years of judicial
27 service, and one and one-fourth percent of final average salary multiplied by
28 the number of years of judicial service exceeding twenty years.

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

- 1 c. Normal retirement benefits for a peace officer employed by the bureau of criminal
2 investigation reaching the normal retirement date equals an annual amount,
3 payable monthly, comprised of a service benefit and a prior service benefit
4 determined as follows:
- 5 (1) The first twenty years of credited service multiplied by three percent of final
6 average salary.
- 7 (2) For years in excess of twenty years of credited service multiplied by one
8 and seventy-five hundredths percent of final average salary.
- 9 d. Postponed retirement benefits are calculated as for single life benefits for those
10 members who retired on or after July 1, 1977.
- 11 e. Early retirement benefits are calculated as for single life benefits accrued to the
12 date of termination of employment, but must be actuarially reduced to account for
13 benefit payments beginning before the normal retirement date, as determined
14 under subsection 3. Except for a national guard security officer or firefighter, a
15 firefighter, dispatcher, or emergency medical services personnel employed by a
16 political subdivision, a dispatcher, correctional officer, emergency medical
17 services professional, or peace officer employed by a governmental unit, or a
18 supreme court or district court judge, early retirement benefits for members first
19 enrolled after December 31, 2015, are calculated for single life benefits accrued
20 to the date of termination of employment, but must be reduced by fixed rate of
21 eight percent per year to account for benefit payments beginning before the
22 normal retirement date. A retiree, other than a supreme or district court judge, or
23 a peace officer employed by the bureau of criminal investigation and hired after
24 July 31, 2023, is eligible for early retirement benefits only after having completed
25 three years of eligible employment. A supreme or district court judge retiree is
26 eligible for early retirement benefits only after having completed five years of
27 eligible employment. A peace officer employed by the bureau of criminal
28 investigation and hired after July 31, 2023, is eligible for early retirement benefits
29 only after having completed ten years of eligible employment.
- 30 f. Except for a supreme or district court judge, disability retirement benefits are
31 twenty-five percent of the member's final average salary. Disability retirement

1 benefits for a supreme or district court judge are seventy percent of final average
2 salary reduced by any social security benefits and by any workforce safety and
3 insurance benefits paid to the member. The minimum monthly disability
4 retirement benefit under this section is one hundred dollars.

5 5. Upon termination of employment after completing three years of eligible employment,
6 except for a supreme or district court judge, 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, who must have completed five years of
19 eligible employment, or a peace officer employed by the bureau of criminal
20 investigation and hired after July 31, 2023, who must complete ten years of eligible
21 employment, the board shall pay the member's account balance to the member's
22 designated beneficiary as provided in this subsection. If the member has designated
23 an alternate beneficiary with the surviving spouse's written consent, the board shall
24 pay the member's account balance to the named beneficiary. If the member has
25 named more than one primary beneficiary, the board shall pay the member's account
26 balance to the named primary beneficiaries in the percentages designated by the
27 member or, if the member has not designated a percentage for the beneficiaries, in
28 equal percentages. If one or more of the primary beneficiaries has predeceased the
29 member, the board shall pay the predeceased beneficiary's share to the remaining
30 primary beneficiaries. If any beneficiary survives the member, yet dies before
31 distribution of the beneficiary's share, the beneficiary must be treated as if the

1 beneficiary predeceased the member. If there are no remaining primary beneficiaries,
2 the board shall pay the member's account balance to the contingent beneficiaries in
3 the same manner. If there are no remaining designated beneficiaries, the board shall
4 pay the member's account balance to the member's estate. If the member has not
5 designated an alternate beneficiary or the surviving spouse is the beneficiary, the
6 surviving spouse of the member may select a form of payment as follows:

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

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

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

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

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

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

20 (3) If the member dies on or after the member's normal retirement date, the
21 payment of a monthly retirement benefit equal to an amount that would have
22 been paid to the surviving spouse if the member had retired on the day of
23 the member's death and had selected a one hundred percent joint and
24 survivor annuity, payable until the spouse dies. A surviving spouse who
25 received a benefit under this subsection as of July 31, 1995, is entitled to
26 the higher of that person's existing benefit or the equivalent of the accrued
27 benefit available under the one hundred percent joint and survivor provision
28 as if the deceased member were of normal retirement age, with the increase
29 payable beginning August 1, 1995.

30 7. If a member not coming under the provisions of subsection 6 terminates employment
31 because of death, permanent and total disability, or any voluntary or involuntary

1 reason prior to retirement, the member or the member's designated beneficiary is
2 entitled to the member's account balance at termination. The board automatically shall
3 refund a member's account balance if the member has completed less than three
4 years of eligible employment, has an account balance of less than one thousand
5 dollars, and was not a supreme or district court judge or a peace officer employed by
6 the bureau of criminal investigation and hired after July 31, 2023. If the member was a
7 supreme or district court judge, the board automatically shall refund a member's
8 account balance if the member completed less than five years of eligible employment
9 and has an account balance of less than one thousand dollars. If the member was a
10 peace officer employed by the bureau of criminal investigation and hired after July 31,
11 2023, the board automatically shall refund a member's account balance if the member
12 completed less than ten years of eligible employment and has an account balance of
13 less than one thousand dollars. A member may waive the refund if the member
14 submits a written statement to the board, within thirty days after termination,
15 requesting that the member's account balance remain in the fund.

16 8. The surviving spouse of a member receiving retirement benefits must be the
17 member's primary beneficiary unless there is no surviving spouse or the surviving
18 spouse designates an alternate beneficiary in writing. If a member receiving retirement
19 benefits or the member's surviving spouse receiving retirement benefits dies before
20 the total amount of benefits paid to either or both equals the amount of the member's
21 account balance at retirement, the difference must be paid to the named beneficiary of
22 the recipient or, if there is no named beneficiary, to the recipient's estate. A benefit
23 payment owed to the member, surviving spouse, or alternate beneficiary which was
24 not paid before the death of the member, surviving spouse, or alternate beneficiary
25 must be paid to the named beneficiary of the recipient or, if there is no named
26 beneficiary, to the recipient's estate.

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

29 (1) Single life.

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

- 1 (3) Actuarially equivalent life with ten-year or twenty-year certain options.
- 2 (4) An actuarially equivalent partial lump sum distribution option with a
3 twelve-month maximum lump sum distribution.
- 4 (5) An actuarially equivalent graduated benefit option with either a one percent
5 or two percent increase to be applied the first day of January of each year.
- 6 b. Except for a supreme or district court judge, unless a member specifically
7 requests that the member receive benefits according to one of these options at
8 the time of applying for retirement, all retirement benefits must be in the form of a
9 single life benefit. For a supreme or district court judge, unless a member
10 specifically requests that the member receive benefits according to one of these
11 options at the time of applying for retirement, all retirement benefits must be in
12 the form of a lifetime monthly pension with fifty percent of the benefit continuing
13 for the life of the surviving spouse, if any.
- 14 10. The fund may accept rollovers from other eligible plans under rules adopted by the
15 board for the purchase of additional service credit, but only to the extent the transfer is
16 a rollover contribution that meets the requirement of section 408 of the Internal
17 Revenue Code.
- 18 11. The board may accept trustee-to-trustee transfers as permitted by Internal Revenue
19 Code section 403(b)(13) and section 457(e)(17) from an Internal Revenue Code
20 section 403(b) annuity or Internal Revenue Code section 457 deferred compensation
21 plan for the purchase of permissive service credit, as defined in Internal Revenue
22 Code section 415(n)(3)(A) or as repayment of a cashout from a governmental plan
23 under Internal Revenue Code section 415(k)(3).
- 24 12. The board may establish individual retirement accounts and individual retirement
25 annuities as permitted under section 408(q) of the Internal Revenue Code to allow
26 employees to make voluntary employee contributions. The board may adopt rules to
27 implement and administer the accounts and annuities under this section.