

Seventieth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

Representative Vetter

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.

3. Retirement dates are defined as follows:

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

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

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

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

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

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

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

(1) ~~The~~ the first day of the month next following the month in which the ~~national guard security officer or firefighter~~ member attains the age of fifty-five years and has completed:

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

(b) If first enrolled after December 31, 2027, at least five 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 (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.

(2) Normal retirement date for a firefighter, dispatcher, correctional officer, or peace officer employed by the state, other than a peace officer employed by the bureau of criminal investigation, is:

(a) ~~The~~ the first day of the month next following the month in which the firefighter, dispatcher, correctional officer, or peace officer member attains the age of fifty-five years and has completed:

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

[2] If first enrolled after December 31, 2027, at least five eligible years of employment; or

(b) ~~When the firefighter, dispatcher, correctional officer, or peace officer has a~~ combined total of years of service credit and years of age equal to eighty-five and has not received a retirement benefit under this chapter.

f. Postponed retirement date is the first day of the month next following the month in which the member, on or after July 1, 1977, actually severs or has severed the member's employment after reaching the normal retirement date.

g. (1) Early retirement date, except for a national guard security officer or firefighter, a firefighter, dispatcher, emergency medical services personnel, peace officer, or correctional officer employed by a political subdivision, or a firefighter, dispatcher, correctional officer, or peace officer employed by the state, is the first day of the month next following the month in which the member attains the age of fifty-five years and has completed three years of eligible employment.

(2) For a national guard security officer or firefighter, ~~early retirement date is the first day of the month next following the month in which the national guard security officer or firefighter attains the age of fifty years and has completed at least three years of eligible employment.~~

(3) ~~For~~ a firefighter, dispatcher, correctional officer, or peace officer employed by the state, other than a peace officer employed by the bureau of criminal 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

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

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

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

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

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

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

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

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

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

benefit payments beginning before the normal retirement date, as determined under subsection 3. Except for a national guard security officer or firefighter, a firefighter, dispatcher, or emergency medical services personnel, peace officer, or correctional officer employed by a political subdivision, a firefighter, dispatcher, correctional officer, or peace officer employed by ~~a governmental unit~~ the state, or a supreme court or district court judge, early retirement benefits for members first enrolled after December 31, 2015, are calculated for single life benefits accrued to the date of termination of employment, but must be reduced by fixed rate of eight percent per year to account for benefit payments beginning before the normal retirement date. A retiree, other than a supreme or district court judge, or a peace officer employed by the bureau of criminal investigation and hired after July 31, 2023, or a national guard security officer or firefighter, a firefighter, dispatcher, emergency medical services personnel, peace officer, or correctional officer employed by a political subdivision, or a firefighter, dispatcher, correctional officer, or peace officer employed by the state and first enrolled after December 31, 2027, is eligible for early retirement benefits only after having completed three years of eligible employment. A supreme or district court judge retiree, or a national guard security officer or firefighter, a firefighter, dispatcher, emergency medical services personnel, peace officer, or correctional officer employed by a political subdivision, or a firefighter, dispatcher, correctional officer, or peace officer employed by the state and first enrolled after December 31, 2027, is eligible for early retirement benefits only after having completed five years of eligible employment. A peace officer employed by the bureau of criminal investigation and hired after July 31, 2023, is eligible for early retirement benefits only after having completed ten years of eligible employment.

f.g. Except for a supreme or district court judge, disability retirement benefits are twenty-five percent of the member's final average salary. Disability retirement benefits for a supreme or district court judge are seventy percent of final average salary reduced by any social security benefits and by any workforce safety and insurance benefits paid to the member. The minimum monthly disability 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

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

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

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

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

(1) Single life.

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

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

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

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

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

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

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

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

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

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

54-52-17.5. Postretirement adjustments.

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

SECTION 5. APPROPRIATION - PUBLIC EMPLOYEES RETIREMENT SYSTEM - TRANSFER - GENERAL FUND TO PUBLIC EMPLOYEES RETIREMENT SYSTEM FUND - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$_____, or so much of the sum as may be necessary, to the public employees retirement system, which the office of management and budget shall transfer to the public employees retirement system fund, for the purpose of covering the cost of increasing the service benefit multiplier for national guard security officers and firefighters, firefighters, dispatchers, emergency medical services personnel, peace officers, and correctional officers employed by a political subdivision, and firefighters, dispatchers, correctional officers, and peace officers employed by the state, who retire after December 31, 2027, to two and twenty-five hundredths percent through December 31, 2027, for the biennium beginning July 1, 2027, and ending June 30, 2029. This funding is considered a one-time funding item.

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.