

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; and to provide an effective date.

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

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

7 **54-52-06.3. Contribution by peace officers, firefighters, dispatchers, emergency**
8 **medical services personnel, and correctional officers employed by political**
9 **subdivisions - Employer contribution.**

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

19 a. By one-half of one percent of the member's monthly salary beginning with the
20 monthly reporting period of January 2012, and with an additional increase of
21 one-half of one percent, beginning with the monthly reporting period of
22 January 2013, and with an additional increase of one-half of one percent,
23 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 fifty hundredths percent of final average salary less the
6 employer contribution and employee contribution amounts in effect on July 1,
7 2026, beginning with the monthly reporting period of January 2028.

8 2. A peace officer, firefighter, dispatcher, emergency medical services personnel, or
9 correctional officer employed by a political subdivision may make additional
10 contributions to increase the multiplier to two and fifty hundredths percent of final
11 average salary for service before January 1, 2028, as determined by the board.

12 2.3. The peace officer's, firefighter's, dispatcher's, emergency medical services
13 personnel's, or correctional officer's employer shall contribute an amount determined
14 by the board to be actuarially required to support the level of benefits specified in
15 section 54-52-17. If the peace officer's, firefighter's, dispatcher's, emergency medical
16 services personnel's, or correctional officer's assessment is paid by the employer
17 under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an
18 amount equal to the required peace officer's, firefighter's, dispatcher's, emergency
19 medical services personnel's, or correctional officer's assessment.

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

22 **54-52-06.4. Contribution by peace officers, dispatchers, firefighters, and correctional**
23 **officers employed by the state or security officers employed by the national guard -**
24 **Employer contribution. (Retroactive application - [See note](#))**

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

1 January 2024; and with an additional increase of one percent, beginning with the
2 reporting period of January 2025.

3 b. Each correctional officer, dispatcher, firefighter, and peace officer employed by
4 the state, other than a peace officer employed by the bureau of criminal
5 investigation, who is a member of the public employees retirement system is
6 assessed and shall pay six percent of the employee's monthly salary.

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

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

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

26 e. A correctional officer, dispatcher, firefighter, or peace officer employed by the
27 state or a national guard security officer may choose to make additional
28 contributions to increase the multiplier to two and fifty hundredths percent of final
29 average salary for service before January 1, 2028, as determined by the board.

30 2. The employer of a correctional officer, dispatcher, firefighter, or peace officer employed
31 by the state or a national guard security officer shall contribute an amount determined

by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the correctional officer's, dispatcher's, firefighter's, peace officer's, or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required correctional officer's, dispatcher's, firefighter's, peace officer's, or security officer's assessment.

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

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

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

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

1 terminate employment after December 31, 2019, final average salary is the higher of
2 the final average salary calculated on December 31, 2019, or the average salary
3 earned in the three highest periods of twelve consecutive months employed during the
4 last one hundred eighty months of employment. Months without earnings are excluded
5 for the purpose of computing an average. If the participating member has worked for
6 less than thirty-six months at the normal retirement date, the final average salary is the
7 average salary for the total months of employment.

8 3. Retirement dates are defined as follows:

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

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

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

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

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

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

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

- (4) ~~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
- (2) ~~When the national-guard security officer or firefighter has a~~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.
- d. Normal retirement date for a dispatcher, emergency medical services personnel, peace officer, firefighter, or correctional officer employed by a political subdivision is:
- (4) ~~The~~ the first day of the month next following the month in which the ~~dispatcher, emergency medical services personnel, peace officer, firefighter, or correctional officer~~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
- (2) ~~When the dispatcher, emergency medical services personnel, peace officer, firefighter, or correctional officer has a~~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.
- e. (1) Normal retirement date for a peace officer employed by the bureau of criminal investigation is:
- (a) [1] For a member employed before August 1, 2023, the first day of the month next following the month in which the peace officer attains the age of fifty-five years and has completed at least three eligible years of employment; and

- [2] For a member employed after July 31, 2023, the first day of the month next following the month in which the peace officer attains the age of fifty-five years and has completed at least ten eligible years of employment; or
- (b) When the 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.
- (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~~ 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, firefighter, peace officer, or correctional officer employed by a political subdivision, early retirement date is the first day of the month next following the month in which the dispatcher, emergency medical services personnel, peace officer, firefighter, or correctional officer member attains the age of fifty years and has completed at least three years of eligible employment:~~
- (a) If first enrolled before January 1, 2028, at least three years of eligible employment; or
- (b) If first enrolled after December 31, 2027, at least five years of eligible employment.
- (4)(3) For a peace officer employed by the bureau of criminal investigation, early retirement date is the first day of the month next following the month in which the peace officer attains the age of fifty years and has completed:
- (a) If hired before August 1, 2023, at least three years of eligible employment; or
- (b) If hired after July 31, 2023, at least ten years of eligible employment.
- h. Disability retirement date is the first day of the month after a member becomes permanently and totally disabled, according to medical evidence called for under the rules of the board, and has completed at least one hundred eighty days of eligible employment. For supreme and district court judges, permanent and total disability is based solely on a judge's inability to perform judicial duties arising out of physical or mental impairment, as determined pursuant to rules adopted by the board or as provided by subdivision a of subsection 3 of section 27-23-03.
- (1) A member is eligible to receive disability retirement benefits only if the member became disabled during the period of eligible employment and

1 applies for disability retirement benefits within twelve months of the date the
2 member terminates employment.

3 (2) A member is eligible to continue to receive disability benefits as long as the
4 permanent and total disability continues and the member submits the
5 necessary documentation and undergoes medical testing required by the
6 board, or for as long as the member participates in a rehabilitation program
7 required by the board, or both. If the board determines a member no longer
8 meets the eligibility definition, the board may discontinue the disability
9 retirement benefit. The board may pay the cost of any medical testing or
10 rehabilitation services the board deems necessary and these payments are
11 appropriated from the retirement fund for those purposes. A member's
12 receipt of disability benefits under this section is limited to receipt from the
13 fund to which the member was actively contributing at the time the member
14 became disabled.

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

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

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

27 (1) For a member first enrolled:

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

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

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

b. Normal retirement benefits for a supreme or district court judge under the public 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 equals an amount, payable monthly, comprised of a service benefit determined as follows:

- (1) For a member first enrolled before January 1, 2020, for years of credited service before January 1, 2028, service benefit equals two percent of final average salary multiplied by the number of years of service employment.
- (2) For a member first enrolled after December 31, 2019, for years of credited service before January 1, 2028, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment.
- (3) For years of credited service after December 31, 2027, service benefit multiplier equals two and fifty 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

1 December 31, 2027, is eligible for early retirement benefits only after having
2 completed three years of eligible employment. A supreme or district court judge
3 retiree, or a national guard security officer or firefighter, a firefighter, dispatcher,
4 emergency medical services personnel, peace officer, or correctional officer
5 employed by a political subdivision, or a firefighter, dispatcher, correctional officer,
6 or peace officer employed by the state and first enrolled after December 31,
7 2027, is eligible for early retirement benefits only after having completed five
8 years of eligible employment. A peace officer employed by the bureau of criminal
9 investigation and hired after July 31, 2023, is eligible for early retirement benefits
10 only after having completed ten years of eligible employment.

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

- 17 5. Upon termination of employment 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 complete 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, but
25 before normal retirement date, a member who does not elect to receive early
26 retirement benefits is eligible to receive deferred vested retirement benefits payable
27 commencing on the member's normal retirement date in one of the optional forms
28 provided in subsection 9. Members who have delayed or inadvertently failed to apply
29 for retirement benefits to commence on their normal retirement date may choose to
30 receive either a lump sum payment equal to the amount of missed payments, or an

1 actuarial increase to the form of benefit the member has selected, which increase
2 must reflect the missed payments.

3 6. If before retiring a member dies after completing three years of eligible employment,
4 except for a supreme or district court judge, or a national guard security officer or
5 firefighter, a firefighter, dispatcher, emergency medical services personnel, peace
6 officer, or correctional officer employed by a political subdivision, or a firefighter,
7 dispatcher, correctional officer, or peace officer employed by the state and first
8 enrolled after December 31, 2027, who must have completed five years of eligible
9 employment, or a peace officer employed by the bureau of criminal investigation and
10 hired after July 31, 2023, who must complete ten years of eligible employment, the
11 board shall pay the member's account balance to the member's designated
12 beneficiary as provided in this subsection. If the member has designated an alternate
13 beneficiary with the surviving spouse's written consent, the board shall pay the
14 member's account balance to the named beneficiary. If the member has named more
15 than one primary beneficiary, the board shall pay the member's account balance to the
16 named primary beneficiaries in the percentages designated by the member or, if the
17 member has not designated a percentage for the beneficiaries, in equal percentages.
18 If one or more of the primary beneficiaries has predeceased the member, the board
19 shall pay the predeceased beneficiary's share to the remaining primary beneficiaries.
20 If any beneficiary survives the member, yet dies before distribution of the beneficiary's
21 share, the beneficiary must be treated as if the beneficiary predeceased the member.
22 If there are no remaining primary beneficiaries, the board shall pay the member's
23 account balance to the contingent beneficiaries in the same manner. If there are no
24 remaining designated beneficiaries, the board shall pay the member's account
25 balance to the member's estate. If the member has not designated an alternate
26 beneficiary or the surviving spouse is the beneficiary, the surviving spouse of the
27 member may select a form of payment as follows:

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

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

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

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

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

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

10 (3) If the member dies on or after the member's normal retirement date, the
11 payment of a monthly retirement benefit equal to an amount that would have
12 been paid to the surviving spouse if the member had retired on the day of
13 the member's death and had selected a one hundred percent joint and
14 survivor annuity, payable until the spouse dies. A surviving spouse who
15 received a benefit under this subsection as of July 31, 1995, is entitled to
16 the higher of that person's existing benefit or the equivalent of the accrued
17 benefit available under the one hundred percent joint and survivor provision
18 as if the deceased member were of normal retirement age, with the increase
19 payable beginning August 1, 1995.

20 7. If a member not coming under the provisions of subsection 6 terminates employment
21 because of death, permanent and total disability, or any voluntary or involuntary
22 reason prior to retirement, the member or the member's designated beneficiary is
23 entitled to the member's account balance at termination. The board automatically shall
24 refund a member's account balance if the member has completed less than three
25 years of eligible employment, has an account balance of less than one thousand
26 dollars, and was not a supreme or district court judge or a peace officer employed by
27 the bureau of criminal investigation and hired after July 31, 2023, or a national guard
28 security officer or firefighter, a firefighter, dispatcher, emergency medical services
29 personnel, peace officer, or correctional officer employed by a political subdivision, or
30 a firefighter, dispatcher, correctional officer, or peace officer employed by the state and
31 first enrolled after December 31, 2027. If the member was a supreme or district court

1 judge, or a national guard security officer or firefighter, a firefighter, dispatcher,
2 emergency medical services personnel, peace officer, or correctional officer employed
3 by a political subdivision, or a firefighter, dispatcher, correctional officer, or peace
4 officer employed by the state and first enrolled after December 31, 2027, the board
5 automatically shall refund a member's account balance if the member completed less
6 than five years of eligible employment and has an account balance of less than one
7 thousand dollars. If the member was a peace officer employed by the bureau of
8 criminal investigation and hired after July 31, 2023, the board automatically shall
9 refund a member's account balance if the member completed less than ten years of
10 eligible employment and has an account balance of less than one thousand dollars. A
11 member may waive the refund if the member submits a written statement to the board,
12 within thirty days after termination, requesting that the member's account balance
13 remain in the fund.

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

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

27 (1) Single life.

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

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

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

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

29 **54-52-17.5. Postretirement adjustments.**

30 An individual or the individual's beneficiary who, on July 31, 2001, is receiving retirement
31 benefits under subdivision a, c, d, e, or ef of subsection 4 of section 54-52-17 is entitled to

- 1 receive an increase in benefits equal to six percent of the individual's present benefits with the
- 2 increase payable beginning August 1, 2001.

3 **SECTION 5. EFFECTIVE DATE.** This Act becomes effective on January 1, 2028.