

HOUSE BILL NO. 1112

Introduced by

Government and Veterans Affairs Committee

(North Dakota State Forester)

1 A BILL for an Act to amend and reenact subsection 8 of section 54-52-01, section 54-52-06.4,
2 subsection 3 of section 54-52-17, and subsection 4 of section 54-52-17 of the North Dakota
3 Century Code, relating to membership of the public employees retirement system.

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

5 **SECTION 1. AMENDMENT.** Subsection 8 of section 54-52-01 of the North Dakota Century
6 Code is amended and reenacted as follows:

7 8. "Firefighter" means a participating member who is employed as a firefighter by the
8 state or a political subdivision and, notwithstanding subsection ~~13~~14, for an individual
9 employed after July 31, 2017, is employed at least thirty-two hours per week and at
10 least twenty weeks each year of employment. A firefighter who is a participating
11 member of the law enforcement retirement plan created by this chapter who begins
12 employment after July 31, 2017, is ineligible to participate concurrently in any other
13 retirement plan administered by the public employees retirement system. The term
14 does not include a firefighter employee of the North Dakota national guard.

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

17 **54-52-06.4. Contribution by firefighters or peace officers employed by the state or**
18 **security officers employed by the national guard - Employer contribution. (Retroactive**
19 **application - [See note](#))**

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

- 1 one percent, beginning with the reporting period of January 2013; with an
2 additional increase of one percent, beginning with the reporting period of
3 January 2024; and with an additional increase of one percent, beginning with the
4 reporting period of January 2025.
- 5 b. Each firefighter or peace officer employed by the state, other than a peace officer
6 employed by the bureau of criminal investigation, who is a member of the public
7 employees retirement system is assessed and shall pay six percent of the
8 employee's monthly salary.
- 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.
- 14 d. The assessment under this subsection must be deducted and retained out of the
15 employee's salary in equal monthly installments.
- 16 2. The employer of a firefighter or peace officer employed by the state or national guard
17 security officer shall contribute an amount determined by the board to be actuarially
18 required to support the level of benefits specified in section 54-52-17. The employer's
19 contribution must be paid from funds appropriated for salary or from any other funds
20 available for such purposes. If the firefighter's, peace officer's, or security officer's
21 assessment is paid by the employer under subsection 3 of section 54-52-05, the
22 employer shall contribute, in addition, an amount equal to the required firefighter's,
23 peace officer's, or security officer's assessment.

24 **SECTION 3. AMENDMENT.** Subsection 3 of section 54-52-17 of the North Dakota Century
25 Code is amended and reenacted as follows:

- 26 3. Retirement dates are defined as follows:
- 27 a. Normal retirement date, except for a national guard security officer or firefighter, a
28 firefighter employed by a political subdivision, a firefighter or peace officer
29 employed by the state, or a peace officer or correctional officer employed by a
30 political subdivision, is:

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

- 1 (2) For a national guard security officer or firefighter, early retirement date is the
2 first day of the month next following the month in which the national guard
3 security officer or firefighter attains the age of fifty years and has completed
4 at least three years of eligible employment.
- 5 (3) For a firefighter or peace officer employed by the state, other than a peace
6 officer employed by the bureau of criminal investigation, or a firefighter,
7 peace officer, or correctional officer employed by a political subdivision,
8 early retirement date is the first day of the month next following the month in
9 which the peace officer, firefighter, or correctional officer attains the age of
10 fifty years and has completed at least three years of eligible employment.
- 11 (4) For a peace officer employed by the bureau of criminal investigation, early
12 retirement date is the first day of the month next following the month in
13 which the peace officer attains the age of fifty years and has completed at
14 least three years of eligible employment.
- 15 h. Disability retirement date is the first day of the month after a member becomes
16 permanently and totally disabled, according to medical evidence called for under
17 the rules of the board, and has completed at least one hundred eighty days of
18 eligible employment. For supreme and district court judges, permanent and total
19 disability is based solely on a judge's inability to perform judicial duties arising out
20 of physical or mental impairment, as determined pursuant to rules adopted by the
21 board or as provided by subdivision a of subsection 3 of section 27-23-03.
- 22 (1) A member is eligible to receive disability retirement benefits only if the
23 member became disabled during the period of eligible employment and
24 applies for disability retirement benefits within twelve months of the date the
25 member terminates employment.
- 26 (2) A member is eligible to continue to receive disability benefits as long as the
27 permanent and total disability continues and the member submits the
28 necessary documentation and undergoes medical testing required by the
29 board, or for as long as the member participates in a rehabilitation program
30 required by the board, or both. If the board determines a member no longer
31 meets the eligibility definition, the board may discontinue the disability

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

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

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

10 a. Normal retirement benefits for all retirees, except supreme and district court
11 judges, and peace officers employed by the bureau of criminal investigation, ~~and~~
12 ~~other peace officers employed by the state~~, reaching normal retirement date
13 equal an annual amount, payable monthly, comprised of a service benefit and a
14 prior service benefit, as defined in this chapter, which is determined as follows:

15 (1) For members first enrolled:

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

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

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

24 b. Normal retirement benefits for all supreme and district court judges under the
25 public employees retirement system reaching normal retirement date equal an
26 annual amount, payable monthly, comprised of a benefit as defined in this
27 chapter, determined as follows:

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

- 1 service, and one and one-fourth percent of final average salary multiplied by
2 the number of years of judicial service exceeding twenty years.
- 3 (2) Service benefits must include, in addition, an amount equal to the percent
4 specified in subdivision a of final average salary multiplied by the number of
5 years of nonjudicial employee service and employment.
- 6 c. Normal retirement benefits for a peace officer employed by the bureau of criminal
7 investigation reaching the normal retirement date equals an annual amount,
8 payable monthly, comprised of a service benefit and a prior service benefit
9 determined as follows:
- 10 (1) The first twenty years of credited service multiplied by three percent of final
11 average salary.
- 12 (2) For years in excess of twenty years of credited service multiplied by one
13 and seventy-five hundredths percent of final average salary.
- 14 ~~d. Normal retirement benefits for a peace officer employed by the state, other than~~
15 ~~by the bureau of criminal investigation, reaching the normal retirement date~~
16 ~~equals an annual amount, payable monthly, comprised of a service benefit and a~~
17 ~~prior service benefit determined as follows:~~
- 18 ~~(1) For members first enrolled:~~
- 19 ~~(a) Before January 1, 2020, service benefit equals two percent of final~~
20 ~~average salary multiplied by the number of years of service~~
21 ~~employment.~~
- 22 ~~(b) After December 31, 2019, service benefit equals one and seventy-five~~
23 ~~hundredths percent of final average salary multiplied by the number of~~
24 ~~years of service employment.~~
- 25 ~~(2) Prior service benefit equals two percent of final average salary multiplied by~~
26 ~~the number of years of prior service employment.~~
- 27 e. Postponed retirement benefits are calculated as for single life benefits for those
28 members who retired on or after July 1, 1977.
- 29 f.e. Early retirement benefits are calculated as for single life benefits accrued to the
30 date of termination of employment, but must be actuarially reduced to account for
31 benefit payments beginning before the normal retirement date, as determined

1 under subsection 3. Except for a national guard security officer or firefighter, a
2 firefighter, peace officer, or correctional officer employed by a political
3 subdivision, a firefighter or peace officer employed by the state, or a supreme
4 court or district court judge, early retirement benefits for members first enrolled
5 after December 31, 2015, are calculated for single life benefits accrued to the
6 date of termination of employment, but must be reduced by a fixed rate of eight
7 percent per year to account for benefit payments beginning before the normal
8 retirement date. A retiree, other than a supreme or district court judge, is eligible
9 for early retirement benefits only after having completed three years of eligible
10 employment. A supreme or district court judge retiree is eligible for early
11 retirement benefits only after having completed five years of eligible employment.

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