

HOUSE BILL NO. 1602

Introduced by

Representatives Kasper, J. Johnson, Kempenich, Koppelman, Motschenbacher, D. Ruby,
Steiner

Senators Cleary, Paulson, Hogue, Klein

1 A BILL for an Act to amend and reenact section 54-52-02.15 of the North Dakota Century Code,
2 relating to political subdivision participation in the public employees retirement system defined
3 contribution retirement plan.

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

5 **SECTION 1. AMENDMENT.** Section 54-52-02.15 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-52-02.15. Public employees retirement system main plan - Closure to new hires -**
8 **Multiple plan membership. (Effective after December 31, 2024)**

9 1. Under this section "eligible employee" means a permanent employee who:

- 10 a. Meets all the eligibility requirements set by this chapter;
- 11 b. Is at least eighteen years of age;
- 12 c. Becomes a participating member after December 31, 2024; and
- 13 d. Is not eligible to participate in the law enforcement plan, judges' plan, highway
14 patrol plan, teachers' fund for retirement plan, or alternative retirement program
15 established under section 15-10-17 for university system employees.

16 2. Effective January 1, 2025, the public employees retirement system defined benefit
17 main plan maintained for employees is closed to new eligible employees. However, an
18 employee who becomes a participating or deferred member under this chapter before
19 January 1, 2025, remains in the defined benefit retirement plan under this chapter,
20 regardless of being rehired after December 31, 2024.

21 3. Except as otherwise provided under this section, effective January 1, 2025, an eligible
22 employee who begins employment with ~~ana~~ a participating employer shall participate in

1 the defined contribution retirement plan under chapter 54-52.6 as provided under
2 section 54-52.6-02.1.

3 4. This section does not impact an employee to the extent the employee is a participating
4 member in one or more of the following enumerated plans: law enforcement plan,
5 judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative
6 retirement program established under section 15-10-17 for university system
7 employees.

8 a. A participating or deferred member in the defined contribution retirement plan
9 under chapter 54-52.6 who becomes eligible to participate in a plan enumerated
10 under this subsection is eligible to participate in the retirement plan enumerated
11 under this subsection.

12 b. A participating member of a retirement plan enumerated under this subsection
13 who becomes an eligible employee is not eligible to participate in the defined
14 benefit retirement plan under this chapter but instead participates in the defined
15 contribution retirement plan under chapter 54-52.6. However, this subdivision
16 does not apply to an individual who before January 1, 2025, is a participating or a
17 deferred member under this chapter, as that individual continues to participate in
18 the defined benefit retirement plan under this chapter.

19 5. The board shall adopt rules to implement this section.

20 6. This section may not be construed to require a political subdivision to participate in the
21 defined contribution retirement plan under chapter 54-52.6, even if the political
22 subdivision has participated or continues to participate in the defined benefit
23 retirement plan under this chapter. Political subdivision participation in the public
24 employees retirement system, including the defined contribution retirement plan under
25 chapter 54-52.6, is optional.

26 7. Notwithstanding sections 54-52-04 and 54-52-02.1, the board may not assess any
27 fees or costs against a political subdivision for withdrawing from the defined
28 contribution retirement plan under chapter 54-52.6.

1 ~~Public employees retirement system main plan -- Closure to new hires -- Multiple plan~~
2 ~~membership. (Effective on the date identified if the contingency is satisfied) (Contingent~~
3 ~~effective date -- [See note](#))~~

- 4 1. Under this section "eligible employee" means a permanent employee who:
- 5 a. ~~Meets all the eligibility requirements set by this chapter;~~
 - 6 b. ~~Is at least eighteen years of age;~~
 - 7 c. ~~Becomes a participating member after the day before the effective date of this~~
8 ~~Act; and~~
 - 9 d. ~~Is not eligible to participate in the law enforcement plan, judges' plan, highway~~
10 ~~patrol plan, teachers' fund for retirement plan, or alternative retirement program~~
11 ~~established under section 15-10-17 for university system employees.~~
- 12 2. ~~Effective on the effective date of this Act, the public employees retirement system-~~
13 ~~defined benefit main plan maintained for employees is closed to new eligible-~~
14 ~~employees. However, an employee who becomes a participating or deferred member~~
15 ~~under this chapter before the effective date of this Act, remains in the defined benefit~~
16 ~~retirement plan under this chapter, regardless of being rehired after the day before the~~
17 ~~effective date of this Act.~~
- 18 3. ~~Except as otherwise provided under this section, effective on the effective date of this~~
19 ~~Act, an eligible employee who begins employment with an employer shall participate in~~
20 ~~the defined contribution retirement plan under chapter 54-52.6 as provided under~~
21 ~~section 54-52.6-02.1.~~
- 22 4. This section does not impact an employee to the extent the employee is a participating
23 member in one or more of the following enumerated plans: law enforcement plan,
24 judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative
25 retirement program established under section 15-10-17 for university system
26 employees:
- 27 a. ~~A participating or deferred member in the defined contribution retirement plan~~
28 ~~under chapter 54-52.6 who becomes eligible to participate in a plan enumerated~~
29 ~~under this subsection is eligible to participate in the retirement plan enumerated~~
30 ~~under this subsection.~~

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- 1 b. ~~A participating member of a retirement plan enumerated under this subsection-~~
2 ~~who becomes an eligible employee is not eligible to participate in the defined-~~
3 ~~benefit retirement plan under this chapter but instead participates in the defined-~~
4 ~~contribution retirement plan under chapter 54-52.6. However, this subdivision-~~
5 ~~does not apply to an individual who before the effective date of this Act, is a-~~
6 ~~participating or a deferred member under this chapter, as that individual-~~
7 ~~continues to participate in the defined benefit retirement plan under this chapter.~~
8 5. The board shall adopt rules to implement this section.