

PROPOSED CHANGES TO BILL DRAFT 15.0189.01000 TO PROVIDE FOR A TRANSFER FROM THE PUBLIC EMPLOYEE RETIREMENT STABILIZATION FUND TO THE PUBLIC EMPLOYEES RETIREMENT SYSTEM FUND

This memorandum summarizes proposed changes to interim committee bill draft [15.0189.01000] being considered by the Government Finance Committee. The proposed changes provide for an automatic transfer from the public employee retirement stabilization fund to the Public Employees Retirement System fund if the actuarial funded ratio of the main Public Employees Retirement System plan falls below 50 percent. The amount of the transfer would be limited to the amount needed to increase the actuarial funded ratio of the plan to 50 percent.

The following is detail regarding how the proposed changes would be incorporated into the bill draft:

SECTION 2. A new section to chapter 54-52 of the North Dakota Century Code is created and enacted as follows:

Public employee retirement stabilization fund - Transfers from fund.

The public employee retirement stabilization fund is a special fund in the state treasury. Moneys in the fund may be used by the legislative assembly only for the purpose of addressing any unfunded retirement benefit obligations of public employee retirement plans. Any interest or other fund earnings must be deposited in the fund. Upon certification by the public employees retirement system to the office of management and budget that the actuarial value of assets of the main public employees retirement system plan is less than 50 percent of the actuarial accrued liabilities of the plan, the office of management and budget shall transfer funds available in the public employee retirement stabilization fund to the public employees retirement system fund to address the unfunded liability of the main system plan. The amount of the transfer is limited to the amount needed to increase the actuarial value of assets of the main public employees retirement system plan to 50 percent of the actuarial accrued liabilities of the plan. For purposes of this section, "main public employees retirement system plan" includes all participating members of the public employees retirement system excluding supreme or district court judges, employees eligible to participate in the national guard retirement plan, and employees eligible to participate in the law enforcement retirement plan.