

HOUSE BILL NO.

Introduced by

Representative Kretschmar

1 A BILL for an Act to amend and reenact subsection 20 of section 54-52-01 of the North Dakota
2 Century Code, relating to the definition of wages and salaries for purposes of the public
3 employees retirement system.

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

5 **SECTION 1. AMENDMENT.** Subsection 20 of section 54-52-01 of the 1997
6 Supplement to the North Dakota Century Code is amended and reenacted as follows:

7 20. "Wages" and "salaries" means the member's earnings in eligible employment
8 under this chapter reported as salary on the member's federal income tax
9 withholding statements, including payments for overtime, plus any salary reduction
10 or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457.
11 "Salary" does not include fringe benefits such as payments for unused sick leave,
12 personal leave, vacation leave paid in a lump sum, ~~overtime~~, housing allowances,
13 transportation expenses, early retirement incentive pay, severance pay, medical
14 insurance, workers' compensation benefits, disability insurance premiums or
15 benefits, or salary received by a member in lieu of previously employer-provided
16 fringe benefits under an agreement between the member and participating
17 employer. Overtime must be reported and annualized pursuant to rules adopted
18 by the board. Bonuses may be considered as salary under this section if reported
19 and annualized pursuant to rules adopted by the board.