

**Bill Draft – LC 90114.01** – This bill proposes to increase the retiree health credit from \$4.50 to \$5 and fund it with an increase in employer contributions.

Proposals	Section
1. Increases the employer contribution by .15% to fund the increase in benefits. The amount of the increase is based on the actuarial work from last session and is subject to change.	Section 1
2. Increases the health credit amount from \$4.50 to \$5. The increase in benefits would be effective August 1 unless an appropriation is added to the bill then it would be July 1, 2009.	Section 2

<b>Bill Provisions</b>	<b>Explanation</b>	
A BILL for an Act to amend and reenact subsection 1 of section 54-52.1-03.2 and subsection 2 of section 54-52.1-03.3 of the North Dakota Century Code, relating to the retiree health benefits fund.	This bill increases the retiree health credit and the employer contribution to pay for the increase	
<p><b>SECTION 1. AMENDMENT.</b> Section 54-52.1-03.2 of the North Dakota Century Code is amended and reenacted as follows:</p> <p><b>54-52.1-03.2. Retiree health benefits fund - Appropriation.</b></p> <p>1. The board shall establish a retiree health benefits fund account with the Bank of North Dakota for the purpose of prefunding and providing hospital benefits coverage and medical benefits coverage under the uniform group insurance program for retired eligible employees or surviving spouses of retired eligible employees and their dependents as provided in this chapter. The state shall contribute monthly to the retiree health benefits fund an amount equal to one <u>and fifteen hundredths</u> percent of the monthly salaries and wages of all participating members of the highway patrolmen's retirement system under chapter 39-03.1, and one <u>and fifteen hundredths</u> percent of the monthly salaries of all supreme or district court judges who are participating members of the public employees retirement system under chapter 54-52. Each governmental unit that contributes to the public employees retirement system fund under section 54-52-06 or the retirement plan under chapter 54-52.6 shall</p>	This section increases the employer contribution for the retiree health credit program by .15% to pay for the increase in the credit in the next section	

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<p>contribute monthly to the retiree health benefits fund an amount equal to one <u>and fifteen hundredths</u> percent of the monthly salaries or wages of all participating members of the public employees retirement system under chapter 54-52 or chapter 54-52.6, except for nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 54-52-02.13 and employees of the state board for career and technical education who elect to participate in the public employees retirement system pursuant to section 54-52-02.14. For nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 54-52-02.13, the superintendent of public instruction shall contribute monthly to the retiree health benefits fund an amount equal to three and <del>one-tenth</del> <u>one-quarter</u> percent of the monthly salaries or wages of those nonteaching employee members, beginning on the first of the month following the transfer under section 54-52-02.13 and continuing thereafter for a period of eight years, after which time the superintendent of public instruction shall contribute one <u>and fifteen hundredths</u> percent of the monthly salary or wages of those nonteaching employee members. For employees of the state board for career and technical education who elect to participate in the public employees retirement system pursuant to section 54-52-02.14, the state board for career and technical education shall contribute monthly to the retiree health benefits fund an amount equal to <del>two and eighty-five hundredths</del> <u>three</u> percent of the monthly</p>		

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<p>salary or wages of those employee members, beginning on the first of the month following the transfer under section 54-52-02.14 and continuing thereafter for a period of eight years, after which time the state board for career and technical education shall contribute one <u>and fifteen hundredths</u> percent of the monthly salary or wages of those employee members. The employer of a national guard security officer or firefighter shall contribute monthly to the retiree health benefits fund an amount equal to one <u>and fifteen hundredths</u> percent of the monthly salaries or wages of all national guard security officers or firefighters participating in the public employees retirement system under chapter 54-52. Job service North Dakota shall reimburse monthly the retiree health benefits fund for credit received under section 54-52.1-03.3 by members of the retirement program established by job service North Dakota under section 52-11-01. The board, as trustee of the fund and in exclusive control of its administration, shall:</p> <ol style="list-style-type: none"> <li>a. Provide for the investment and disbursement of moneys of the retiree health benefits fund and administrative expenditures in the same manner as moneys of the public employees retirement system are invested, disbursed, or expended.</li> <li>b. Adopt rules necessary for the proper administration of the retiree health benefits fund, including enrollment procedures.</li> </ol>		

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<p><b>SECTION 2. AMENDMENT.</b> Subsection 2 of section 54-52.1-03.3 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>2. The board shall calculate the allowable monthly credit toward hospital and medical benefits coverage for a person eligible under subsection 1 in an amount equal to <del>four</del> <u>five</u> dollars and <del>fifty</del> <u>cents</u> multiplied by the member's or deceased member's number of years of credited service under the highway patrolmen's retirement system, the public employees retirement system, the retirement program established by job service North Dakota under section 52-11-01, or the judges retirement program established under chapter 27-17. For a member of the public employees retirement system receiving an early retirement benefit or the surviving spouse of that member, or a former participating member of the defined contribution retirement plan who is receiving a periodic distribution and would not meet the normal retirement provisions of the public employees retirement system, the allowable monthly credit must be reduced by three percent if the member terminates employment within one year prior to attaining the age of sixty-five and an additional reduction factor of six percent shall apply for each year the member terminates employment prior to attaining the age of sixty-four. For a member of the highway patrolmen's retirement system receiving an early retirement benefit or the surviving spouse of that member, the allowable monthly credit must be reduced by three percent if the member terminates employment within one year prior to attaining the age of fifty-five and an additional reduction factor of six percent shall apply for each</p>	<p>This section increases the credit from \$4.50 to \$5</p>	

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<p>year the member terminates employment prior to attaining the age of fifty-four. For a member of the retirement program established by job service North Dakota under section 52-11-01 receiving an early retirement benefit or a discontinued service annuity under the plan provisions of that retirement program or the surviving spouse of that member, the allowable monthly credit must be reduced by three percent if the member terminates employment within one year prior to attaining the age of sixty-five and an additional reduction factor of six percent applies for each year the member terminates employment prior to attaining the age of sixty-four.</p>		