

SECTION 3. A new subsection to section 54-44.3-20 of the North Dakota Century Code is created and enacted as follows:

Investment and fiscal operations positions of the state retirement and investment office-
necessary for managing the investment of funds under the control of the state investment board.

SECTION 5. AMENDMENT. A new section to chapter 54-52.5 of the North Dakota Century Code is created and enacted as follows:

Incentive compensation program

The state retirement and investment office may develop an incentive compensation program for full-time equivalent investment and fiscal operations positions ~~related to the internal management of~~ necessary for managing the investment of funds under the control of the state investment board. The program must promote profitability, productivity, and responsible fund management. The provisions of the program must be approved annually by the state investment board. The program provisions must be presented to and approved by the Budget Section of the 68th Legislative Assembly prior to implementation. Thereafter the retirement and investment office shall present an annual report to each subsequent budget section regarding the performance of the program and any amounts that have been approved for payment by the state investment board and paid by the retirement and investment office under the terms of the program. The provisions must ensure that the payouts do not occur unless the risk-based performance of the investments that are internally managed exceed the risk-based performance of policy benchmarks. Any amounts paid under this program shall be considered compensation and not personal profit on behalf of the employee.