

Testimony in opposition to HB 1486

House Government and Veterans Affairs Committee

January 26, 2023

Good morning Mr. Chairman and members of the Committee. My name is Francis Schwindt and I live in Bismarck. I am a retired State employee. I am opposed to HB 1486 as I am concerned with the long term viability and stability of the PERS Retirement Fund. Reducing the number of contributing members to the Fund will only exacerbate the unfunded liability currently facing the program.

Past legislative sessions have had many opportunities to correct the unfunded liability. While some steps have been taken, they were never large enough to correct the problem. Attempts have been made in the past to allow a defined contribution system as an option, but very few employees have chosen that option and remained with it.

The funding included in this Bill would help solve the unfunded liability. However, similar funding with an optional – rather than a required - defined contribution program is included in SB 2239. The Fiscal Note for SB 2239 is significantly less than the Fiscal Note for HB 1486. I would encourage a no vote on HB 1486.

Thank you for the opportunity to provide testimony.

