

FISCAL NOTE
HOUSE BILL NO. 1113
LC# 25.0116.01000
01/09/2025
Revised - 01/09/2025

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$900,000		\$900,000
Expenditures				\$900,000		\$900,000
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB 1113 is intended to change the funding mechanism for the administration of the NDPERS 457 Deferred Compensation plan.

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

The intent of the bill is to charge the participants of the benefits provided. There is no cost to the State for this change.

Currently, we fund the administrative expenses of the 457 program first through FICA savings of the FlexComp program. If there is a shortage of FICA savings, 50% of the shortfall is pulled from insurance reserves, and 50% is

pulled from Main Defined Benefit contributions prior to being deposited into the trust. With the closure of the Main Defined Benefit Plan, a permanent funding mechanism will need to be addressed and this is PERS' proposal. The intent of this bill is to pull the shortfall of the administrative fee from participating members, rather than pulling from the Main Defined Benefit Plan and Insurance Reverses.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

In total, NDPERS anticipates collecting roughly \$900,000 a biennium from our participating members of the 457 Deferred Compensation Plan (roughly \$10 a quarter per participant).

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

In total, PERS anticipates using the \$900,000 a biennium collected from participants to offset the administrative expenses of the program.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Contact Information

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