

FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1602

Introduced by

Representatives Kasper, J. Johnson, Kempenich, Koppelman, Motschenbacher, D. Ruby,
Steiner

Senators Cleary, Paulson, Hogue, Klein

1 A BILL for an Act to amend and reenact section 54-52-02.15 of the North Dakota Century Code,
2 relating to political subdivision participation in the public employees retirement system defined
3 contribution retirement plan.

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

5 **SECTION 1. AMENDMENT.** Section 54-52-02.15 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-52-02.15. Public employees retirement system main plan - Closure to new hires -**
8 **Multiple plan membership.**

- 9 1. Under this section "eligible employee" means a permanent employee who:
- 10 a. Meets all the eligibility requirements set by this chapter;
- 11 b. Is at least eighteen years of age;
- 12 c. Becomes a participating member after December 31, 2024; and
- 13 d. Is not eligible to participate in the law enforcement plan, judges' plan, highway
- 14 patrol plan, teachers' fund for retirement plan, or alternative retirement program
- 15 established under section 15-10-17 for university system employees.
- 16 2. Effective January 1, 2025, the public employees retirement system defined benefit
- 17 main plan maintained for employees is closed to new eligible employees. However, an
- 18 employee who becomes a participating or deferred member under this chapter before
- 19 January 1, 2025, remains in the defined benefit retirement plan under this chapter,
- 20 regardless of being rehired after December 31, 2024.

- 1 3. Except as otherwise provided under this section, effective January 1, 2025, an eligible
2 employee who begins employment with ana participating employer shall participate in
3 the defined contribution retirement plan under chapter 54-52.6 as provided under
4 section 54-52.6-02.1.
- 5 4. This section does not impact an employee to the extent the employee is a participating
6 member in one or more of the following enumerated plans: law enforcement plan,
7 judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative
8 retirement program established under section 15-10-17 for university system
9 employees.
- 10 a. A participating or deferred member in the defined contribution retirement plan
11 under chapter 54-52.6 who becomes eligible to participate in a plan enumerated
12 under this subsection is eligible to participate in the retirement plan enumerated
13 under this subsection.
- 14 b. A participating member of a retirement plan enumerated under this subsection
15 who becomes an eligible employee is not eligible to participate in the defined
16 benefit retirement plan under this chapter but instead participates in the defined
17 contribution retirement plan under chapter 54-52.6. However, this subdivision
18 does not apply to an individual who before January 1, 2025, is a participating or a
19 deferred member under this chapter, as that individual continues to participate in
20 the defined benefit retirement plan under this chapter.
- 21 5. The board shall adopt rules to implement this section.
- 22 6. This section may not be construed to require a political subdivision to participate in the
23 defined contribution retirement plan under chapter 54-52.6, even if the political
24 subdivision has participated or continues to participate in the defined benefit
25 retirement plan under this chapter. Political subdivision participation in the public
26 employees retirement system, including the defined contribution retirement plan under
27 chapter 54-52.6, is optional.
- 28 7. Notwithstanding sections 54-52-02.1 and 54-52-04, the board may not assess any
29 fees or costs against a political subdivision for withdrawing from the defined
30 contribution retirement plan under chapter 54-52.6.