

Introduced by

Representative Stemen

1 A BILL for an Act to amend and reenact sections 54-52.6-05 and 54-52.6-15 of the North
2 Dakota Century Code, relating to the public employees retirement system defined contribution
3 plans; to provide an exemption; and to provide an effective date.

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

5 **SECTION 1. AMENDMENT.** Section 54-52.6-05 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-52.6-05. Direction of investments. (Effective through December 31, 2024)**

8 Each participating member shall direct the investment of the individual's accumulated
9 employer and employee contributions and earnings to one or more investment choices within
10 available categories of investment provided by the board.

11 **Direction of investments. (Effective after December 31, 2024)**

- 12 1. Each participating member shall direct the investment of the individual's accumulated
13 employer and employee contributions and earnings to one or more investment choices
14 within available categories of investment provided by the board.
- 15 2. The board shall provide an investment menu of investment options. In establishing the
16 investment options, the board shall:
- 17 a. Include predetermined investment portfolio options constructed to reflect different
18 risk profiles that automatically reallocate and rebalance contributions as a
19 participating member ages.
- 20 b. Allow a participating member to construct an investment portfolio using some or
21 all of the investment options.
- 22 3. The board shall provide a diversified menu of mutual funds and in-plan lifetime annuity
23 options, either fixed, variable, or a combination of both. In selecting an annuity
24 provider the board shall comply with section 54-52.6-05.1.

1 4. This section applies to all defined contribution retirement plans regardless of the
2 effective date of the plan.

3 **SECTION 2. AMENDMENT.** Section 54-52.6-15 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **54-52.6-15. Board to provide information. (Effective through December 31, 2024)**

6 The board shall provide information to employees who are eligible to elect to become
7 participating members under this chapter. The information must include at a minimum the
8 employee's current account balance, the assumption of investment risk under a defined
9 contribution retirement plan, administrative and investment costs, coordination of benefits
10 information, and a comparison of projected retirement benefits under the public employees
11 retirement system under chapter 54-52 and the retirement plan established under this chapter.
12 Notwithstanding any other provision of law, the board is not liable for any election or investment
13 decision made by an employee based upon information provided to an employee under this
14 chapter.

15 **Board to provide information. (Effective after December 31, 2024)**

- 16 1. The board shall provide information to employees who are eligible under section
17 54-52.6-02 or 54-52.6-02.2 to elect to become participating members under this
18 chapter. The information must include at a minimum the employee's current account
19 balance, the assumption of investment risk under a defined contribution retirement
20 plan, administrative and investment costs, coordination of benefits information, and a
21 comparison of projected retirement benefits under the public employees retirement
22 system under chapter 54-52 and the retirement plan established under this chapter.
- 23 2. The board, or the board's vendor, shall provide to all participating members of the
24 defined contribution retirement plan, including individuals who elected to become
25 participating members under section 54-52.6-02 or 54-52.6-02.2:
- 26 a. Enrollment information that includes benefits of the defined contribution
27 retirement plan, investment options available, the assumption of risk, and
28 administrative and investment costs.
- 29 b. Ongoing investment and retirement income planning, including education on how
30 to set, measure, and adjust income and saving goals based on desired

- 1 retirement income and financial objectives, actual behavior, and changing
2 circumstances.
- 3 c. Retirement income education, including distribution options available and in-plan
4 annuitization options.
- 5 d. Advice and guidance information, tools, and services primarily focused on long-
6 term planning and investing and life events that potentially influence and impact
7 retirement savings.
- 8 3. Notwithstanding any other provision of law, the board is not liable for any election or
9 investment decision made by an ~~employee~~individual based upon information provided
10 to an ~~employee~~individual under this chapter.

11 **SECTION 3. EXEMPTION - EMPLOYEE BENEFITS PROGRAMS COMMITTEE.** This Act
12 is exempt from the requirements of section 54-35-02.4.

13 **SECTION 4. EFFECTIVE DATE.** This Act becomes effective immediately upon its filing with
14 the secretary of state.