

HOUSE BILL NO. 1041

Introduced by

Government and Veterans Affairs Committee

(At the request of the Public Employees Retirement System)

1 A BILL for an Act to amend and reenact subsection 2 of section 54-52-06, section 54-52.1-06,
2 and subsection 2 of section 54-52.6-09 of the North Dakota Century Code, relating to public
3 employees retirement system penalties for late payments or failures to follow required
4 processes; and to provide a penalty.

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

6 **SECTION 1. AMENDMENT.** Subsection 2 of section 54-52-06 of the North Dakota Century
7 Code is amended and reenacted as follows:

8 2. For those members who elect to exercise their rights under section 54-52-17.14, the
9 employing governmental unit, or in the case of a member not presently under covered
10 employment the most recent employing governmental unit, shall pay the associated
11 employer contribution. If the employee's contribution is paid by the governmental unit
12 under subsection 3 of section 54-52-05, the employer unit shall contribute, in addition,
13 an amount equal to the required employee's contribution. Each governmental unit
14 shall pay the contribution monthly, or in the case of an election made pursuant to
15 section 54-52-17.14 a lump sum, into the retirement fund from the governmental unit's
16 funds appropriated for payroll and salary or any other funds available for these
17 purposes. Any governmental unit failing to pay the contributions monthly, or in the
18 case of an election made pursuant to section 54-52-17.14 a lump sum, or failing to
19 otherwise comply with the board's established wage reporting or payroll reporting
20 process requirements. is subject to a civil penalty of fifty dollars and, as interest, one
21 percent of the amount due for each month of delay or fraction thereof a month after
22 the payment became due. In lieu of assessing a civil penalty or one percent per
23 month, or both, interest at the actuarial rate of return may be assessed for each month
24 the contributions are delinquent. If contributions are paid within ninety days of the date

1 the contributions became due, penalty and interest to be paid on delinquent
2 contributions may be waived.

3 **SECTION 2. AMENDMENT.** Section 54-52.1-06 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **54-52.1-06. State contribution - Penalty.**

6 1. Each department, board, or agency shall pay to the board each month from its funds
7 appropriated for payroll and salary amounts a state contribution in the amount as
8 determined by the primary carrier of the group contract for the full single rate monthly
9 premium for each of its eligible employees enrolled in the uniform group insurance
10 program and the full rate monthly premium, in an amount equal to that contributed
11 under the alternate family contract, including major medical coverage, for hospital and
12 medical benefits coverage for spouses and dependent children of its eligible
13 employees enrolled in the uniform group insurance program pursuant to section
14 54-52.1-07. The board ~~then~~ shall then pay the necessary and proper premium amount
15 for the uniform group insurance program to the proper carrier or carriers on a monthly
16 basis.

17 2. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction
18 of premium amount must be credited at least annually to a separate fund of the
19 uniform group insurance program to be used by the board to reimburse the
20 administrative expense and benefit fund of the public employees retirement program
21 for the costs of administration of the uniform group insurance program. ~~In the event~~

22 3. ~~If~~ an enrolled eligible employee is not entitled to receive salary, wages, or other
23 compensation for a particular calendar month, that employee may make direct
24 payment of the required premium to the board to continue the employee's coverage,
25 and the employing department, board, or agency shall provide for the giving of a timely
26 notice to the employee of that ~~person's~~employee's right to make such payment at the
27 time the right arises.

28 4. A governmental unit that fails to pay the contributions by the board's established due
29 date is subject to a civil penalty of fifty dollars and, as interest, one percent of the
30 amount due for each month of delay or fraction of a month after the payment became
31 due.

1 **SECTION 3. AMENDMENT.** Subsection 2 of section 54-52.6-09 of the North Dakota
2 Century Code is amended and reenacted as follows:

3 2. The employer shall contribute an amount equal to four and twelve hundredths percent
4 of the monthly salary or wage of a participating member. Employer contributions
5 increase by one percent of the monthly salary or wage of a participating member
6 beginning with the monthly reporting period of January 2012; with an additional
7 increase of one percent, beginning with the monthly reporting period of January 2013;
8 and with an additional increase of one percent, beginning with the monthly reporting
9 period of January 2014. For members first enrolled after December 31, 2019, the
10 employer contribution includes an additional increase of one and fourteen hundredths
11 percent. If the employee's contribution is paid by the employer under subsection 3, the
12 employer shall contribute, in addition, an amount equal to the required employee's
13 contribution. Monthly, the employer shall pay such contribution into the participating
14 member's account from the employer's funds appropriated for payroll and salary or
15 any other funds available for such purposes. If the employer fails to pay the
16 contributions monthly, or fails to otherwise comply with the board's established wage
17 reporting or payroll reporting process requirements, the employer is subject to a civil
18 penalty of fifty dollars and, as interest, one percent of the amount due for each month
19 of delay or fraction of a month after the payment became due. In lieu of assessing a
20 civil penalty or one percent per month, or both, interest at the actuarial rate of return
21 may be assessed for each month the contributions are delinquent. If contributions are
22 paid within ninety days of the date the contributions became due, penalty and interest
23 to be paid on delinquent contributions may be waived.