

HOUSE BILL NO. 1342

Introduced by

Representatives Lefor, Dockter, Nathe, O'Brien

Senators Anderson, Dever, Wardner

1 A BILL for an Act to amend and reenact subsection 1 of section 54-52-02.9, subsection 2 of
2 section 54-52-05, subsection 1 of section 54-52-06, subsection 6 of section 54-52.6-02,
3 subsection 1 of section 54-52.6-09, and subsection 2 of section 54-52.6-09 of the North Dakota
4 Century Code, relating to increased employer and employee contributions under the public
5 employees retirement system defined benefit and defined contribution plans; to provide an
6 appropriation; and to provide a statement of legislative intent.

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

8 **SECTION 1. AMENDMENT.** Subsection 1 of section 54-52-02.9 of the North Dakota
9 Century Code is amended and reenacted as follows:

10 1. Within one hundred eighty days of beginning employment, a temporary employee may
11 elect to participate in the public employees retirement system and receive credit for
12 service after enrollment. Monthly, the temporary employee shall pay to the fund an
13 amount equal to ~~eight~~twelve and twelve hundredths percent times the temporary
14 employee's present monthly salary. The amount required to be paid by a temporary
15 employee increases by two percent times the temporary employee's present monthly
16 salary beginning with the monthly reporting period of January 2012, ~~and with an~~
17 ~~additional two percent increase, beginning with the reporting period of January 2013,~~
18 ~~and with an additional increase of two percent, beginning with the monthly reporting~~
19 ~~period of January 2014; and with an additional increase of two percent, beginning with~~
20 the monthly reporting period of January 2022.

21 **SECTION 2. AMENDMENT.** Subsection 2 of section 54-52-05 of the North Dakota Century
22 Code is amended and reenacted as follows:

23 2. Each member must be assessed and required to pay monthly ~~four~~six percent of the
24 monthly salary or wage paid to the member, and such assessment must be deducted

1 and retained out of such salary in equal monthly installments commencing with the
2 first month of employment. Member contributions increase by one percent of the
3 monthly salary or wage paid to the member beginning with the monthly reporting
4 period of January 2012, ~~and with an additional increase of one percent, beginning with~~
5 ~~the monthly reporting period of January 2013, and with an additional increase of one-~~
6 ~~percent, beginning with the monthly reporting period of January 2014; and with an~~
7 additional increase of one percent, beginning with the monthly reporting period of
8 January 2022.

9 **SECTION 3. AMENDMENT.** Subsection 1 of section 54-52-06 of the North Dakota Century
10 Code is amended and reenacted as follows:

11 1. Each governmental unit shall contribute an amount equal to ~~four~~six and
12 twelve-hundredths percent of the monthly salary or wage of a participating member.
13 Governmental unit contributions increase by one percent of the monthly salary or
14 wage of a participating member beginning with the monthly reporting period of
15 January 2012; ~~with an additional increase of one percent, beginning with the reporting-~~
16 ~~period of January 2013; and with an additional increase of one percent, beginning with~~
17 ~~the monthly reporting period of January 2014; and with an additional increase of~~
18 one percent, beginning with the monthly reporting period of January 2022. For a
19 participating member who first enrolls after December 31, 2019, the governmental unit
20 shall contribute an additional amount equal to one and fourteen-hundredths percent of
21 the monthly salary or wage of the participating member.

22 **SECTION 4. AMENDMENT.** Subsection 6 of section 54-52.6-02 of the North Dakota
23 Century Code is amended and reenacted as follows:

24 6. A participating member who becomes a temporary employee may still participate in
25 the defined contribution retirement plan upon filing an election with the board within
26 one hundred eighty days of transferring to temporary employee status. The
27 participating member may not become a member of the defined benefit plan as a
28 temporary employee. The temporary employee electing to participate in the defined
29 contribution retirement plan shall pay monthly to the fund an amount equal to
30 ~~eight~~twelve and twelve hundredths percent times the temporary employee's present
31 monthly salary. The amount required to be paid by a temporary employee increases

1 by two percent times the temporary employee's present monthly salary beginning with
2 the monthly reporting period of ~~January 2012, and with an additional increase of two-~~
3 ~~percent, beginning with the monthly reporting period of January 2013, and with an-~~
4 ~~additional increase of two percent, beginning with the monthly reporting period of~~
5 ~~January 2014; and with an additional increase of two percent, beginning with the~~
6 ~~monthly reporting period of January 2022.~~ The temporary employee shall also pay the
7 required monthly contribution to the retiree health benefit fund established under
8 section 54-52.1-03.2. This contribution must be recorded as a member contribution
9 pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's
10 contributions. A temporary employee may continue to participate as a temporary
11 employee until termination of employment or reclassification of the temporary
12 employee as a permanent employee.

13 **SECTION 5. AMENDMENT.** Subsection 1 of section 54-52.6-09 of the North Dakota
14 Century Code is amended and reenacted as follows:

- 15 1. Each participating member shall contribute monthly ~~four~~six percent of the monthly
16 salary or wage paid to the participant, and this assessment must be deducted from the
17 participant's salary in equal monthly installments commencing with the first month of
18 participation in the defined contribution retirement plan established under this chapter.
19 Participating member contributions increase by one percent of the monthly salary or
20 wage paid to the participant beginning with the monthly reporting period of
21 ~~January 2012; with an additional increase of one percent, beginning with the reporting-~~
22 ~~period of January 2013; and with an additional increase of one percent, beginning with~~
23 ~~the monthly reporting period of January 2014; and an additional increase of~~
24 ~~one percent, beginning with the monthly reporting period of January 2022.~~

25 **SECTION 6. AMENDMENT.** Subsection 2 of section 54-52.6-09 of the North Dakota
26 Century Code is amended and reenacted as follows:

- 27 2. The employer shall contribute an amount equal to ~~four~~six and twelve-hundredths
28 percent of the monthly salary or wage of a participating member. Employer
29 contributions increase by one percent of the monthly salary or wage of a participating
30 member beginning with the monthly reporting period of ~~January 2012; with an-~~
31 ~~additional increase of one percent, beginning with the monthly reporting period of~~

1 ~~January 2013; and with an additional increase of one percent, beginning with the~~
2 ~~monthly reporting period of January 2014; and with an additional increase of~~
3 one percent, beginning with the monthly reporting period of January 2022. For
4 members first enrolled after December 31, 2019, the employer contribution includes
5 an additional increase of one and fourteen-hundredths percent. If the employee's
6 contribution is paid by the employer under subsection 3, the employer shall contribute,
7 in addition, an amount equal to the required employee's contribution. Monthly, the
8 employer shall pay such contribution into the participating member's account from the
9 employer's funds appropriated for payroll and salary or any other funds available for
10 such purposes. If the employer fails to pay the contributions monthly, the employer is
11 subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due
12 for each month of delay or fraction of a month after the payment became due. In lieu
13 of assessing a civil penalty or one percent per month, or both, interest at the actuarial
14 rate of return may be assessed for each month the contributions are delinquent. If
15 contributions are paid within ninety days of the date the contributions became due,
16 penalty and interest to be paid on delinquent contributions may be waived.

17 **SECTION 7. APPROPRIATION - TRANSFER TO PUBLIC EMPLOYEES RETIREMENT**
18 **SYSTEM FUND - INTENT.** There is appropriated out of any moneys in the general fund in the
19 state treasury, not otherwise appropriated, the sum of \$24,000,000, or so much of the sum as
20 may be necessary, which the office of management and budget shall transfer to the public
21 employees retirement system fund on July 1, 2021. It is the intent of the sixty-seventh legislative
22 assembly that the funds transferred be derived from legacy fund earnings transferred to the
23 general fund during the biennium beginning July 1, 2021, and ending June 30, 2023.