

Introduced by

1 A BILL for an Act to amend and reenact subsection 3 of section 54-52-05 of the North Dakota  
2 Century Code, relating to employer payment of employee contributions under the public  
3 employees retirement system.

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

5 **SECTION 1. AMENDMENT.** Subsection 3 of section 54-52-05 of the 1997 Supplement  
6 to the North Dakota Century Code is amended and reenacted as follows:

7 3. Each employer, at its option, may pay the employee contributions required by  
8 subsection 2 and ~~section sections~~ 54-52-06.1 ~~for all compensation earned after~~  
9 ~~June 30, 1983, and may pay the employee contributions required by section and~~  
10 ~~54-52-06.2 for all compensation earned after June 30, 1991.~~ The amount paid  
11 must be paid by the employer in lieu of contributions by the employee. If the state  
12 ~~decides~~ determines not to pay the contributions, the amount that would have been  
13 paid ~~will~~ must continue to be deducted from the employee's compensation. If  
14 contributions are paid by the employer, they must be treated as employer  
15 contributions in determining tax treatment under this code and the federal Internal  
16 Revenue Code. If contributions are paid by the employer, they ~~shall~~ may not be  
17 included as gross income of the employee in determining tax treatment under this  
18 code and the Internal Revenue Code until they are distributed or made available.  
19 The employer shall pay these employee contributions from the same source of  
20 funds used in paying compensation to the employee or from the levy authorized by  
21 subsection 5 of section 57-15-28.1. The employer shall pay these contributions by  
22 effecting an equal cash reduction in the gross salary of the employee or by an  
23 offset against future salary increases or by a contribution of a reduction in gross  
24 salary and offset against future salary increases. If employee contributions are

1           paid by the employer, they must be treated for the purposes of this chapter in the  
2           same manner and to the same extent as employee contributions made prior to the  
3           date on which employee contributions were assumed by the employer. An  
4           employer ~~shall exercise~~ exercising its option under this subsection ~~by July 15,~~  
5           ~~1983, and shall report its choice to the board in writing. The option chosen may~~  
6           ~~not be revoked for the remainder of the biennium. Thereafter, the option choice~~  
7           ~~must be forwarded to the board,~~ in writing, by June fifteenth of each odd-numbered  
8           year.