Sixty-second Legislative Assembly of North Dakota

SENATE BILL NO.

Introduced by

Senator Mathern

- 1 A BILL for an Act to amend and reenact sections 54-52.1-03.2 and 54-52.1-03.3 of the North
- 2 Dakota Century Code, relating to retiree health benefits for members of the legislative
- 3 assembly.

7

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

5 **SECTION 1. AMENDMENT.** Section 54-52.1-03.2 of the North Dakota Century Code 6 is amended and reenacted as follows:

- 54-52.1-03.2. Retiree health benefits fund Appropriation.
- 8 The board shall establish a retiree health benefits fund account with the Bank of 1. 9 North Dakota for the purpose of prefunding and providing hospital benefits 10 coverage and medical benefits coverage under the uniform group insurance 11 program for retired eligible employees or surviving spouses of retired eligible 12 employees and their dependents as provided in this chapter. The state shall 13 contribute monthly to the retiree health benefits fund an amount equal to one and 14 fourteen hundredths percent of the monthly salaries and wages of all participating 15 members of the highway patrolmen's retirement system under chapter 39-03.1, 16 and one and fourteen hundredths percent of the monthly salaries of all supreme or 17 district court judges who are participating members of the public employees 18 retirement system under chapter 54-52. Each governmental unit that contributes to 19 the public employees retirement system fund under section 54-52-06 or the 20 retirement plan under chapter 54-52.6 shall contribute monthly to the retiree health 21 benefits fund an amount equal to one and fourteen hundredths percent of the 22 monthly salaries or wages of all participating members of the public employees 23 retirement system under chapter 54-52 or chapter 54-52.6, except for nonteaching 24 employees of the superintendent of public instruction who elect to participate in the

10001.0200

1 public employees retirement system pursuant to section 54-52-02.13 and 2 employees of the state board for career and technical education who elect to 3 participate in the public employees retirement system pursuant to section 4 54-52-02.14. For nonteaching employees of the superintendent of public 5 instruction who elect to participate in the public employees retirement system 6 pursuant to section 54-52-02.13, the superintendent of public instruction shall 7 contribute monthly to the retiree health benefits fund an amount equal to three and 8 twenty-four hundredths percent of the monthly salaries or wages of those 9 nonteaching employee members, beginning on the first of the month following the 10 transfer under section 54-52-02.13 and continuing thereafter for a period of eight 11 years, after which time the superintendent of public instruction shall contribute one 12 and fourteen hundredths percent of the monthly salary or wages of those 13 nonteaching employee members. For employees of the state board for career and 14 technical education who elect to participate in the public employees retirement 15 system pursuant to section 54-52-02.14, the state board for career and technical 16 education shall contribute monthly to the retiree health benefits fund an amount 17 equal to two and ninety-nine hundredths percent of the monthly salary or wages of 18 those employee members, beginning on the first of the month following the transfer 19 under section 54-52-02.14 and continuing thereafter for a period of eight years, 20 after which time the state board for career and technical education shall contribute 21 one and fourteen hundredths percent of the monthly salary or wages of those 22 employee members. The employer of a national guard security officer or firefighter 23 shall contribute monthly to the retiree health benefits fund an amount equal to one 24 and fourteen hundredths percent of the monthly salaries or wages of all national 25 guard security officers or firefighters participating in the public employees 26 retirement system under chapter 54-52. Job service North Dakota shall reimburse 27 monthly the retiree health benefits fund for credit received under section 28 54-52.1-03.3 by members of the retirement program established by job service 29 North Dakota under section 52-11-01. For members of the legislative assembly, 30 the legislative assembly shall contribute monthly to the retiree health benefits fund 31 an amount determined by the board sufficient to actuarially fund participation by

1	•	eligible members of the legislative assembly. The board, as trustee of the fund and
2		in exclusive control of its administration, shall:
2		a. Provide for the investment and disbursement of moneys of the retiree health
4		
		benefits fund and administrative expenditures in the same manner as moneys
5		of the public employees retirement system are invested, disbursed, or
6		expended.
7		b. Adopt rules necessary for the proper administration of the retiree health
8		benefits fund, including enrollment procedures.
9	2.	All moneys deposited in the fund established under subsection 1, not otherwise
10		appropriated, are hereby appropriated to the board for the purpose of making
11		investments for the fund and to make contributions toward hospital and medical
12		benefits coverage for eligible retired employees or surviving spouses of eligible
13		retired employees and their dependents under the uniform group insurance
14		program.
15	3.	If a member terminates employment because of death, permanent and total
16		disability, or any voluntary or involuntary reason prior to retirement, the member or
17		the member's designated beneficiary is entitled to the member's account balance
18		at termination. If a member's account balance is withdrawn, the member
19		relinquishes all rights to benefits under the retiree health benefits fund.
20	SE	CTION 2. AMENDMENT. Section 54-52.1-03.3 of the North Dakota Century Code
21	is amended	and reenacted as follows:
22	54-	52.1-03.3. Eligibility for retiree health benefits - Fixed contribution and
23	23 reduction factors.	
24	1.	The following persons are entitled to receive credit for hospital and medical
25		benefits coverage under subsection 2:
26		a. A member or surviving spouse of the highway patrolmen's retirement system
27		is eligible for the credit beginning on the date retirement benefits are effective
28		unless the premium is billed to the employer.
29		b. A member or surviving spouse of the public employees retirement system is
30		eligible for the credit beginning on the date retirement benefits are effective
31		unless the premium is billed to the employer.

1 A member or surviving spouse of the retirement program established by job C. 2 service North Dakota under section 52-11-01 receiving retirement benefits is 3 eligible for the credit beginning on the date retirement benefits are effective 4 unless the premium is billed to the employer. 5 d. A retired judge or surviving spouse receiving retirement benefits under the 6 retirement program established under chapter 27-17 is eligible for the credit 7 beginning on the date retirement benefits are effective unless the premium is 8 billed to the employer. 9 A former participating member of the defined contribution retirement plan e. 10 receiving retirement benefits, or the surviving spouse of a former participating 11 member of that retirement plan who was eligible to receive or was receiving 12 benefits, under section 54-52.6-13, is eligible as determined by the board 13 pursuant to its rules. 14 A former member, or the surviving spouse of the former member, of the f. 15 legislative assembly who served at least four years as a member of the 16 legislative assembly. 17 2. The Except for a former member of the legislative assembly, the board shall 18 calculate the allowable monthly credit toward hospital and medical benefits 19 coverage for a person eligible under subsection 1 in an amount equal to five dollars 20 multiplied by the member's or deceased member's number of years of credited 21 service under the highway patrolmen's retirement system, the public employees 22 retirement system, the retirement program established by job service North Dakota 23 under section 52-11-01, or the judges' retirement program established under 24 chapter 27-17. For a member of the public employees retirement system receiving 25 an early retirement benefit or the surviving spouse of that member, or a former 26 participating member of the defined contribution retirement plan who is receiving a 27 periodic distribution and would not meet the normal retirement provisions of the 28 public employees retirement system, the allowable monthly credit must be reduced 29 by three percent if the member terminates employment within one year prior to 30 attaining the age of sixty-five and an additional reduction factor of six percent shall 31 apply for each year the member terminates employment prior to attaining the age

1 of sixty-four. For a member of the highway patrolmen's retirement system 2 receiving an early retirement benefit or the surviving spouse of that member, the 3 allowable monthly credit must be reduced by three percent if the member 4 terminates employment within one year prior to attaining the age of fifty-five and an 5 additional reduction factor of six percent shall apply for each year the member 6 terminates employment prior to attaining the age of fifty-four. For a member of the 7 retirement program established by job service North Dakota under section 8 52-11-01 receiving an early retirement benefit or a discontinued service annuity 9 under the plan provisions of that retirement program or the surviving spouse of that 10 member, the allowable monthly credit must be reduced by three percent if the 11 member terminates employment within one year prior to attaining the age of 12 sixty-five and an additional reduction factor of six percent applies for each year the 13 member terminates employment prior to attaining the age of sixty-four. For a 14 former member of the legislative assembly, or the surviving spouse of that 15 member, the allowable monthly credit is an amount equal to fifty percent of the 16 allowable monthly credit for a person eligible under subdivision b of subsection 1. 17 not to exceed twenty-five years of credited service.

- 18 The board shall apply the credit allowable under subsection 2 to the payment of 3. 19 monthly premiums required of each person eligible under subsection 1 for hospital 20 benefits coverage and medical benefits coverage under the uniform group 21 insurance program. The board shall allow spouses who each have credit under 22 subsection 2 to combine their credits and shall apply the combined credit to the 23 required monthly premiums under the uniform group insurance program. However, 24 if the allowable credit under any circumstance exceeds the monthly premium in 25 effect for selected coverage, that amount of the credit which exceeds the premium 26 is forfeited and may not be used for any other purpose.
- 4. The board may, as an alternative to the calculation of the allowable monthly credit
 under subsection 2, provide actuarially reduced benefit options for the member and
 the member's surviving spouse including a one hundred percent joint and survivor
 option, a fifty percent joint and survivor option, or a five-year or ten-year certain
 option.