

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 1 of section 54-52-02.9, subsection 1 of
2 section 54-52-06, subsection 6 of section 54-52.6-02, and subsection 2 of section 54-52.6-09 of
3 the North Dakota Century Code, relating to increased employer and employee contributions
4 under the public employees retirement system defined benefit and defined contribution plans;
5 and to provide a penalty.

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

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

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

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

23 1. Each governmental unit shall contribute an amount equal to four and
24 twelve-hundredths percent of the monthly salary or wage of a participating member.

1 Governmental unit contributions increase by one percent of the monthly salary or
2 wage of a participating member beginning with the monthly reporting period of
3 January 2012; with an additional increase of one percent, beginning with the reporting
4 period of January 2013; ~~and~~ with an additional increase of one percent, beginning with
5 the monthly reporting period of January 2014; and with an additional increase of five
6 and twelve hundredths percent, beginning with the monthly reporting period of January
7 2022. For a participating member who first enrolls after December 31, 2019, the
8 governmental unit shall contribute an additional amount equal to one and fourteen
9 hundredths percent of the monthly salary or wage of the participating member.

10 **SECTION 3. AMENDMENT.** Subsection 6 of section 54-52.6-02 of the North Dakota
11 Century Code is amended and reenacted as follows:

- 12 6. A participating member who becomes a temporary employee may still participate in
13 the defined contribution retirement plan upon filing an election with the board within
14 one hundred eighty days of transferring to temporary employee status. The
15 participating member may not become a member of the defined benefit plan as a
16 temporary employee. The temporary employee electing to participate in the defined
17 contribution retirement plan shall pay monthly to the fund an amount equal to eight
18 and twelve hundredths percent times the temporary employee's present monthly
19 salary. The amount required to be paid by a temporary employee increases by two
20 percent times the temporary employee's present monthly salary beginning with the
21 monthly reporting period of January 2012; ~~and~~; with an additional increase of two
22 percent, beginning with the monthly reporting period of January 2013; ~~and~~; with an
23 additional increase of two percent, beginning with the monthly reporting period of
24 January 2014; and with an additional increase of five and twelve hundredths percent,
25 beginning with the monthly reporting period of January 2022. The temporary employee
26 also shall ~~also~~ pay the required monthly contribution to the retiree health benefit fund
27 established under section 54-52.1-03.2. This contribution must be recorded as a
28 member contribution pursuant to section 54-52.1-03.2. An employer may not pay the
29 temporary employee's contributions. A temporary employee may continue to
30 participate as a temporary employee until termination of employment or
31 reclassification of the temporary employee as a permanent employee.

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