

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 section 39-03.1-10, subsection 2 of section
2 39-03.1-11.2, subsection 8 of section 54-52-17, subsection 10 of section 54-52-26, subsection 2
3 of section 54-52-28, subsection 2 of section 54-52.1-03.2, subsection 1 of section 54-52.1-03.3,
4 and subsection 2 of section 54-52.6-21 of the North Dakota Century Code, relating to public
5 employees retirement system unpaid benefit payments, missing member confidentiality
6 requirements, compliance with Internal Revenue Code distribution requirements, insurance
7 programs for which retiree health insurance credit moneys may be used, and clarification of
8 eligibility for retiree health insurance credit payments.

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

10 **SECTION 1. AMENDMENT.** Section 39-03.1-10 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **39-03.1-10. Contributions by the state.**

13 The state shall contribute to the fund a sum equal to sixteen and seventy-hundredths
14 percent of the monthly salary or wage of a participating member. State contributions increase by
15 one percent of the monthly salary or wage of a participating member beginning with the monthly
16 reporting period of January 2012, ~~and~~ with an additional increase of one percent, beginning
17 with the reporting period of January 2013; ~~and~~ with an additional increase of one percent,
18 beginning with the monthly reporting period of January 2014. If the member's contribution is
19 paid by the state under subsection 2 of section 39-03.1-09, the state shall contribute, in
20 addition, an amount equal to the required member's contribution. The state shall pay the
21 associated employer contribution for those members who elect to exercise their rights under
22 ~~subsection 3 of section 39-03.1-10.~~ 39-03.1-10.3.

23 **SECTION 2. AMENDMENT.** Subsection 2 of section 39-03.1-11.2 of the North Dakota
24 Century Code is amended and reenacted as follows:

- 1 2. The minimum distribution rules under section 401(a)(9) of the Internal Revenue Code,
2 including the incidental death benefit requirements under section 401(a)(9)(G), and the
3 regulations issued under that provision to the extent applicable to governmental plans.
4 Accordingly, benefits must be distributed or begin to be distributed no later than a
5 member's required beginning date, and the required minimum distribution rules
6 override any inconsistent provision of this chapter. AFor a member who attains age
7 seventy and one-half before January 1, 2020, the member's required beginning date is
8 April first of the calendar year following the later of the calendar year in which the
9 member attains age seventy and one-half or terminates employment. For a member
10 who attains age seventy and one-half after December 31, 2019, the member's
11 required beginning date is April first of the calendar year following the later of the
12 calendar year in which the member attains age seventy-two or terminates
13 employment.

14 **SECTION 3. AMENDMENT.** Subsection 8 of section 54-52-17 of the North Dakota Century
15 Code is amended and reenacted as follows:

- 16 8. The surviving spouse of a member receiving retirement benefits must be the
17 member's primary beneficiary unless there is no surviving spouse or the surviving
18 spouse designates an alternate beneficiary in writing. If a member receiving retirement
19 benefits or the member's surviving spouse receiving retirement benefits dies before
20 the total amount of benefits paid to either or both equals the amount of the member's
21 account balance at retirement, the difference must be paid to the named beneficiary of
22 the recipient or, if there is no named beneficiary, to the recipient's estate. A benefit
23 payment owed to the member, surviving spouse, or alternate beneficiary which was
24 not paid before the death of the member, surviving spouse, or alternate beneficiary
25 must be paid to the named beneficiary of the recipient or, if there is no named
26 beneficiary, to the recipient's estate.

27 **SECTION 4. AMENDMENT.** Subsection 10 of section 54-52-26 of the North Dakota
28 Century Code is amended and reenacted as follows:

- 29 10. The general public, but only after the board has been unable to locate the member for
30 a period in excess of ~~two years~~one year, and limited to the member's name and the
31 fact ~~that~~ the board has been unable to locate the member.

1 **SECTION 5. AMENDMENT.** Subsection 2 of section 54-52-28 of the North Dakota Century
2 Code is amended and reenacted as follows:

3 2. The minimum distribution rules under section 401(a)(9) of the Internal Revenue Code,
4 including the incidental death benefit requirements under section 401(a)(9)(G), and the
5 regulations issued under that provision to the extent applicable to governmental plans.
6 Accordingly, benefits must be distributed or begin to be distributed no later than a
7 member's required beginning date, and the required minimum distribution rules
8 override any inconsistent provision of this chapter. AFor a member who attains age
9 seventy and one-half before January 1, 2020, the member's required beginning date is
10 April first of the calendar year following the later of the calendar year in which the
11 member attains age seventy and one-half or terminates employment. For a member
12 who attains age seventy and one-half after December 31, 2019, the member's
13 required beginning date is April first of the calendar year following the later of the
14 calendar year in which the member attains age seventy-two or terminates
15 employment.

16 **SECTION 6. AMENDMENT.** Subsection 2 of section 54-52.1-03.2 of the North Dakota
17 Century Code is amended and reenacted as follows:

18 2. All moneys deposited in the fund established under subsection 1, not otherwise
19 appropriated, are hereby appropriated to the board for the purpose of making
20 investments for the fund and to make contributions toward hospital and medical
21 benefits coverage and prescription drug coverage under any health insurance program
22 and for any dental, vision, and long-term care benefits coverage under the uniform-
23 groupany insurance program for eligible retired employees or surviving spouses of
24 eligible retired employees and their dependents as elected.

25 **SECTION 7. AMENDMENT.** Subsection 1 of section 54-52.1-03.3 of the North Dakota
26 Century Code is amended and reenacted as follows:

27 1. The following individuals are entitled to receive credit for hospital benefits coverage,
28 medical benefits coverage, and prescription drug coverage under any health insurance
29 program and for any dental, vision, and long-term care benefits coverage under any
30 insurance program:

- 1 a. A member or surviving spouse ~~receiving retirement benefits under~~of the highway
2 patrolmen's retirement system is eligible for the credit beginning on the date
3 retirement benefits are effective.
- 4 b. If the member first enrolled before January 1, 2020, a member or surviving
5 spouse ~~receiving retirement benefits under~~of the public employees retirement
6 system is eligible for the credit beginning on the date retirement benefits are
7 effective.
- 8 c. A member or surviving spouse ~~receiving retirement benefits under~~of the
9 retirement program established by job service North Dakota under section
10 52-11-01 is eligible for the credit beginning on the date retirement benefits are
11 effective.
- 12 d. A retired judge or surviving spouse ~~receiving retirement benefits under~~of the
13 retirement program established under chapter 27-17 is eligible for the credit
14 beginning on the date retirement benefits are effective.
- 15 e. If the former participating member first enrolled before January 1, 2020, a former
16 participating member of the defined contribution retirement plan receiving
17 retirement benefits, or the surviving spouse of a former participating member of
18 that retirement plan who was eligible to receive or was receiving benefits, under
19 section 54-52.6-13, is eligible as determined by the board pursuant to the board's
20 rules.

21 **SECTION 8. AMENDMENT.** Subsection 2 of section 54-52.6-21 of the North Dakota
22 Century Code is amended and reenacted as follows:

- 23 2. The minimum distribution rules under section 401(a)(9) of the Internal Revenue Code
24 and the regulations issued under that provision to the extent applicable to
25 governmental plans. Accordingly, benefits must be distributed or begin to be
26 distributed no later than a member's required beginning date, and the required
27 minimum distribution rules override any inconsistent provision of this chapter. AFor a
28 member who attains age seventy and one-half before January 1, 2020, the member's
29 required beginning date is April first of the calendar year following the later of the
30 calendar year in which the member attains age seventy and one-half or terminates
31 employment. For a member who attains age seventy and one-half after December 31,

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- 1 2019, the member's required beginning date is April first of the calendar year following
- 2 the later of the calendar year in which the member attains age seventy-two or
- 3 terminates employment.