

Testimony in Support of SB2239 — NDPERS Retirement
House Government and Veterans Affairs Committee
Sean Cleary, District 35 — Bismarck, North Dakota Senate

Chairman Schauer, Members of the House Committee on Government and Veterans Affairs,

I am here to introduce and ask for your favorable consideration for SB 2239, a bill that aims to provide sustainable funding for the NDPERS defined benefit retirement plan. The bill also includes changes which allow new state employees to elect to enter the NDPERS defined contribution plan should that work better for their retirement goals.

Additional Provisions:

- The bill would require employees to pay an additional **1%** of their salary towards the pension to help fund the plan responsibly and ensure it is fully funded for the next 30 years.
- Actuarially determined employer contributions (ADEC) would be used to fund the PERS Defined Benefit Pension plan to 100% funding over the next 31 years. This would be an additional **3.6%** from the state employer contribution next biennium. Political subdivisions on the plan would be required to pay this as well.
- The bill appropriates **\$250 million** from the General Fund to reduce the unfunded liability of the PERS DB pension next biennium.
- All new state employees will be able to enroll in the DC plan, and enrollees in the DC plan will contribute an additional 1% towards their retirement plan to maintain equal percentages with members of the DB plan. Currently, only non-classified employees have the option to enroll in the define contribution plan.
- The changes in this bill to the state contributions begin January 1, 2024, and apply to new state employees hired after December 31, 2023.

SB 2239 will help to ensure that public employees in North Dakota have a choice of competitive retirement plans. I believe it does this in a way that is fiscally responsible with taxpayer dollars.

I respectfully ask for your support and thank you for work on this important issue throughout this legislative session. I would be happy to answer any questions.

Sincerely,

Sean Cleary
North Dakota Senate
District 35 — Bismarck