

My name is Darrel Lund and I am a retired teacher of 42 years in the West Fargo Public School system.

I am strongly opposed to HB 1040, the bill that phases out the defined benefit plan for North Dakota public employees at a cost of \$5.5 billions dollars to the taxpayers of our state.

Rather than overhauling a popular and beneficial plan, I encourage you to strengthen the current plan. I believe that if the PERS plan would mirror the teachers' retirement plan, it would be a much better and less costly option. When the teachers' retirement fund was underfunded, teachers and school districts, increased their contributions to make the fund solvent again.

It would also encourage workers to stay in our state, because if a worker moves out of state, the worker can withdraw their contributions and thereby forfeit the employers' contribution. The defined benefit favors a worker that stays and works in the state until retiring and collects their benefit based on a formula that includes their contributions as well as the employer.

It would be more efficient and beneficial for workers to pool their money together and have it invested by fund managers that should be more knowledgeable about financial matters. With defined contribution plans, each worker would be responsible to manage or hire someone to manage their account.

There are also tax advantages to the TFFR plan which the PERS plan is not using to its advantage.

I strongly urge a Do not pass recommendation from your committee.

Thank you,

Darrel Lund