



North Dakota Senate

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COMMITTEES:
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Madam Chair Roers, Members of the Senate State and Local Government Committee;

I am here today to introduce SB 2239.

The bill contains the following changes to the NDCC:

- **Section 1** uses actuarially defined employer contributions (ADEC) to fund the PERS Defined Benefit Pension plan to 100% funding over the next 31 years.
 - ADEC is essentially a calculation to determine the level of state contributions necessary to ensure that the current unfunded liability (~\$1.9 billion) of the pension is paid off over the next 31 years.
 - **Purpose:** These calculated contributions are a funding method that ensure we fund our pension liability over the given time frame.
- **Section 2 and Section 3** are designed to allow state employees to elect to enter the state's defined contribution plan.
 - **Purpose:** While the state's DB pension plan is generally a more generous and desired benefit, this provision would give state employees the choice to enroll in the DC plan should they decide it works best for their retirement goals.
- **Section 4** appropriates \$250 million from the General Fund to reduce the unfunded liability of the PERS DB pension.
 - **Purpose:** This is designed to provide a "shot in the arm" to covering the pension's unfunded liability. This will help to ensure we can pay down the unfunded liability over the next 30 years.
- **Section 5** notes that the changes in this bill to the state contributions begin January 1, 2024 and that Section 2 applies to employees hired after June 30, 2023.

This bill has main 3 goals:

1 - **Keep the promise to current state employees and retirees** by making sure the state has enough money to pay for the pension benefits they are legally owed.

2 - **Use taxpayer money responsibly** by making sure the pension plan is fully funded for the next 30 years.