

Sixty-ninth  
Legislative Assembly  
of North Dakota

**BILL NO.**

Introduced by

(North Dakota Public Employees Retirement System)

1 A BILL for an Act to amend and reenact subsection 23 of section 54-52-01, paragraph 4 of  
2 subdivision g of subsection 3 of section 54-52-17, subdivision g of subsection 4 of section  
3 54-52-17, subsection 2 of section 54-52-28, section 54-52.1-03.1, section 54-52.2-06,  
4 subsection 8 of section 54-52.6-01, and subsection 1 of section 54-52.6-02.2 of the North  
5 Dakota Century Code, relating to administering the public employees retirement system.

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

7 **SECTION 1. AMENDMENT.** Subsection 23 of section 54-52-01 of the North Dakota Century  
8 Code is amended and reenacted as follows:

9 23. "Temporary employee" means an employee who is not eligible to participate as a  
10 permanent employee, who is at least eighteen years old and not actively contributing  
11 to another employer-sponsored ~~pension~~retirement fund, and, if employed by a school  
12 district, occupies a noncertified teacher's position.

13 **SECTION 2. AMENDMENT.** Paragraph 4 of subdivision g of subsection 3 of section  
14 54-52-17 of the North Dakota Century Code is amended and reenacted as follows:

15 (4) For a peace officer employed by the bureau of criminal investigation, early  
16 retirement date is the first day of the month next following the month in  
17 which the peace officer attains the age of fifty years and has completed at  
18 ~~least three years of eligible employment;~~

19 (a) If hired before August 1, 2023, at least three years of eligible  
20 employment; or

21 (b) If hired on or after August 1, 2023, at least ten years of eligible  
22 employment.

23 **SECTION 3. AMENDMENT.** Subdivision g of subsection 4 of section 54-52-17 of the North  
24 Dakota Century Code is amended and reenacted as follows:

g. Except for supreme and district court judges, disability retirement benefits are twenty-five percent of the member's final average salary. Disability retirement benefits for supreme and district court judges are seventy percent of final average salary reduced by the member's ~~primary~~any social security benefits and by any workforce safety and insurance benefits paid to the member. The minimum monthly disability retirement benefit under this section is one hundred dollars.

**SECTION 4. AMENDMENT.** Subsection 2 of section 54-52-28 of the North Dakota Century Code is amended and reenacted as follows:

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

**SECTION 5. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-03.1. Certain political subdivisions authorized to join uniform group insurance program - Employer contribution.**

If eligible under federal law, a political subdivision may extend the benefits of the uniform group insurance program under this chapter to its permanent employees, subject to minimum requirements established by the board and a minimum period of participation of sixty months. If the political subdivision withdraws from participation in the uniform group insurance program, before completing sixty months of participation, unless federal or state laws or rules are

1 modified or interpreted in a way that makes participation by the political subdivision in the  
2 uniform group insurance program no longer allowable or appropriate, the political subdivision  
3 shall make payment to the board in an amount equal to any expenses incurred in the uniform  
4 group insurance program that exceed income received on behalf of the political subdivision's  
5 employees as determined under rules adopted by the board. The Garrison Diversion  
6 Conservancy District, ~~and district~~ shall participate in the uniform group insurance program under  
7 the same terms and conditions as state agencies. District health units required to participate in  
8 the public employees retirement system under section 54-52-02, which were participating in the  
9 uniform group insurance program at the time the Affordable Care Act was enacted, shall  
10 participate in the uniform group insurance program under the same terms and conditions as  
11 state agencies. A retiree who has accepted a retirement allowance from a participating political  
12 subdivision's retirement plan may elect to participate in the uniform group under this chapter  
13 without meeting minimum requirements at age sixty-five, when the employee's spouse reaches  
14 age sixty-five, upon the receipt of a benefit, when the political subdivision joins the uniform  
15 group insurance plan if the retiree was a member of the former plan, or when the spouse  
16 terminates employment. If a retiree or surviving spouse does not elect to participate at the times  
17 specified in this section, the retiree or surviving spouse must meet the minimum requirements  
18 established by the board. Each retiree or surviving spouse shall pay directly to the board the  
19 premiums in effect for the coverage then being provided. The board may require documentation  
20 that the retiree has accepted a retirement allowance from an eligible retirement plan other than  
21 the public employees retirement system.

22 **SECTION 6. AMENDMENT.** Section 54-52.2-06 of the North Dakota Century Code is  
23 amended and reenacted as follows:

24 **54-52.2-06. Deferred compensation program - Benefits - Taxation - Exemption from**  
25 **judicial process - Assignment.**

26 The deferred compensation program established by this chapter shall exist and serve in  
27 addition to retirement, pension, or benefit systems established by the state, county, city, town, or  
28 other political subdivision, and no deferral of income under the deferred compensation program  
29 shall effect a reduction of any retirement, pension, or other benefit provided by law. However,  
30 with the exception of Roth contributions, any sum deferred under the deferred compensation  
31 program is not subject to taxation until distribution is actually made to the employee. Any unpaid

benefits under the deferred compensation program established by this chapter are not subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency laws, or other process of law whatsoever, except as provided by section 54-52.2-03.3. Neither the employee, the employee's beneficiary, nor any designee of the employee or the employee's beneficiary has the right to commute, sell, assign, transfer, or otherwise convey the right to receive payments under this chapter.

**SECTION 7. AMENDMENT.** Subsection 8 of section 54-52.6-01 of the North Dakota Century Code is amended and reenacted as follows:

8. "Wages" and "salaries" means earnings in eligible employment under this chapter reported as salary on a federal income tax withholding statement plus any salary reduction or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as payments for unused sick leave, personal leave, vacation leave paid in a lump sum, overtime, housing allowances, transportation expenses, early retirement, incentive pay, severance pay, medical insurance, workforce safety and insurance benefits, disability insurance premiums or benefits, or salary received by a member in lieu of previously employer-provided fringe benefits under an agreement between an employee and a participating employer. Bonuses may be considered as salary under this section if reported ~~and annualized~~ pursuant to rules adopted by the board.

**SECTION 8. AMENDMENT.** Subsection 1 of section 54-52.6-02.2 of the North Dakota Century Code is amended and reenacted as follows:

1. As used in this section, "eligible employee" means a permanent state employee who on December 31, 2024, is a participating member of the public employees retirement system main system plan under chapter ~~54-42~~54-52, who has been a participating member under chapter 54-52 for no more than five years, and who is at least eighteen years of age.