

15.0968.01000

## **FISCAL NOTE STATEMENT**

Senate Bill or Resolution No. SB 2306

This bill or resolution appears to affect revenues, expenditures, or fiscal liability of counties, cities, school districts, or townships. However, no state agency has primary responsibility for compiling and maintaining the information necessary for the proper preparation of a fiscal note regarding this bill or resolution. Pursuant to Joint Rule 502, this statement meets the fiscal note requirement.

Sheila Sandness  
Senior Fiscal Analyst

**2015 SENATE GOVERNMENT AND VETERANS AFFAIRS**

**SB 2306**

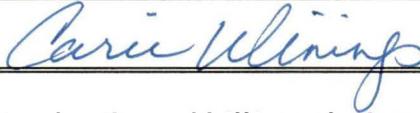
# 2015 SENATE STANDING COMMITTEE MINUTES

Government and Veterans Affairs Committee  
Missouri River Room, State Capitol

SB 2306  
2/5/2015  
Job # 23275 and 23276

Subcommittee  
 Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact section 18-11-28 of the North Dakota Century Code, relating to alternate firefighters relief association plan benefits.

## Minutes:

Attachments 1

**Vice Chairman Poolman:** Opened the hearing on SB 2306.

**Senator Nelson, District 21:** Testified as sponsor and in support of the bill. See attachment #1.

**(2:02) Ryan Viergutz, Board President, Fargo Firefighters Relief Association:** Testified in support of the bill. These are all changes that are made in good faith to make our plan more sound. In 2012, we gave our plan document to our actuary to review our plan and the changes that we are requesting to be put into the code as part of our plan are all recommendations that were made by them. Explained the changes requested in the bill. There are no benefit increases of any kind in the changes. One change is a cost saving measure with our disability plan. When someone is eligible for disability payments through our plan, we track their income for the remainder of their life and deduct dollar for dollar through their disability plan when they have outside work or wages. The recommendation from our actuary is that at some point in time we are actually spending more money to track their wages and earnings than we are actually saving by doing so. So at the age of 65 we simply discontinue tracking their wages and pay their benefit going forward from there.

**(4:55) Senator Davison:** Can you explain moving the child's benefit from age 18 to 19?

**Ryan Viergutz:** When we had written the plan it was originally written as the option of the death benefit of the age of 18 or while they are actively enrolled in High School. Our intention being that we want to support the children of a fallen firefighter until they have reached adulthood or finished the completion of High School.

**Senator Nelson:** Is it correct that you guys do not have Social Security?

**Ryan Viergutz:** We do not.

**Senator Nelson:** But do you pay in for Medicare?

**Ryan Viergutz:** We pay into Medicare starting in 1986.

**Vice Chairman Poolman:** Closed the hearing on SB 2306.

**Senator Cook:** In looking at the fiscal note, it just says that it appears to affect revenue etc.

**Senator Nelson:** They do not go through PERZ. There is some insurance premium money that goes to all firefighters and it is split between the city and the fire department pension fund.

**Ryan:** Correct that is the only state money we receive.

**Senator Cook:** Is there a cost to Fargo?

**Ryan:** No.

(2<sup>nd</sup> Recording Job # 23276)

**Senator Marcellais:** Moved a Do Pass.

**Senator Nelson:** Seconded.

**A Roll Call Vote Was Taken: 7 yeas, 0 nays, 0 absent.**

**Motion Carried.**

**Senator Nelson will carry the bill.**



**REPORT OF STANDING COMMITTEE**

**SB 2306: Government and Veterans Affairs Committee (Sen. Dever, Chairman)**  
recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
SB 2306 was placed on the Eleventh order on the calendar.

**2015 HOUSE GOVERNMENT AND VETERANS AFFAIRS**

**SB 2306**

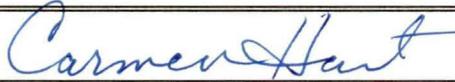
# 2015 HOUSE STANDING COMMITTEE MINUTES

## Government and Veterans Affairs Committee Fort Union, State Capitol

SB 2306  
3/6/2015  
24433

- Subcommittee  
 Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

Relating to alternate firefighters relief association plan benefits

### Minutes:

Attachment 1

**Chairman Kasper** opened the hearing on SB 2306.

**Senator Carolyn Nelson** appeared in support of SB 2306. There are two sections of code that deal with pension systems for public safety people. You have 1805 which is the standard pension fund, and 1811 which is for the alternate firefighters' relief associations. Over the many years, there have only been two--Bismarck and Fargo. Bismarck withdrew from this particular part of the code and became part of the PERS system when the city of Bismarck switched into the PERS system. This leaves the Fargo firefighters in this code, and that is what this bill deals with.

**Ryan Viergutz**, Board President for the Fargo Firefighters Relief Association, appeared in support. Attachment 1. (3:08-6:51)

**Rep. Schneider** Do you have an employee group that had input into this and have they approved it?

**Ryan Viergutz** We have a 7 member board that meets monthly. We come up with the wording based on our actuary, and that goes out to all of our active members meaning any member of the fire department that is actively contributing and paying into the plan. Then they cast their vote for this before we bring it out to the legislature.

**Rep. Schneider** Was that vote unanimous?

**Ryan Viergutz** 55-2

**Rep. Amerman** Could you explain the fiscal note statement.

**Ryan Veirgutz** The city does make contributions to our plan. The changes that we are making in our document have no benefit increases. There is no increase cost to the city of any kind.

No opposition or neutral.

The hearing was closed.

**Rep. Schneider** made a motion for a DO PASS.

**Rep. Wallman** seconded the motion.

A roll call vote was taken. 13 Yeas, 0 Nays, 1 Absent.

**Rep. M. Johnson** will carry the bill.

Date: 3-6-15  
 Roll Call Vote #: 1

**2015 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2306**

House Government and Veterans Affairs Committee

Subcommittee

Amendment LC# or Description: \_\_\_\_\_

Recommendation:  Adopt Amendment  
 Do Pass  Do Not Pass  Without Committee Recommendation  
 As Amended  Rerefer to Appropriations  
 Place on Consent Calendar  
 Other Actions:  Reconsider  \_\_\_\_\_

Motion Made By Schneider Seconded By Wallman

Representatives	Yes	No	Representatives	Yes	No
Chairman Jim Kasper	X		Rep. Bill Amerman	X	
Vice Chair Karen Rohr	X		Rep. Gail Mooney	X	
Rep. Jason Dockter	X		Rep. Mary Schneider	X	
Rep. Mary C. Johnson	X		Rep. Kris Wallman	X	
Rep. Karen Karls	X				
Rep. Ben Koppelman	X				
Rep. Vernon Laning	X				
Rep. Scott Louser	X				
Rep. Jay Seibel	X				
Rep. Vicky Steiner	X				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Johnson

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2306: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)**  
recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).  
SB 2306 was placed on the Fourteenth order on the calendar.

**2015 TESTIMONY**

**SB 2306**

In 2013 the Fargo Firefighters Pension Association board commissioned its actuary, Van Iwaarden, to review the plan document with the intent of providing recommendations on any necessary typographical corrections, alterations to the document that would better clarify the scope and/or limitations of benefits to its member's and ensure the plan may be executed in accordance with current generally accepted accounting practices. The changes requested before this committee are the result of those recommendations.

The changes to the definitions section in the document serve to eliminate references throughout the document to age 55 and are replaced with "normal retirement age" or "date". This makes the document consistent as the prior document made numerous references to a specific age of 55 while also using the terms normal age and normal date interchangeably within the document.

The definitions of "Disabled Pensioner", "Service Pensioner", "Interest" and "Accumulated Contributions" are to provide greater clarification to the beneficiary as to the extent of what their benefits are and when the benefit would commence or change such as in the case of a disabled pensioner being reclassified as a service pensioner after having attained the normal retirement age.

The alterations to section 6 - Disability Pension, are to replace references to any specific age with the stated definitions, acknowledge that the City of Fargo now purchases a private disability insurance plan for city employees and include a cost saving measure to no longer track "excess income" after the age of 65. It was the opinion of the actuary that at some point it would cost the pension more money to continually track excess income than it was saving by doing so. The actuary's recommendation was to cease tracking income after a disability pensioner attains age 65.

The alterations to section 9 - Children's Benefit are to clarify the benefit to beneficiaries that it is the intent of the plan to provide the benefit to the children of a fallen firefighter until they reach adulthood but extending to the normal completion of high school.

The remaining alterations to the plan were to correct a number of typographical errors throughout the document.

Attached you will find a summary of the aforementioned changes.

The most substantive changes were to the definitions of Normal Retirement Age and Date and the changes to the disability provisions. We also did some minor editing to correct typographical errors.

1. Definitions. To clarify the disability and retirement provisions we made the following additions/corrections:

- a. Define "Normal Retirement Age" to be age 55
- b. Define Normal Retirement Date using Normal Retirement Age
- c. Change references from age 55 to Normal Retirement Date
- d. Define "Disabled Pensioner"
- e. Define "Service Pensioner"
- f. Define "Interest"
- g. Additional clarification on definition of "Accumulated Contributions"

2. Section 6. Disability pension

- a. Define eligibility in terms of Normal Retirement Date
- b. Provide that a disability pensioner becomes a service pensioner upon attaining Normal Retirement Date
- c. Mention the City Long Term Disability insurance plan as a source of "earned income"
- d. Added a paragraph that provides for suspension of benefits if the disability pensioner does not provide proof on income on a timely basis
- e. Add a paragraph that eliminates the need to monitor income after a person attains age 65

3. Section 9. Children's Death Benefit

- a. Clarification on benefit limitation changing "actively enrolled" to "age nineteen or graduation"

4. Typographical Corrections: These are minor changes to correct spelling and grammar.

- a. Section 9 – corrected "children's"
- b. Number corrections starting at old 13.3 (and a few references in the document were corrected to reflect the new numbering)
- c. Benefit Limitations reference to IRC Section 415(b)(10)(C) in Section 15 was corrected

Fargo Firefighters Association Pension Bill

#1 2306  
3-6-15

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## Summary of Changes

P. 2

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