

(At the request of the Public Employees Retirement System)

1 A BILL for an Act to create and enact a new section to chapter 39-03.1 and a new section to
2 chapter 54-52 of the North Dakota Century Code, relating to supplemental payments to retirees
3 under the highway patrolmen's retirement system and the public employees retirement system;
4 and to amend and reenact subsection 2 of section 39-03.1-11 and subsection 2 of section
5 54-52-17 of the North Dakota Century Code, relating to calculation of final average salary under
6 the highway patrolmen's retirement system and the public employees retirement system.

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

8 **SECTION 1. AMENDMENT.** Subsection 2 of section 39-03.1-11 of the North Dakota
9 Century Code is amended and reenacted as follows:

10 2. Retirement benefits are based on the contributor's final average salary. Final
11 average salary is the average of the highest salary received by the contributor for
12 any thirty-six ~~consecutive~~ months employed during the last one hundred twenty
13 months of employment. For contributors who retire on or after July 1, 2009, final
14 average salary is the average of the highest salary received by the contributor for
15 any thirty-six months employed during the last one hundred eighty months of
16 employment. Months not employed or months in which employment was not as a
17 permanent employee are excluded in arriving at the thirty-six months to be used for
18 the purpose of computing an average. If the contributor has worked for less than
19 thirty-six months at the postponed retirement date, the final average salary is the
20 average salary for all months of employment. The final average salary for an
21 employee employed on August 1, 2005, equals the final average salary as defined
22 in this subsection multiplied by one and three-hundredths.

23 **SECTION 2.** A new section to chapter 39-03.1 of the North Dakota Century Code is
24 created and enacted as follows:

1 **Supplemental retiree benefit payment.** If the board determines that the fund has
2 obtained a total return on investments of eleven and two-tenths percent or higher for the fiscal
3 year ending June 30, 2005, or June 30, 2006, and that the fund has the necessary margin to
4 pay for the benefit, the board shall authorize a payment to each retiree receiving benefit
5 payments under this chapter as of the date of the fiscal yearend in the amount of fifty percent of
6 the retiree's then current monthly benefit payment. The payment must be made the January
7 following the fiscal yearend. The board may only make one payment under this section.

8 **SECTION 3. AMENDMENT.** Subsection 2 of section 54-52-17 of the North Dakota
9 Century Code is amended and reenacted as follows:

10 2. Retirement benefits are calculated from the participating member's final average
11 salary, which is the average of the highest salary received by the member for any
12 thirty-six months employed during the last one hundred twenty months of
13 employment. For members who retire on or after July 1, 2009, final average salary
14 is the average of the highest salary received by the member for any thirty-six
15 months employed during the last one hundred eighty months of employment.
16 Months not employed are excluded in arriving at the thirty-six months to be used
17 for the purpose of computing an average. If the participating member has worked
18 for less than thirty-six months at the normal retirement date, the final average
19 salary is the average salary for the total months of employment. The final average
20 salary for employees employed on August 1, 2005, equals the final average salary
21 as defined in this subsection multiplied by one and three-hundredths.

22 **SECTION 4.** A new section to chapter 54-52 of the North Dakota Century Code is
23 created and enacted as follows:

24 **Supplemental retiree benefit payment.** If the board determines that the fund has
25 obtained a total return on investments of eleven and two-tenths percent or higher for the fiscal
26 year ending June 30, 2005, or June 30, 2006, and that the fund has the necessary margin to
27 pay for the benefit, the board shall authorize a payment to each retiree receiving benefit
28 payments under this chapter as of the date of the fiscal yearend in the amount of fifty percent of
29 the retiree's then current monthly benefit payment. The payment must be made the January
30 following the fiscal yearend. The board may only make one payment to each retiree under this
31 section.