

**SENATE BILL NO. 2264**

Introduced by

Senators Epegard, Holmberg, Lindaas

Representatives Delmore, Herbel, Nottestad

1 A BILL for an Act to amend and reenact subsection 22 of section 54-52-01 and subsection 8 of  
2 section 54-52.6-01 of the North Dakota Century Code, relating to the definition of wages and  
3 salaries for purposes of the public employees retirement system; and to provide an  
4 appropriation.

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

6 **SECTION 1. AMENDMENT.** Subsection 22 of section 54-52-01 of the North Dakota  
7 Century Code is amended and reenacted as follows:

8 22. "Wages" and "salaries" means the member's earnings in eligible employment  
9 under this chapter reported as salary on the member's federal income tax  
10 withholding statements, including payments for overtime earned by employees of  
11 the North Dakota mill and elevator association, plus any salary reduction or salary  
12 deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. "Salary"  
13 does not include fringe benefits such as payments for unused sick leave, personal  
14 leave, vacation leave paid in a lump sum, overtime other than payments for  
15 overtime earned by employees of the North Dakota mill and elevator association,  
16 housing allowances, transportation expenses, early retirement incentive pay,  
17 severance pay, medical insurance, workforce safety and insurance benefits,  
18 disability insurance premiums or benefits, or salary received by a member in lieu of  
19 previously employer-provided fringe benefits under an agreement between the  
20 member and participating employer. Overtime earned by employees of the North  
21 Dakota mill and elevator association must be reported and annualized pursuant to  
22 rules adopted by the board. Bonuses may be considered as salary under this  
23 section if reported and annualized pursuant to rules adopted by the board.

1           **SECTION 2. AMENDMENT.** Subsection 8 of section 54-52.6-01 of the North Dakota  
2 Century Code is amended and reenacted as follows:

3           8. "Wages" and "salaries" means earnings in eligible employment under this chapter  
4 reported as salary on a federal income tax withholding statement, including  
5 payments for overtime earned by employees of the North Dakota mill and elevator  
6 association, plus any salary reduction or salary deferral amounts under 26 U.S.C.  
7 125, 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such  
8 as payments for unused sick leave, personal leave, vacation leave paid in a lump  
9 sum, overtime other than payments for overtime earned by employees of the North  
10 Dakota mill and elevator association, housing allowances, transportation expenses,  
11 early retirement, incentive pay, severance pay, medical insurance, workforce  
12 safety and insurance benefits, disability insurance premiums or benefits, or salary  
13 received by a member in lieu of previously employer-provided fringe benefits under  
14 an agreement between an employee and a participating employer. Bonuses may  
15 be considered as salary under this section if reported and annualized pursuant to  
16 rules adopted by the board.

17           **SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the public  
18 employees retirement fund, not otherwise appropriated, the sum of \$8,000, or so much of the  
19 sum as may be necessary, to the public employees retirement system board for the purpose of  
20 defraying the expenses of administering this Act, for the biennium beginning July 1, 2005, and  
21 ending June 30, 2007. There is appropriated out of any moneys in the mill and elevator fund,  
22 not otherwise appropriated, the sum of \$205,000, or so much of the sum as may be necessary,  
23 to the North Dakota mill and elevator association for the purpose of paying the retirement  
24 contributions required by this Act, for the biennium beginning July 1, 2005, and ending June 30,  
25 2007.