

Introduced by

Government and Veterans Affairs Committee

(At the request of the Public Employees Retirement System)

1 A BILL for an Act to amend and reenact subsection 2 of section 39-03.1-11 and subsection 2 of
2 section 54-52-17 of the North Dakota Century Code, relating to the computation of final average
3 salary for employees who terminate employment after December 31, 2019.

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

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

7 2. Retirement benefits are based on the contributor's final average salary. Final average
8 salary is the average of the highest salary received by the contributor for any thirty-six
9 months employed during the last one hundred twenty months of employment. For
10 contributors who terminate employment on or after August 1, 2010, final average
11 salary is the average of the highest salary received by the contributor for any thirty-six
12 months employed during the last one hundred eighty months of employment. For
13 contributors who terminate employment between July 31, 2005, and August 1, 2010,
14 final average salary is the average of the highest salary received by the member for
15 any thirty-six months employed during the period for which the board has appropriate
16 and accurate salary records on its electronic database, but that period may not be
17 more than the last one hundred eighty months of employment. For members who
18 terminate employment after December 31, 2019, final average salary is the higher of
19 the final average salary calculated on December 31, 2019, or the average salary
20 earned in the three highest periods of twelve consecutive months employed during the
21 last one hundred eighty months of employment. Months not employed or months in
22 which employment was not as a permanent employee without earnings are excluded in
23 arriving at the thirty-six months to be used for the purpose of computing an average. If

1 the contributor has worked for less than thirty-six months at the postponed retirement
2 date, the final average salary is the average salary for all months of employment.

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

5 2. Retirement benefits are calculated from the participating member's final average
6 salary, which is the average of the highest salary received by the member for any
7 thirty-six months employed during the last one hundred twenty months of employment.
8 For members who terminate employment on or after August 1, 2010, final average
9 salary is the average of the highest salary received by the member for any thirty-six
10 months employed during the last one hundred eighty months of employment. For
11 members who terminate employment between July 31, 2005, and August 1, 2010, final
12 average salary is the average of the highest salary received by the member for any
13 thirty-six months employed during the period for which the board has appropriate and
14 accurate salary records on ~~its~~the board's electronic database, but that period may not
15 be more than the last one hundred eighty months of employment. For members who
16 terminate employment after December 31, 2019, final average salary is the higher of
17 the final average salary calculated on December 31, 2019, or the average salary
18 earned in the three highest periods of twelve consecutive months employed during the
19 last one hundred eighty months of employment. Months not employed without earnings
20 are excluded in arriving at the thirty-six months to be used for the purpose of
21 computing an average. If the participating member has worked for less than thirty-six
22 months at the normal retirement date, the final average salary is the average salary for
23 the total months of employment.