

**HOUSE BILL NO. 1183**

Introduced by

Representatives Porter, Dockter, Heinert, Karls, Kasper, Louser, Motschenbacher, Ostlie, D. Ruby, Schauer

Senators Axtman, Larson

1 A BILL for an Act to amend and reenact subsection 12 of section 54-52-01, section 54-52-06.4,  
2 subsection 3 of section 54-52-17, and ~~subdivision d of~~ subsection 4 of section 54-52-17 of the  
3 North Dakota Century Code, relating to a public employees retirement system retirement plan  
4 for peace officers; and to provide for a legislative management study.

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

6 **SECTION 1. AMENDMENT.** Subsection 12 of section 54-52-01 of the North Dakota Century  
7 Code is amended and reenacted as follows:

8 12. "Peace officer" means a participating member who is a peace officer as defined in  
9 section 12-63-01 and is employed as a peace officer by the ~~bureau of criminal-~~  
10 ~~investigation~~state, except by the highway patrol for members of the retirement plan  
11 created under chapter 39-03.1, or is employed by a political subdivision and,  
12 notwithstanding subsection 13, for persons employed after August 1, 2005, is  
13 employed thirty-two hours or more per week and at least twenty weeks each year of  
14 employment. A peace officer who is a participating member of the law enforcement  
15 retirement plan created by this chapter who begins employment after August 1, 2005,  
16 is ineligible to participate concurrently in any other retirement plan administered by the  
17 public employees retirement system.

18 **SECTION 2. AMENDMENT.** Section 54-52-06.4 of the North Dakota Century Code is  
19 amended and reenacted as follows:

1           **54-52-06.4. Contribution by peace officers employed by the bureau of criminal-**  
2 **investigation~~state~~ or security officers employed by the national guard - Employer**  
3 **contribution.**

4           1. a. Each peace officer employed by the bureau of criminal investigation~~state~~ who is a  
5 member of the public employees retirement system is assessed and shall pay  
6 monthly ~~four~~six percent of the employee's monthly salary. Peace officer  
7 contributions increase by one percent of the member's monthly salary beginning  
8 with the monthly reporting period of January 2012, and with an additional  
9 increase of one percent, beginning with the reporting period of January 2013.

10           b. Each peace officer employed by the state, other than a peace officer employed  
11 by the bureau of criminal investigation, who is a member of the public employees  
12 retirement system is assessed and shall pay six percent of the employee's  
13 monthly salary.

14           c. Effective August 1, 2015, each national guard security officer who is a member of  
15 the public employee's retirement system is assessed and monthly shall pay six  
16 percent of the employee's monthly salary. National guard security officer  
17 contributions decrease by one-half of one percent of the member's monthly  
18 salary beginning with the monthly reporting period of January 2016.

19           d. The assessment must be deducted and retained out of the employee's salary in  
20 equal monthly installments.

21           2. The peace officer's or security officer's employer shall contribute an amount  
22 determined by the board to be actuarially required to support the level of benefits  
23 specified in section 54-52-17. The employer's contribution must be paid from funds  
24 appropriated for salary or from any other funds available for such purposes. If the  
25 peace officer's or security officer's assessment is paid by the employer under  
26 subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount  
27 equal to the required peace officer's or security officer's assessment.

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

30           3. Retirement dates are defined as follows:

- 1           a. Normal retirement date, except for a national guard security officer or firefighter, a  
2 firefighter employed by a political subdivision, ~~or a peace officer employed by the~~  
3 ~~state, or a peace officer or correctional officer employed by the bureau of criminal~~  
4 ~~investigation or by a political subdivision~~, is:
- 5           (1) The first day of the month next following the month in which the member  
6 attains the age of sixty-five years; or
- 7           (2) When the member has a combined total of years of service credit and years  
8 of age equal to eighty-five and has not received a retirement benefit under  
9 this chapter.
- 10          b. Normal retirement date for members first enrolled after December 31, 2015,  
11 except for a national guard security officer or firefighter, a firefighter employed by  
12 a political subdivision, a peace officer ~~or~~employed by the state, ~~a peace officer or~~  
13 ~~correctional officer employed by the bureau of criminal investigation or by a~~  
14 ~~political subdivision~~, or a supreme court or district court judge, is:
- 15          (1) The first day of the month next following the month in which the member  
16 attains the age of sixty-five years; or
- 17          (2) When the member has a combined total of years of service credit and years  
18 of age equal to ninety and the member attains a minimum age of sixty and  
19 has not received a retirement benefit under this chapter.
- 20          c. Normal retirement date for a national guard security officer or firefighter is:
- 21          (1) The first day of the month next following the month in which the national  
22 guard security officer or firefighter attains the age of fifty-five years and has  
23 completed at least three eligible years of employment; or
- 24          (2) When the national guard security officer or firefighter has a combined total  
25 of years of service credit and years of age equal to eighty-five and has not  
26 received a retirement benefit under this chapter.
- 27          d. Normal retirement date for a peace officer, firefighter, or correctional officer  
28 employed by a political subdivision is:
- 29          (1) The first day of the month next following the month in which the peace  
30 officer, firefighter, or correctional officer attains the age of fifty-five years and  
31 has completed at least three eligible years of employment; or

1 (2) When the peace officer, firefighter, or correctional officer has a combined  
2 total of years of service credit and years of age equal to eighty-five and has  
3 not received a retirement benefit under this chapter.

4 e. (1) Normal retirement date for a peace officer employed by the bureau of  
5 criminal investigation~~state~~ is:

6 (1)(a) The first day of the month next following the month in which the peace  
7 officer attains the age of fifty-five years and has completed at least  
8 three eligible years of employment; or

9 (2)(b) When the peace officer has a combined total of years of service credit  
10 and years of age equal to eighty-five and has not received a  
11 retirement benefit under this chapter.

12 (2) Normal retirement date for a peace officer employed by the state, other than  
13 a peace officer employed by the bureau of criminal investigation, is:

14 (a) The first day of the month next following the month in which the peace  
15 officer attains the age of fifty-five years and has completed at least  
16 three eligible years of employment; or

17 (b) When the peace officer has a combined total of years of service credit  
18 and years of age equal to eighty-five and has not received a  
19 retirement benefit under this chapter.

20 f. Postponed retirement date is the first day of the month next following the month  
21 in which the member, on or after July 1, 1977, actually severs or has severed the  
22 member's employment after reaching the normal retirement date.

23 g. (1) Early retirement date, except for a national guard security officer or  
24 firefighter, a firefighter ~~employed by a political subdivision, or a~~ peace  
25 officer, or correctional officer employed by the ~~bureau of criminal~~  
26 ~~investigation or by a political subdivision, or a peace officer employed by the~~  
27 state, is the first day of the month next following the month in which the  
28 member attains the age of fifty-five years and has completed three years of  
29 eligible employment.

30 (2) For a national guard security officer or firefighter, early retirement date is the  
31 first day of the month next following the month in which the national guard

1 security officer or firefighter attains the age of fifty years and has completed  
2 at least three years of eligible employment.

3 (3) For a peace officer employed by the state, other than a peace officer  
4 employed by the bureau of criminal investigation, or a firefighter employed  
5 by a political subdivision or a peace officer, or correctional officer employed  
6 by the bureau of criminal investigation or by a political subdivision, early  
7 retirement date is the first day of the month next following the month in  
8 which the peace officer, firefighter, or correctional officer attains the age of  
9 fifty years and has completed at least three years of eligible employment.

10 (4) For a peace officer employed by the bureau of criminal investigation, early  
11 retirement date is the first day of the month next following the month in  
12 which the peace officer attains the age of fifty years and has completed at  
13 least three years of eligible employment.

14 h. Disability retirement date is the first day of the month after a member becomes  
15 permanently and totally disabled, according to medical evidence called for under  
16 the rules of the board, and has completed at least one hundred eighty days of  
17 eligible employment. For supreme and district court judges, permanent and total  
18 disability is based solely on a judge's inability to perform judicial duties arising out  
19 of physical or mental impairment, as determined pursuant to rules adopted by the  
20 board or as provided by subdivision a of subsection 3 of section 27-23-03.

21 (1) A member is eligible to receive disability retirement benefits only if the  
22 member became disabled during the period of eligible employment and  
23 applies for disability retirement benefits within twelve months of the date the  
24 member terminates employment.

25 (2) A member is eligible to continue to receive disability benefits as long as the  
26 permanent and total disability continues and the member submits the  
27 necessary documentation and undergoes medical testing required by the  
28 board, or for as long as the member participates in a rehabilitation program  
29 required by the board, or both. If the board determines a member no longer  
30 meets the eligibility definition, the board may discontinue the disability  
31 retirement benefit. The board may pay the cost of any medical testing or

1 rehabilitation services the board deems necessary and these payments are  
2 appropriated from the retirement fund for those purposes. A member's  
3 receipt of disability benefits under this section is limited to receipt from the  
4 fund to which the member was actively contributing at the time the member  
5 became disabled.

6 ~~SECTION 4. AMENDMENT. Subdivision d of subsection 4 of section 54-52-17 of the North~~  
7 ~~Dakota Century Code is amended and reenacted as follows:~~

8 ~~d. Early retirement benefits are calculated as for single life benefits accrued to the~~  
9 ~~date of termination of employment, but must be actuarially reduced to account for~~  
10 ~~benefit payments beginning before the normal retirement date, as determined~~  
11 ~~under subsection 3. Except for a national guard security officer or firefighter, a~~  
12 ~~firefighter employed by a political subdivision, a peace officer, or correctional~~  
13 ~~officer employed by the bureau of criminal investigation or by a political~~  
14 ~~subdivision, a peace officer employed by the state, or a supreme court or district~~  
15 ~~court judge, early retirement benefits for members first enrolled after~~  
16 ~~December 31, 2015, are calculated for single life benefits accrued to the date of~~  
17 ~~termination of employment, but must be reduced by fixed rate of eight percent~~  
18 ~~per year to account for benefit payments beginning before the normal retirement~~  
19 ~~date. A retiree, other than a supreme or district court judge, is eligible for early~~  
20 ~~retirement benefits only after having completed three years of eligible~~  
21 ~~employment. A supreme or district court judge retiree is eligible for early~~  
22 ~~retirement benefits only after having completed five years of eligible employment.~~

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

25 4. The board shall calculate retirement benefits as follows:

26 a. Normal retirement benefits for all retirees, except supreme and district court  
27 judges, peace officers employed by the bureau of criminal investigation, and  
28 other peace officers employed by the state, reaching normal retirement date  
29 equal an annual amount, payable monthly, comprised of a service benefit and a  
30 prior service benefit, as defined in this chapter, which is determined as follows:

31 (1) For members first enrolled:

- 1 (a) Before January 1, 2020, service benefit equals two percent of final  
2 average salary multiplied by the number of years of service  
3 employment.
- 4 (b) After December 31, 2019, service benefit equals one and seventy-five  
5 hundredths percent of final average salary multiplied by the number of  
6 years of service employment.
- 7 (2) Prior service benefit equals two percent of final average salary multiplied by  
8 the number of years of prior service employment.
- 9 b. Normal retirement benefits for all supreme and district court judges under the  
10 public employees retirement system reaching normal retirement date equal an  
11 annual amount, payable monthly, comprised of a benefit as defined in this  
12 chapter, determined as follows:
- 13 (1) Benefits must be calculated from the time of appointment or election to the  
14 bench and must equal three and one-half percent of final average salary  
15 multiplied by the first ten years of judicial service, two and eighty hundredths  
16 percent of final average salary multiplied by the second ten years of judicial  
17 service, and one and one-fourth percent of final average salary multiplied by  
18 the number of years of judicial service exceeding twenty years.
- 19 (2) Service benefits must include, in addition, an amount equal to the percent  
20 specified in subdivision a of final average salary multiplied by the number of  
21 years of nonjudicial employee service and employment.
- 22 c. Normal retirement benefits for a peace officer employed by the bureau of criminal  
23 investigation reaching the normal retirement date equals an annual amount,  
24 payable monthly, comprised of a service benefit and a prior service benefit  
25 determined as follows:
- 26 (1) For members first enrolled:
- 27 (a) Before January 1, 2020, service benefit equals two percent of final  
28 average salary multiplied by the number of years of service  
29 employment.

1 (b) After December 31, 2019, service benefit equals one and seventy-five  
2 hundredths percent of final average salary multiplied by the number of  
3 years of service employment.

4 (2) Prior service benefit equals two percent of final average salary multiplied by  
5 the number of years of prior service employment.

6 d. Normal retirement benefits for a peace officer employed by the state, other than  
7 by the bureau of criminal investigation, reaching the normal retirement date  
8 equals an annual amount, payable monthly, comprised of a service benefit and a  
9 prior service benefit determined as follows:

10 (1) For members first enrolled:

11 (a) Before January 1, 2020, service benefit equals two percent of final  
12 average salary multiplied by the number of years of service  
13 employment.

14 (b) After December 31, 2019, service benefit equals one and seventy-five  
15 hundredths percent of final average salary multiplied by the number of  
16 years of service employment.

17 (2) Prior service benefit equals two percent of final average salary multiplied by  
18 the number of years of prior service employment.

19 e. Postponed retirement benefits are calculated as for single life benefits for those  
20 members who retired on or after July 1, 1977.

21 ~~d.f.~~ Early retirement benefits are calculated as for single life benefits accrued to the  
22 date of termination of employment, but must be actuarially reduced to account for  
23 benefit payments beginning before the normal retirement date, as determined  
24 under subsection 3. Except for a national guard security officer or firefighter, a  
25 firefighter ~~employed by a political subdivision, a~~ peace officer, or correctional  
26 officer employed by ~~the bureau of criminal investigation or by~~ a political  
27 subdivision, a peace officer employed by the state, or a supreme court or district  
28 court judge, early retirement benefits for members first enrolled after December  
29 31, 2015, are calculated for single life benefits accrued to the date of termination  
30 of employment, but must be reduced by fixed rate of eight percent per year to  
31 account for benefit payments beginning before the normal retirement date. A

1 retiree, other than a supreme or district court judge, is eligible for early retirement  
2 benefits only after having completed three years of eligible employment. A  
3 supreme or district court judge retiree is eligible for early retirement benefits only  
4 after having completed five years of eligible employment.

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

11 **SECTION 5. LEGISLATIVE MANAGEMENT STUDY - PEACE OFFICER AND**  
12 **PUBLIC SAFETY PERSONNEL RETIREMENT PLANS.** During the 2023-24 interim, the  
13 legislative management shall consider studying the retirement system for peace officers and  
14 public safety personnel in the state. The study must include consideration of the public  
15 employees retirement system retirement plans offered to peace officers and safety personnel;  
16 how political subdivisions provide retirement benefits to peace officers and safety personnel;  
17 how other states provide retirement benefits to peace officers and safety personnel; the level of  
18 benefits and contributions in the state, political subdivision, and other state plans; how peace  
19 officers and public safety personnel transition between these retirement plans; and factors  
20 unique to retirement plans in the public safety sector. The legislative management shall report  
21 its findings and recommendations, together with any legislation required to implement the  
22 recommendations, to the sixty-ninth legislative assembly.