North Dakota Legislative Council

Prepared for the Retirement Committee
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RETIREMENT COMMITTEE - BACKGROUND MEMORANDUM

INTRODUCTION

Section 33 of House Bill No. 1040 (2023)(Appendix A) directs the Legislative Management to study the Public Employees Retirement System (PERS) main system plan, including funding options and contributions by political subdivisions.

Section 34 of House Bill No. 1040 (Appendix B) directs the Legislative Management to study best practices for public employee retirement plans, including defined benefit plans, defined contribution plans, and hybrid plans such as side-by-side hybrid plans, cash benefit plans, and stacked hybrid plans. The study must include development of legislation to implement the retirement plan best suited to meet the needs of the state, political subdivisions, and public employees.

HISTORY

Original Public Employees Retirement System Main System Defined Contribution Plan

Senate Bill No. 154 (1965) created PERS, effective July 1, 1966, as a defined contribution plan. Senate Bill No. 2068 (1977) converted the PERS main system retirement plan to a defined benefit plan.

Public Employees Retirement System Main System Defined Benefit Plan

The PERS main system defined benefit retirement plan is funded from employer contributions, employee contributions, and investment earnings. Contributions are calculated based on a percentage of gross pay.

From 1977 through 1989, the employer contribution was 5.12 percent of state employee salaries and the employee contribution was 4 percent. In lieu of state employee salary increases in 1983 and 1984, the state began to pay the 4 percent employee contribution. In 1989, the employer contribution was reduced by 1 percent and reallocated for a retiree health benefit credit. In January 2012, January 2013, and January 2014, the employer and employee contributions each increased by 1 percent annually. Senate Bill No. 2046 (2019) reallocated the 1.14 percent employer contribution for the retiree health insurance credit to the PERS main system defined benefit plan for employees hired after December 31, 2019. House Bill No. 1040 (2023) increased employer contributions by 1 percent.

The employer contribution for state agencies will increase to the actuarially determined employer contribution (ADEC) rate beginning in either January 1, 2025, or January 1, 2026, depending on when the PERS main system defined benefit plan is closed to new hires pursuant to House Bill No. 1040 (2023) and Senate Bill No. 2015 (2023). The employer contribution rate for political subdivisions will remain at 8.12 percent and the political subdivisions will not contribute to the ADEC rate. As of April 2023, the estimated ADEC rate on January 1, 2026, is 30.5 percent.

A history of employer and employee contribution rates for the PERS main system defined benefit plan, excluding projected ADEC rates, are shown below.

1989 Through December 31, 2011		Effective January 1, 2012		Effective January 1, 2013		Effective January 1, 2014		Effective January 1, 2024	
Employer	Employee	Employer	Employee	Employer	Employee	Employer	Employee	Employer	Employee
4.12%	4.00%[1]	5.12%	5.00%[1]	6.12%	6.00%[1]	7.12%[2]	7.00%[1]	8.12%	7.00%[1]

[1]The state pays 4 percent of the employee share of retirement contributions.

[2]Senate Bill No. 2046 (2019) reallocated the 1.14 percent employer contribution for the retiree health insurance credit to the main system defined benefit plan for employees hired after December 31, 2019, resulting in a total employer contribution rate of 8.26 percent for employees hired after December 31, 2019, and 9.26 percent for employees hired after December 31, 2023.

Benefit Levels and Recent Changes in Benefit Calculations

Members of the PERS main system retirement plan are eligible for a normal service retirement benefit at age 65. For employees hired before January 1, 2016, employees also are eligible for retirement when age plus years of service is equal to 85 (commonly known as the "Rule of 85"). For employees hired after December 31, 2015, employees are eligible for retirement when age plus years of service is equal to 90 (commonly known as the "Rule of 90") and the member attains a minimum age of 60.

Retirement benefits under the PERS main system defined benefit plan are calculated using the following mathematical formula provided in North Dakota Century Code Section 54-52-17(4):

Final average salary[1] x benefit multiplier[2] x years of service credit[3] = monthly single life retirement benefit.

[1]For employees who retired before August 1, 2010, the final average salary was the average of an employee's highest salaries in 36 of the last 120 months worked. For employees who terminated employment after July 31, 2010, but before January 1, 2020, it is the average of the employee's highest salaries in 36 of the last 180 months worked. For employees who terminated employment after December 31, 2019, it is the average of the employee's highest three 12 consecutive month periods of the last 180 months worked.

[2]The benefit multiplier is the rate at which benefits are earned. For PERS main system defined benefit members enrolled before January 1, 2020, the benefit multiplier is 2 percent. For members enrolled after December 31, 2019, the benefit multiplier is 1.75 percent.

[3]The service credit is the amount of public service an employee has accumulated under PERS for retirement purposes.

The following is a summary of benefit changes approved by the Legislative Assembly since 1977:

Year	Benefit Multiplier	Change in Retirement Rule Levels
July 1977	1.04%	
July 1983	1.20%	
July 1985	1.30%	Rule of 90 established as an alternative for retirement eligibility
July 1987	1.50%	
July 1989	1.65%	
July 1991	1.69%	
August 1993	1.725%	Rule of 90 changed to Rule of 88
January 1994	1.74%	
August 1997	1.77%	Rule of 88 changed to Rule of 85
August 1999	1.89%	
August 2001	2.00%	
January 2016	2.00%	Rule of 85 changed to Rule of 90 for employees hired after December 31, 2015
January 2020	1.75%	Benefit multiplier of 1.75 percent for members enrolled after December 31, 2019, but remains 2 percent for members enrolled before January 1, 2020
January 2024 or January 2025	1.75%	Closure of the PERS main system defined benefit plan to new hires

Membership

The following is a summary of membership of the PERS main system defined benefit plan as of January 1 of each year:

Calendar Year	Active State Members	Active Political Subdivisions Members	Retirees and Beneficiaries	Deferred Members	Total
2013	10,014	10,264	7,214	7,634	35,126
2014	10,437	11,511	7,907	8,304	38,159
2015	10,536	12,097	8,628	9,503	40,764
2016	10,783	12,750	9,291	10,733	43,557
2017	10,605	12,965	9,790	11,654	45,014
2018	10,237	13,119	10,957	12,186	46,499
2019	10,073	13,343	11,759	13,267	48,442
2020	9,998	13,693	12,117	14,000	49,808
2021	10,553	15,101	13,259	13,887	52,800
2022	10,361	15,253	14,000	15,020	54,634
2023	10,408	15,456	13,443	16,875	56,182

Participation of Political Subdivisions

The schedule below shows the number of state agencies and political subdivisions participating in the PERS main system retirement plan since 2015.

PERS Retirement Participating Employers[1]	2015	2016	2017	2018	2019	2020	2021	2022	2023
State agencies	94	95	95	95	94	95	96	97	98
Counties	49	50	50	50	50	52	52	52	51
Cities	85	86	87	87	89	92	90	90	98
School districts	119	119	121	121	123	127	128	129	131
Other[2]	76	77	78	82	83	81	83	90	93
Subdivision subtotal	329	332	336	340	345	352	350	361	373
Total	423	427	431	435	439	447	449	458	471

[1]Data presented in this table is as of January of each year.

[2]Other participating political subdivisions include water districts, park districts, and other similar entities.

Assets, Liabilities, and Funded Ratio

The actuarial funded ratio is the percentage of the PERS fund's actuarial value of assets to its actuarial accrued liabilities. The actuarial value of assets is determined by spreading market appreciation or depreciation over 5 years. This procedure results in recognition of all changes in market value over 5 years. The following schedule shows the actuarial assets and liabilities of the PERS main system defined benefit plan since 2000.

Fiscal Year	Actuarial Value of Assets	Actuarial Value of Liabilities	Actuarial Surplus or (Unfunded Liability)	Actuarial Funded Ratio	Assumed Rate of Return	Actuarial Rate of Return[1]	Rate of Return Variance[2]
2000	$1,009,744,796	$879,189,877	$130,554,919	114.8%	8.00%	13.71%	5.71%
2001	$1,096,115,648	$993,851,809	$102,263,839	110.3%	8.00%	9.36%	1.36%
2002	$1,129,697,099	$1,087,003,336	$42,693,763	103.9%	8.00%	3.91%	(4.09%)
2003	$1,145,284,302	$1,170,477,887	($25,193,585)	97.8%	8.00%	2.18%	(5.82%)
2004	$1,172,258,036	$1,250,849,240	($78,591,204)	93.7%	8.00%	3.16%	(4.84%)
2005	$1,210,287,848	$1,333,491,341	($123,203,493)	90.8%	8.00%	4.36%	(3.64%)
2006	$1,286,478,642	$1,450,113,412	($163,634,770)	88.7%	8.00%	7.79%	(0.21%)
2007	$1,470,367,098	$1,575,666,628	($105,299,530)	93.3%	8.00%	15.84%	7.84%
2008	$1,571,159,912	$1,700,171,588	($129,011,676)	92.4%	8.00%	8.51%	0.51%
2009	$1,577,552,012	$1,861,032,305	($283,480,293)	84.8%	8.00%	1.72%	(6.28%)
2010	$1,576,794,397	$2,156,560,553	($579,766,156)	73.1%	8.00%	1.48%	(6.52%)
2011	$1,603,718,656	$2,284,199,019	($680,480,363)	70.2%	8.00%	3.31%	(4.69%)
2012	$1,579,933,179	$2,442,299,210	($862,366,031)	64.7%	8.00%	(0.15%)	(8.15%)
2013	$1,632,915,720	$2,650,525,018	($1,017,609,298)	61.6%	8.00%	3.93%	(4.07%)
2014	$1,837,902,845	$2,866,511,290	($1,028,608,445)	64.1%	8.00%	12.20%	4.20%
2015	$2,027,476,214	$2,976,071,808	($948,595,594)	68.1%	8.00%	10.01%	2.01%
2016	$2,180,748,616	$3,299,381,100	($1,118,632,484)	66.1%	8.00%	6.59%	(1.41%)
2017	$2,529,631,008	$3,618,083,973	($1,088,452,965)	69.9%	8.00%	8.98%	0.98%
2018	$2,752,053,305	$3,841,701,179	($1,089,647,874)	71.6%	7.75%	9.22%	1.47%
2019	$2,949,967,049	$4,136,252,987	($1,186,285,938)	71.3%	7.50%	8.64%	1.14%
2020	$3,112,920,033	$4,557,679,020	($1,444,758,987)	68.3%	7.00%	7.26%	0.26%
2021	$3,369,943,759	$4,795,054,158	($1,425,110,399)	70.3%	7.00%	10.38%	3.38%
2022	$3,553,539,588	$5,304,187,804	($1,750,648,216)	67.0%	6.50%	7.43%	0.93%

[1]The average actuarial rate of return during fiscal years 2000 through 2022 was 6.95 percent.

[2]The average actuarial rate of return during fiscal years 2000 through 2022 was 0.87 percent below the average assumed rate of return.

INTERIM COMMITTEES

Government Finance Committee - 2013-14 Interim

Pursuant to Section 16 of House Bill No. 1452 (2013), the 2013-14 interim Government Finance Committee studied existing and potential state employee retirement plans, including an analysis of defined benefit and defined contribution plans and the feasibility, desirability, and consequences of transitioning to a state defined contribution plan.

Projected Costs to Close the Defined Benefit Plan to New State Employees

The committee received information regarding the actuarially calculated costs relating to the PERS main system defined benefit plan if state employees hired after December 31, 2015, were required to participate in a defined contribution benefit plan.

The committee received information in March 2014 from The Segal Company, which was the consulting actuary for PERS. Segal reported if the PERS main system defined benefit plan was closed to new employees, the state portion of the plan would be able to pay benefits until 2046. There would be a projected contribution shortfall of $3,688,100,000 for future benefits to be paid after 2046. However, a payment of $162.8 million could be made to the retirement plan on July 1, 2015, to fully offset the state portion of the future projected contribution shortfall.

The estimated payment of $162.8 million needed to fully fund the state portion of the plan was based on an 8 percent investment return. However, the committee was informed the asset allocation of the plan's investments would need to be adjusted near the projected end of the plan to move to more short-term investments, which would potentially reduce the plan's investment return.

Committee Recommendation

The committee recommended Senate Bill No. 2038 (2015) to provide for changes to the PERS main system defined benefit plan. Under the bill, an eligible employee hired for the first time after December 31, 2015, would have been required to enroll in the defined contribution plan under Chapter 54-52.6, rather than the PERS main system defined benefit plan. The bill was not approved by the 2015 Legislative Assembly.

Retirement Committee - 2021-22 Interim

The Retirement Committee was charged with developing a plan for new hires under the PERS main system to participate in the defined contribution plan and to close the PERS main system defined benefit plan to new entries effective January 1, 2024, pursuant to House Bill No. 1209 (2021). The committee, upon approval of the Chairman of the Legislative Management, had the authority to use the services of a third-party contractor to assist in the study.

Additionally, the committee received authorization from the Legislative Management to develop a plan for new hires under the PERS main system to participate in a defined contribution, cash benefit, or hybrid plan and to close the PERS main system defined benefit plan to hires effective on a date certain.

The committee received testimony from PERS regarding the estimated unfunded liability of the PERS main system defined benefit plan, issues related to the impact of closing the PERS main system defined benefit plan, and the possible effects of separating political subdivisions from state employees. Testimony indicated the PERS main system defined benefit plan is not expected to reach 100 percent funded status with the current statutory contribution rates and projected investment returns. Retirement funding received by PERS from state agencies is derived from the general fund (48 percent) and federal and state special funds (52 percent).

The committee was informed the 2013 Legislative Assembly expanded eligibility for the defined contribution plan to include all new employees for a limited time. Approximately 3 percent of new employees chose to participate in the defined contribution plan rather than the PERS main system defined benefit plan. The 2015 Legislative Assembly provided defined contribution plan members the option to transfer to the PERS main system defined benefit plan. Approximately 75 percent of defined contribution plan members transferred to the PERS main system defined benefit plan. There were approximately 100 employees participating in the defined contribution plan as of October 2022.

Actuarial Reports

The committee received testimony from Gabriel, Roeder, Smith & Company Holdings, Inc., regarding the unfunded liability of the PERS main system defined benefit plan. Testimony indicated the PERS main system defined benefit plan unfunded liability as of July 1, 2021, was $1.43 billion and the actuarially required contribution rate of the PERS main system was 19.5 percent. The unfunded liability as of July 1, 2022, was $1.75 billion and the actuarially required contribution rate of the PERS main system was 21.7 percent.

The Public Employees Retirement System main system defined benefit plan was 70.3 percent funded on July 1, 2021, and 67 percent funded on July 1, 2022. The July 1, 2022, actuarial valuation of the PERS main system defined benefit plan indicated the plan is estimated to be less than 50 percent funded by 2062.

The committee was informed PERS adopted the actuary recommendation to decrease the PERS main system defined benefit plan investment return assumption from 7 to 6.5 percent effective July 2022.

Milliman, Inc.

The committee contracted with Milliman, Inc., to provide actuarial estimates and consultation regarding options for a defined contribution plan and potential alternatives to a defined contribution plan. The committee received testimony from Milliman, Inc., addressing advantages and disadvantages of defined benefit and other plans, financing models to explore asset derisking, biennial funding, bonding, the effect of increasing employer and employee contribution rates, and the long-range financial impact of changing the retirement program for future hires.

The committee was informed alternative plans to a defined benefit plan include a defined contribution, cash balance, defined benefit and defined contribution hybrid, or variable plan. The Public Employees Retirement System offers employees the option of electing a 401(a) defined contribution plan. Other popular defined contribution plans include 401(k) and 457(b) plans. Milliman, Inc., reviewed a retirement alternative of state and political subdivisions participating in a defined benefit and defined contribution hybrid plan.

Milliman, Inc., provided alternative financial models for the PERS main system plan. Milliman, Inc., reviewed 14 defined benefit, defined contribution, and ADEC plan scenarios. The scenarios include assumptions of investment returns of either 6.5 or 5.5 percent and the effect on the funded ratio of the PERS main system plan if $0, $50 million, or $150 million was transferred to the PERS main system fund during the 2023-25 biennium and future bienniums. The scenarios assumed a 20-year amortization period and that a portion of contributions be redirected ("spillover") to the closed defined benefit plan. Changing the PERS main system plan to require new employees to enter a defined contribution plan that includes 6 percent employee contributions and actuarially determined contributions from employers would result in the plan being 98 to 103 percent funded by 2041 and 105 to 110 percent funded by 2051, depending on investment returns.

Recommendations

The committee recommended House Bill No. 1040 to close the PERS main system defined benefit plan to new hires beginning January 1, 2025, and House Bill No. 1039 (2023) to close the PERS main system defined benefit plan to new hires beginning January 1, 2024. House Bill No. 1040 was approved by the 2023 Legislative Assembly and House Bill No. 1039 was not.

2023 SESSION

Defined Benefit Plan Closure and Contribution Rate Increases

House Bill No. 1040, closes the PERS main system defined benefit plan to new hires beginning January 1, 2025. The bill increases employer contributions by 1 percent beginning January 1, 2024, resulting in total state and political subdivision employer contributions of 8.12 percent for employees hired before January 1, 2020. For employees hired after December 31, 2019, the employer contribution rate will be 9.26 percent, which includes the 1.14 percent that was reallocated from the retiree health insurance credit beginning in the 2019-21 biennium. Employee contributions remain at 7 percent, of which 4 percent is paid by the state on behalf of employees.

Effective January 1, 2026, the employer contribution rate for state agencies will change to the ADEC rate to begin paying the unfunded liability of the PERS main system defined benefit plan over a closed period of 31.5 years. The employer contribution rate for political subdivisions will remain at 8.12 percent. The estimated ADEC rate on January 1, 2026, is 30.5 percent.

Section 17 of House Bill No. 1040 provides state employees with no more than 5 years of experience who are enrolled in the PERS main system defined benefit plan the option to transfer to the existing defined contribution plan between January 1, 2025, through March 31, 2025. An employee who makes this election is eligible for a $3,333 additional state annual contribution in January 2026, January 2027, and January 2028.

Section 56 of Senate Bill No. 2015 provides during the 2023-25 biennium, the PERS Board may not reduce the actuarial rate of return assumption for the PERS main system defined benefit plan below 6.5 percent. Section 57 provides during the 2023-25 biennium, PERS shall conduct an informational campaign to educate current and prospective state employees of the transition from the PERS main system defined benefit plan to the defined contribution plan.

Defined Contribution Plan

House Bill No. 1040 provides employees hired after December 31, 2024, will be enrolled in a new defined contribution plan. The default employee contribution rate of the new defined contribution plan is 4 percent; however, the employee may elect to contribute up to an additional 3 percent. The employer is required to match the employee contribution up to 7 percent. If a state employee in the new defined contribution plan contributes less than 7 percent but participates in the PERS 457 deferred compensation plan, the state employer is required to match contributions from the deferred compensation plan up to a total of 7 percent. The deferred compensation plan option is not available for political subdivision employees. For employees participating in the (existing) defined contribution plan before January 1, 2025, the employee contribution rate remains at 7 percent and the employer contribution rate remains at 7.12 percent.

The new defined contribution plan has an investment option that must include one or more annuity products as part of the investment menu. The existing defined contribution plan has an investment menu but does not provide for annuity products.

Funding

Section 31 of House Bill No. 1040 amends Section 57-51.1-07.5 to provide $65 million of the state share of oil and gas tax revenues will be deposited in the PERS fund for the PERS main system plan beginning in the 2023-25 biennium. Section 35 of the bill provides for a $135 million transfer from the strategic investment and improvements fund to the PERS fund for the purpose of reducing the unfunded liability of the PERS main system plan during the 2023-25 biennium.

The Public Employees Retirement System estimates the cost to continue reducing the unfunded liability based on the estimated ADEC rate of 30.5 percent during the 2025-27 biennium is approximately $402 million, of which $154 million is from the general fund and $248 million is from other funds. This total includes the $65 million of ongoing funding provided from oil and gas tax revenues and funding necessary for 6 months of the 1 percent employer retirement contribution increase through December 31, 2025, after which the ADEC rate will be applied.

House Bill No. 1379 (2023), amends Section 6-09.4-10.1 to remove the statutory transfer of funding from the legacy sinking and interest fund to the PERS fund. The estimated transfer at the end of the 2021-23 biennium would have been approximately $48 million.

Section 1 of Senate Bill No. 2015, appropriated $12.5 million, of which $5.5 million was from the general fund and $7 million was from other funds, for an employer retirement contribution pool, related to the increased cost of employer contribution increases for executive branch agencies in House Bill No. 1040, House Bill No. 1183, and House Bill No. 1309. Section 23 of Senate Bill No. 2015 identifies the additional contributions for each agency. Of the total, $10 million, including $4.2 million from the general fund and $5.8 million from other funds, relates to House Bill No. 1040.

Section 8 of Senate Bill No. 2015 appropriates $347,518, of which $343,245 is from the general fund and $4,273 is from other funds, to the judicial branch for the cost of the 1 percent employer retirement contribution increase in House Bill No. 1040. Section 9 of the bill appropriates $58,283 from the general fund to the Legislative Council for the cost of the 1 percent employer retirement contribution increase in House Bill No. 1040.

Senate Bill No. 2023, appropriated $372,027 in a newly created defined benefit plan closure line item. Of this amount, $47,027 is for a portion of salaries and wages and related operating expenses for 2 full-time equivalent (FTE) positions that were contingent on the Legislative Assembly closing the PERS main system defined benefit plan, $200,000 is for temporary salaries, and $125,000 is for modification of the PERSLink business system. Of the total, $327,000 is considered one-time funding. In addition, PERS may request the Office of Management and Budget transfer up to $479,660 of additional funding from the new and vacant FTE funding pool to this line item for salaries and wages of the contingent FTE positions identified in this section.

Contingent Effective Date

Sections 36 through 40 and Sections 44 through 50 of Senate Bill No. 2015, amend House Bill No. 1040 to provide the PERS main system defined benefit plan be closed to new hires beginning January 1, 2024, instead of January 1, 2025. Section 66 of Senate Bill No. 2015 provides these sections are effective only if the PERS Board certifies to the Legislative Council before January 1, 2024, that PERS is prepared to close the PERS main system defined benefit plan on December 31, 2023, and to open the new defined contribution plan on January 1, 2024.

Public Employees Retirement System Board Membership

Section 41 of Senate Bill No. 2015, changes the membership of the PERS Board from 9 members, including 2 members of the Legislative Assembly and 1 member appointed by the Governor, to 11 members, including 4 members of the Legislative Assembly and 4 members appointed by the Governor. The majority leader of each house must choose 2 members to serve on the board. The Governor is required to select one citizen member of the board to serve as chairman. The remaining 3 members continue to be elected by and from active participating members of PERS retirement plans. The State Health Officer, an individual from the Attorney General's legal staff, and an individual receiving retirement benefits from PERS retirement plans are no longer members. Section 41 of the bill became effective June 1, 2023.

HYBRID RETIREMENT PLANS

Cash Benefit Plans

A cash benefit plan is similar to a defined benefit plan but includes hypothetical employee accounts that do not reflect actual contributions or gains and losses. The plan receives yearly contribution credits that can be broken down into a pay credit, typically based on compensation and service, and an interest credit. As in a defined benefit plan, the investment risks are borne by the employer. Unlike traditional defined benefit plans, employees have the option to receive their account balance in one lump sum at retirement, or to convert the plan to an annuity.

Side-by-Side Hybrid Plans

A side-by-side hybrid plan combines a defined benefit plan with a defined contribution plan to work in tandem as one plan. The model combines a modest defined benefit plan based upon the employee's final average salary and a separate defined contribution account that run parallel to each other. Side-by-side plans expose employees to greater investment risk than traditional defined benefit plans do; however, this type of model can provide better retirement savings for early and mid-career workers due to most defined benefit plan benefits being earned in the final years before retirement. Side-by-side plans require additional administrative needs compared to providing a separate defined benefit plan or defined contribution plan.

Stacked Hybrid Plans

Stacked hybrid plans also combine a defined benefit and defined contribution plan, but rather than running parallel as in a side-by-side plan, the defined benefit plan is capped at a certain amount and any additional contributions go into a defined contribution account. Because the annual pension benefit is capped, employees only pay into the defined benefit up to the maximum salary amount and once that threshold is met, the defined contribution part of the plan is triggered. This plan structure provides the full benefit of a defined contribution plan to lower earning employees and helps guarantee an average baseline of retirement benefits. Due to the cap on the defined benefit, employees earning more than the threshold will have a lower benefit compared to a traditional defined benefit plan.

PROPOSED ACTION PLAN

The following is a proposed study plan for the committee's consideration in its study of PERS retirement plans:

1. Receive status reports on the implementation of House Bill No. 1040 and Senate Bill No. 2015 as they relate to the closure of the defined benefit plan.
2. Receive input from stakeholders on any issues or concerns relating to the PERS main system plan, including alternative funding options and political subdivision contributions.
3. Receive input from public employee retirement experts on best practices and alternative plan designs, including hybrid plans, such as side-by-side hybrid plans, cash benefit plans, and stacked hybrid plans.
4. Receive input from political subdivisions, PERS, the Office of Management and Budget's Human Resource Management Services Division, and other state agencies regarding retirement needs.
5. Receive input from the National Conference of State Legislatures and other interested parties regarding other states funding methods of retirement programs and the effectiveness of those methods.
6. Receive input from stakeholders, such as the North Dakota Association of Counties, North Dakota League of Cities, and North Dakota United, regarding retirement plans.
7. Develop recommendations and related bill drafts to implement the retirement plan best suited to meet the needs of the state, political subdivisions, and public employees.
8. Prepare a final report for submission to the Legislative Management.

ATTACH:2