

**FIRST ENGROSSMENT
with Conference Committee Amendments
ENGROSSED SENATE BILL NO. 2046**

Introduced by

Government and Veterans Affairs Committee

(At the request of the Public Employees Retirement System)

1 A BILL for an Act to create and enact sections 54-52-02.15, 54-52-02.16, and 54-52.6-02.1 of
2 the North Dakota Century Code, relating to the public employees retirement system main
3 system and membership in the public employees retirement system defined contribution plan; to
4 amend and reenact subsection 4 of section 54-52-01, sections 54-52-02.5 and 54-52-02.9,
5 subsection 2 of section 54-52-05, subsection 1 of section 54-52-06, and sections 54-52.6-01,
6 54-52.6-02, and 54-52.6-03 of the North Dakota Century Code, relating to the public employees
7 retirement system retirement plans; to provide a statement of legislative intent; to provide for a
8 legislative management study; to provide an appropriation; to provide for a transfer; to provide
9 for application; and to provide an effective date.

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

11 **SECTION 1. AMENDMENT.** Subsection 4 of section 54-52-01 of the North Dakota Century
12 Code is amended and reenacted as follows:

13 4. "Eligible employee" means all permanent employees who are participating members
14 before July 1, 2023, and who meet all of the eligibility requirements set by this chapter
15 and who are eighteen years or more of age, and includes appointive and elective
16 officials under sections 54-52-02.5, 54-52-02.11, and 54-52-02.12 who are
17 participating members before July 1, 2023, and nonteaching employees of the
18 superintendent of public instruction, including the superintendent of public instruction,
19 who ~~elect~~elected to transfer from the teachers' fund for retirement to the public
20 employees retirement system under section 54-52-02.13, and employees of the state
21 board for career and technical education who ~~elect~~elected to transfer from the
22 teachers' fund for retirement to the public employees retirement system under section
23 54-52-02.14. Eligible employee does not include ~~nonclassified~~ state employees who
24 ~~elect to become members of the retirement plan established under chapter 54-52.6~~are

1 ~~first employed after June 30, 2023, and are not participating members, but does~~
2 ~~include employees of the judicial branchesupreme court judges and district court~~
3 ~~judges, employees eligible to participate in a law enforcement retirement plan,~~
4 ~~employees of a participating political subdivision, and employees of the board of~~
5 ~~higher education and state institutions under the jurisdiction of the board who are not~~
6 ~~participating in the teachers' insurance and annuity association of America - college~~
7 ~~retirement equities fund retirement plan.~~

8 **SECTION 2. AMENDMENT.** Section 54-52-02.5 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **54-52-02.5. Newly elected and appointed state officials.**

11 After December 31, 1999, ~~a person~~and before July 1, 2023, an individual elected or
12 appointed to a state office for the first time must, from and after the date that ~~person~~individual
13 qualifies and takes office, be a participating member of the public employees retirement system
14 unless that ~~person~~individual makes an election at any time during the first six months after the
15 date the person takes office to participate in the retirement plan established under chapter
16 54-52.6. After June 30, 2023, an individual elected or appointed to a state office, from and after
17 the date the individual qualifies and takes office, must be a participating member of the
18 retirement plan established under chapter 54-52.6 unless at the time of election or appointment
19 the individual is an eligible employee and a participating member under this chapter. As used in
20 this section, the phrase "for the first time" means ~~a person~~an individual appointed, who, after
21 December 31, 1999, and before July 1, 2023, does not hold office as an appointed official at the
22 time of that ~~person's~~individual's appointment.

23 **SECTION 3. AMENDMENT.** Section 54-52-02.9 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **54-52-02.9. Participation by temporary employees.**

26 1. ~~Within~~Before July 1, 2023, within one hundred eighty days of beginning employment, a
27 state temporary employee may elect to participate in the public employees retirement
28 system under this chapter and receive credit for service after enrollment. Within one
29 hundred eighty days of beginning employment, a participating political subdivision
30 temporary employee may elect to participate in the public employees retirement
31 system under this chapter and receive credit for service after enrollment.

- 1 a. Monthly, the state temporary employee shall pay to the fund an amount equal to
2 eighttwelve and twelve hundredths percent times the temporary employee's
3 present monthly salary. The amount required to be paid by a temporary employee
4 increases by two percent times the temporary employee's present monthly salary
5 beginning with the monthly reporting period of January 2012, ~~and with an~~
6 ~~additional two percent increase, beginning with the reporting period of~~
7 ~~January 2013, and with an additional increase of two percent, beginning with the~~
8 ~~monthly reporting period of January 2014.~~
- 9 b. Monthly, the political subdivision temporary employee shall pay to the fund an
10 amount equal to twelve and twelve hundredths percent times the temporary
11 employee's present monthly salary. The amount required to be paid by a
12 temporary employee increases by two percent times the temporary employee's
13 present monthly salary beginning with the monthly reporting period of January
14 2014 and with an additional one percent increase beginning with the reporting
15 period of January 2024.
- 16 2. If the temporary employee first enrolled:
- 17 a. Before January 1, 2020, in addition the temporary employee shall pay the
18 required monthly contribution to the retiree health benefit fund established under
19 section 54-52.1-03.2. This contribution must be recorded as a member
20 contribution pursuant to section 54-52.1-03.2.
- 21 b. After December 31, 2019, the temporary employee shall pay to the fund an
22 additional amount equal to one and fourteen hundredths percent times the
23 temporary employee's present monthly salary.
- 24 3. An employer may not pay the temporary employee's contributions. A temporary
25 employee may continue to participate as a temporary employee in the public
26 employees retirement system until termination of employment or reclassification of the
27 temporary employee as a permanent employee. A temporary employee may not
28 purchase any additional credit, including additional credit under section 54-52-17.4 or
29 past service under section 54-52-02.6.

30 **SECTION 4.** Section 54-52-02.15 of the North Dakota Century Code is created and enacted
31 as follows:

1 **54-52-02.15. Public employees retirement system main system - Political**
2 **subdivisions.**

3 Effective June 30, 2023, the board shall maintain a plan for political subdivisions that
4 participate in the public employees retirement system main system which is separate from the
5 main plan maintained for the state.

6 **SECTION 5.** Section 54-52-02.16 of the North Dakota Century Code is created and enacted
7 as follows:

8 **54-52-02.16. Public employees retirement system main system - State employees.**

9 Effective July 1, 2023, the public employees retirement system main plan maintained for the
10 state is closed to new participating members. Additionally, a deferred member under this
11 chapter who is re-employed under the main plan may not re-enter the plan under this section
12 but is a participating member under chapter 54-52.6. This section does not impact the main plan
13 maintained for participating political subdivisions, law enforcement plan, judges' plan, highway
14 patrol plan, teachers' fund for retirement plan, or teachers' insurance and annuity association of
15 America - college retirement equities fund retirement plan.

16 **SECTION 6. AMENDMENT.** Subsection 2 of section 54-52-05 of the North Dakota Century
17 Code is amended and reenacted as follows:

18 2. Each participating member must be assessed and required to pay monthly ~~four~~six
19 percent of the monthly salary or wage paid to the member, and such assessment must
20 be deducted and retained out of such salary in equal monthly installments
21 commencing with the first month of employment. ~~Member~~

22 a. State participating member contributions increase by one percent of the monthly
23 salary or wage paid to the member beginning with the monthly reporting period of
24 January 2012, and with an additional increase of one percent, beginning with the
25 monthly reporting period of January 2013, and with an additional increase of one-
26 percent, beginning with the monthly reporting period of January 2014.

27 b. Political subdivision participating member contributions increase by one percent
28 of the monthly salary or wage paid to the member beginning with the monthly
29 reporting period of January 2014 and with an additional increase of one-half of
30 one percent beginning with the monthly reporting period of January 2024.

1 **SECTION 7. AMENDMENT.** Subsection 1 of section 54-52-06 of the North Dakota Century
2 Code is amended and reenacted as follows:

3 1. Each governmental unit shall contribute an amount equal to ~~four~~six and
4 twelve-hundredths percent of the monthly salary or wage of a participating member.

5 ~~Governmental~~

6 a. State governmental unit contributions increase by one percent of the monthly
7 salary or wage of a participating member beginning with the monthly reporting
8 period of January 2012; ~~with an additional increase of one percent, beginning~~
9 ~~with the reporting period of January 2013; and with an additional increase of one~~
10 ~~percent, beginning with the monthly reporting period of January 2014.~~

11 b. Political subdivision governmental unit contributions increase by one percent of
12 the monthly salary or wage of a participating member beginning with the monthly
13 reporting period of January 2014 and with an additional increase of one-half of
14 one percent beginning with the monthly reporting period of January 2024.

15 c. For a participating member who first enrolls after December 31, 2019, the
16 governmental unit shall contribute an additional amount equal to one and
17 fourteen-hundredths percent of the monthly salary or wage of the participating
18 member.

19 **SECTION 8. AMENDMENT.** Section 54-52.6-01 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **54-52.6-01. Definition of terms.**

22 As used in this chapter, unless the context otherwise requires:

- 23 1. "Board" means the public employees retirement system board.
- 24 2. "Deferred member" means a person who elected to receive deferred vested retirement
25 benefits under chapter 54-52.
- 26 3. "Eligible employee" means a permanent state employee, ~~except an employee of the~~
27 ~~judicial branch or an employee of the board of higher education and state institutions~~
28 ~~under the jurisdiction of the board, who is eighteen years or more of age and who is in~~
29 ~~a position not classified by North Dakota human resource management services. If a~~
30 participating member loses permanent employee status and becomes a temporary
31 employee, the member may still participate in the defined contribution retirement plan.

1 The term does not include a supreme court judge or a district court judge, an
2 employee eligible to participate in a law enforcement retirement plan, an employee of
3 a political subdivision, or an employee of the state board of higher education and state
4 institutions under the jurisdiction of the state board of higher education who is
5 participating in the teachers' insurance and annuity association of America - college
6 retirement equities fund retirement plan.

7 4. "Employee" means any person employed by the state, whose compensation is paid
8 out of state funds, or funds controlled or administered by the state or paid by the
9 federal government through any of its executive or administrative officials.

10 5. "Employer" means the state of North Dakota.

11 6. "Participating member" means an eligible employee who elects to
12 participate participates in the defined contribution retirement plan established under
13 this chapter.

14 7. "Permanent employee" means a state employee whose services are not limited in
15 duration and who is filling an approved and regularly funded position and is employed
16 twenty hours or more per week and at least five months each year.

17 8. "Temporary employee" means a state employee who is not eligible to participate as a
18 permanent employee, who is at least eighteen years old, and not actively contributing
19 to another employer-sponsored pension fund.

20 9. "Wages" and "salaries" means earnings in eligible employment under this chapter
21 reported as salary on a federal income tax withholding statement plus any salary
22 reduction or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or
23 457. "Salary" does not include fringe benefits such as payments for unused sick leave,
24 personal leave, vacation leave paid in a lump sum, overtime, housing allowances,
25 transportation expenses, early retirement, incentive pay, severance pay, medical
26 insurance, workforce safety and insurance benefits, disability insurance premiums or
27 benefits, or salary received by a member in lieu of previously employer-provided fringe
28 benefits under an agreement between an employee and a participating employer.
29 Bonuses may be considered as salary under this section if reported and annualized
30 pursuant to rules adopted by the board.

1 **SECTION 9. AMENDMENT.** Section 54-52.6-02 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **54-52.6-02. Election.**

4 1. The board shall provide an opportunity for each eligible employee who is first
5 employed before July 1, 2023, and who is a member of the state public employees
6 retirement system on ~~September 30, 2001,~~ and who has not made a written election
7 ~~under this section~~ July 3, 2023, to transfer to the defined contribution retirement plan
8 ~~before October 1, 2001, to elect~~ by electing in writing to terminate membership in the
9 public employees retirement system and elect to become a participating member
10 under this chapter. Except as provided in section 54-52.6-03, an election made by an
11 eligible employee under this section is irrevocable. ~~The board shall accept written~~
12 ~~elections under this section from eligible employees during the period beginning on~~
13 ~~July 1, 1999, and ending 12:01 a.m. December 14, 2001. An eligible employee who~~
14 ~~does not make a written election or who does not file the election during the period~~
15 ~~specified in this section continues to be a member of the public employees retirement~~
16 ~~system. An eligible employee who makes and files a written election~~ transfers to the
17 defined contribution plan under this section ceases to be a member of the public
18 employees retirement system ~~effective twelve midnight December 31, 2001;~~ under
19 chapter 54-52 and becomes a participating member in the defined contribution
20 retirement plan under this chapter ~~effective 12:01 a.m. January 1, 2002;~~ and waives all
21 of that ~~person's~~ individual's rights to a pension, annuity, retirement allowance,
22 insurance benefit, or any other benefit under the public employees retirement system
23 ~~effective December 31, 2001.~~ This section does not affect a person's right to health
24 benefits or retiree health benefits under chapter 54-52.1. An eligible employee who is
25 first employed and entered upon the payroll of that person's employer ~~after~~
26 ~~September 30, 2001,~~ may make an election to participate in the defined contribution
27 retirement plan established under this chapter at any time during the ~~first six months~~
28 ~~after the date of employment. If the board, in its sole discretion, determines that the~~
29 ~~employee was not adequately notified of the employee's option to participate in the~~
30 ~~defined contribution retirement plan, the board may provide the employee a~~
31 ~~reasonable time within which to make that election, which may extend beyond the~~

1 ~~original six-month decision window~~period beginning July 3, 2023, and ending
2 5:00 p.m. December 29, 2023.

- 3 2. If an individual who is a deferred member of the public employees retirement system
4 on ~~September 30, 2004~~June 30, 2023, is re-employed and by virtue of, that
5 employment ~~is again~~does not make that deferred member eligible for membership in
6 the public employees retirement system under chapter 54-52, the individual may elect
7 in writing to remain a member of the public employees retirement system or if eligible
8 to participate in the defined contribution retirement plan established under this chapter
9 to terminate membership in the public employees retirement system and become a
10 participating member in the defined contribution retirement plan established under this
11 chapter. An election made by a deferred member under this section is irrevocable. The
12 board shall accept written elections under this section from a deferred member during
13 the period beginning on the date of the individual's re-employment and ending upon
14 the expiration of six months after the date of that re-employment. If the board, in its
15 sole discretion, determines that the employee was not adequately notified of the
16 employee's option to participate in the defined contribution retirement plan, the board
17 may provide the employee a reasonable time within which to make that election, which
18 may extend beyond the original six-month decision window. A deferred member who
19 makes and files a written election to remain a member of the public employees
20 retirement system retains all rights and is subject to all conditions as a member of that
21 retirement system. A deferred member who does not make a written election or who
22 does not file the election during the period specified in this section continues to be a
23 member of the public employees retirement system. A deferred member who makes
24 and files a written election to terminate membership in the public employees
25 retirement system ceases to be a member of the public employees retirement system
26 effective on the last day of the payroll period that includes the date of the election,
27 becomes a participating member in the defined contribution retirement plan under this
28 chapter effective the first day of the payroll immediately following the date of the
29 election; and waives all of that person's rights to a pension, an annuity, a retirement
30 allowance, insurance benefit, or any other benefit under the public employees
31 retirement system effective the last day of the payroll that includes the date of the

1 election. A deferred member that is re-employed becomes a participating member
2 under this chapter. This section does not affect any right to health benefits or retiree
3 health benefits to which the deferred member may otherwise be entitled.

- 4 3. An eligible employee who elects to participate in the retirement plan established under
5 this chapter must remain a participant even if that employee returns to the classified
6 service or becomes employed by a political subdivision that participates in the public
7 employees retirement system. The contribution amount must be as provided in this
8 chapter, regardless of the position in which the employee is employed.

9 Notwithstanding the irrevocability provisions of this chapter, if a member who elects to
10 participate in the retirement plan established under this chapter becomes a supreme
11 or district court judge, becomes a member of the highway patrol, becomes employed
12 in a position subject to teachers' fund for retirement membership, or becomes an
13 employee of the board of higher education or state institution under the jurisdiction of
14 the board who is eligible to participate in an alternative retirement program established
15 under subsection 6 of section 15-10-17, the member's status as a member of the
16 defined contribution retirement plan is suspended, and the member becomes a new
17 member of the retirement plan for which that member's new position is eligible. The
18 member's account balance remains in the defined contribution retirement plan, but no
19 new contributions may be made to that account. The member's service credit and
20 salary history that were forfeited as a result of the member's transfer to the defined
21 contribution retirement plan remain forfeited, and service credit accumulation in the
22 new retirement plan begins from the first day of employment in the new position. If the
23 member later returns to employment that is eligible for the defined contribution plan,
24 the member's suspension must be terminated, the member again becomes a member
25 of the defined contribution retirement plan, and the member's account resumes
26 accepting contributions. At the member's option, and pursuant to rules adopted by the
27 board, the member may transfer any available balance as determined by the
28 provisions of the alternate retirement plan into the member's account under this
29 chapter.

- 30 4. After consultation with its actuary, the board shall determine the method by which a
31 participating member ~~or deferred member~~ may make a written election under this

1 section. If the participating member ~~or deferred member~~ is married at the time of the
2 election, the election is not effective unless the election is signed by the individual's
3 spouse. However, the board may waive this requirement if the spouse's signature
4 cannot be obtained because of extenuating circumstances.

5 5. If the board receives notification from the internal revenue service that this section or
6 any portion of this section will cause the public employees retirement system or the
7 retirement plan established under this chapter to be disqualified for tax purposes
8 under the Internal Revenue Code, then the portion that will cause the disqualification
9 does not apply.

10 6. A participating member who becomes a temporary employee may still participate in
11 the defined contribution retirement plan upon filing an election with the board within
12 one hundred eighty days of transferring to temporary employee status. The
13 participating member may not become a member of the defined benefit plan as a
14 temporary employee. The temporary employee electing to participate in the defined
15 contribution retirement plan shall pay monthly to the fund an amount equal to
16 ~~eight~~twelve and twelve hundredths percent times the temporary employee's present
17 monthly salary. The amount required to be paid by a temporary employee increases
18 by two percent times the temporary employee's present monthly salary beginning with
19 the monthly reporting period of January 2012, ~~and with an additional increase of two~~
20 ~~percent, beginning with the monthly reporting period of January 2013, and with an~~
21 ~~additional increase of two percent, beginning with the monthly reporting period of~~
22 ~~January 2014.~~ The temporary employee shall also pay the required monthly
23 contribution to the retiree health benefit fund established under section 54-52.1-03.2.
24 This contribution must be recorded as a member contribution pursuant to section
25 54-52.1-03.2. An employer may not pay the temporary employee's contributions. A
26 temporary employee may continue to participate as a temporary employee until
27 termination of employment or reclassification of the temporary employee as a
28 permanent employee.

29 7. A former participating member who has accepted a retirement distribution pursuant to
30 section 54-52.6-13 and who subsequently becomes employed by an entity different
31 from the employer with which the member was employed at the time the member

1 retired but which does participate in any state-sponsored retirement plan may, before
2 re-enrolling in the defined contribution retirement plan, elect to permanently waive
3 future participation in the defined contribution retirement plan, whatever plan in which
4 the new employing entity participates, and the retiree health program and maintain
5 that member's retirement status. Neither the member nor the employer are required to
6 make any future retirement contributions on behalf of that employee.

7 **SECTION 10.** Section 54-52.6-02.1 of the North Dakota Century Code is created and
8 enacted as follows:

9 **54-52.6-02.1. Membership.**

- 10 1. Except as otherwise provided, all eligible employees who are not participating in the
11 public employees retirement system under chapter 54-52 are participating members.
12 This subsection does not impact the public employees retirement system main plan
13 maintained for participating political subdivisions, law enforcement plan, judges' plan,
14 highway patrol plan, teachers' fund for retirement plan, or teachers' insurance and
15 annuity association of America - college retirement equities fund retirement plan.
16 2. Effective July 1, 2023, a temporary employee may elect, within one hundred eighty
17 days of beginning employment, to participate in the defined contribution plan under
18 this chapter. The temporary employee electing to participate in the defined contribution
19 retirement plan shall pay monthly to the fund an amount equal to fourteen and twelve-
20 hundredths percent. This contribution must be recorded as a member contribution
21 pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's
22 contributions.

23 **SECTION 11. AMENDMENT.** Section 54-52.6-03 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **54-52.6-03. Transfer of accumulated fund balances.**

26 For an individual who elects to terminate membership in the public employees retirement
27 system under chapter 54-52, the board shall transfer a lump sum amount from the retirement
28 fund to the participating member's account in the defined contribution retirement plan under this
29 chapter. However, if the individual terminates employment prior to receiving the lump sum
30 transfer under this section, the election made under section 54-52.6-02 is ineffective and the
31 individual remains a member of the public employees retirement system under chapter 54-52

1 and retains all the rights and benefits provided under that chapter. The board shall calculate the
2 amount to be transferred for persons employed before October 1, 2001, using the two following
3 formulas, and shall transfer the greater of the two amounts obtained:

- 4 1. ~~The~~For a vested or a nonvested individual, an estimate of the actuarial present value
5 of the individual's accumulated benefit obligation under the public employees
6 retirement system based on the assumption that the individual will retire under the
7 earliest applicable normal retirement age, plus interest from ~~January 1, 2001,~~the date
8 the board receives the election to the date of transfer, at the rate of one-half of one
9 percent less than the actuarial interest assumption at the time of the election; or
- 10 2. ~~The~~For a nonvested individual, an estimate of the actual employer contribution made,
11 less vested employer contributions made pursuant to section 54-52-11.1, plus
12 compound interest at the rate of one-half of one percent less than the actuarial interest
13 assumption at the time of the election plus the employee account balance.

14 ~~The board shall calculate the amount to be transferred for persons employed after~~
15 ~~September 30, 2001, using only the formula contained in subsection 2.~~

16 **SECTION 12. APPROPRIATION.** There is appropriated out of any moneys in the general
17 fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the
18 sum as may be necessary, to the legislative council for the purpose of contracting with a
19 consultant to conduct actuarial analyses as provided for under section 18 of this Act, for the
20 biennium beginning July 1, 2021, and ending June 30, 2023.

21 **SECTION 13. APPROPRIATION.** There is appropriated out of any moneys in the general
22 fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the
23 sum as may be necessary, to the public employees retirement system for the purpose of hiring
24 temporary employees for the purpose of implementing this Act, for the biennium beginning
25 July 1, 2021, and ending June 30, 2023.

26 **SECTION 14. PUBLIC EMPLOYEES RETIREMENT SYSTEM - ESTIMATE OF**
27 **ACCUMULATED BALANCE TRANSFER.** For the period beginning July 3, 2023, and ending
28 December 29, 2023, upon the request of an individual who is eligible for termination of
29 membership in the public employees retirement system under chapter 54-52 as provided for in
30 subsection 1 of section 54-52.6-02, the public employees retirement system shall estimate the
31 individual's accumulated balance transfer amount.

1 **SECTION 15. TRANSFER - BUDGET STABILIZATION FUND TO PUBLIC EMPLOYEES**

2 **RETIREMENT SYSTEM FUND.** The office of management and budget shall transfer the sum of
3 \$100,000,000 from the budget stabilization fund to the public employees retirement system
4 main system plan for state employees on June 30, 2023, for the purpose of reducing the
5 unfunded actuarial liability of the state share of the public employees retirement system main
6 system plan for state employees.

7 **SECTION 16. LEGISLATIVE INTENT - PUBLIC EMPLOYEES RETIREMENT SYSTEM**

8 **FUNDING.** It is the intent of the the sixty-seventh legislative assembly that each biennium the
9 legislative assembly provide \$55,000,000 in funding to the public employees retirement system
10 main system main plan for state employees to reduce the unfunded liability of the plan until the
11 plan reaches full funding.

12 **SECTION 17. LEGISLATIVE INTENT - EMPLOYEE BENEFITS PROGRAMS**

13 **COMMITTEE.** It is the intent of the sixty-seventh legislative assembly that this Act be exempt
14 from the requirement under section 54-35-02.4 that the measure be accompanied by a report
15 from the employee benefits programs committee and exempt from the provision that any
16 legislation enacted in contravention of section 54-35-02.4 be reduced to the level current prior
17 to enactment.

18 **SECTION 18. LEGISLATIVE MANAGEMENT STUDY - PUBLIC EMPLOYEES**

19 **RETIREMENT SYSTEM RETIREMENT PLANS.**

- 20 1. During the 2021-22 interim, the legislative management shall study the public
21 employees retirement system retirement plans, including:
- 22 a. Reviewing the financial status of the main system main plan under chapter 54-52
23 and the defined contribution plan under chapter 54-52.6;
 - 24 b. The legislative management contracting for actuarial analyses of the main
25 system main plan under chapter 54-52 and the defined benefit plan under
26 chapter 54-52.6;
 - 27 c. Codifying the separation of the plan for political subdivisions that participate so
28 the plan funds are not held in trust with the other plans in the public employees
29 retirement system main system; and
 - 30 d. Codifying how to calculate service of members who have dual service in both the
31 state and political subdivision plans.

1 2. The legislative management shall report its findings and recommendations, together
2 with any legislation required to implement the recommendations, to the sixty-eighth
3 legislative assembly.

4 **SECTION 19. APPLICATION.** In implementing section 4 of this Act, effective June 30,
5 2023, for all current active and retired members, deferred members, and surviving spouses and
6 beneficiaries of the public employees retirement system main plan, the public employees
7 retirement system board shall calculate separate data on the actuarial accrued liability, actuarial
8 value of assets, and unfunded actuarial liability for the main system plan for state employees
9 and the plan for political subdivisions.

10 **SECTION 20. EFFECTIVE DATE.** Sections 1, 2, 3, 6, 7, 8, 9, 10, and 11 of this Act become
11 effective on July 1, 2023.