



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-INFO@ND.GOV • www.nd.gov/ndpers

Memorandum

Payroll Memorandum 2009-4

TO: Authorized Agents/Payroll/Human Resource contacts

FROM: NDPERS

DATE: May 6, 2009

SUBJECT: Employer Contribution Rate Change

Senate Bill 2154 has been passed by the legislature. This bill allows for an increase in the Retiree Health Insurance Credit from \$4.50 to \$5.00 per year of service credit effective July 1, 2009. In order to fund this benefit, the bill provides for an increase in the employer contribution of .14% of covered payroll. The increased employer contribution will be on wages reported on the July 2009 Transmittal of Deduction. Following are the specifics as they relate to the different employer groups covered under NDPERS. If you have questions on how to implement these changes, please contact Raleigh Moore at 328-3914.

Employers on the State/Higher Ed PeopleSoft Payroll System:

- NDPERS will update the employer contribution rates on the payroll system
- New contribution rates will be applied to wages earned on July 1, 2009 and after
- No further action is required by you

Employers using SFN 51414 Transmittal of Deduction:

- NDPERS will update the employer contribution rates on the pre-printed Transmittal of Deduction form mailed out to you each month
- New contribution rates will first appear on the Transmittal of Deduction form mailed out at the end of July for the July 2009 payroll, which is due back in the NDPERS office by August 8th. Use the new employer contribution rates to calculate the amount due to NDPERS.
- If the retirement contribution rates are a part of your automated payroll system, you will need to update your system with the new employer contribution rates (see chart below)

Employers using reports generated from their own payroll system:

- Update your payroll system with the new employer contribution rates (see chart below)
- Update the employer contribution rates on the paper report submitted to NDPERS
- Begin using the new contribution rates beginning with the July 2009 payroll report, which is due to NDPERS by August 8th. Use the new employer contribution rates to calculate the amount due to NDPERS

Employers reporting electronically:

- Update your payroll system with the new employer contribution rates (see chart below)
- Update the employer contribution rates on the paper report submitted to NDPERS
- Begin using the new contribution rates beginning with the July 2009 payroll report, which is due to NDPERS by August 8th. Use the new employer contribution rates to calculate the amount due to NDPERS
- No changes are required to be made to the electronic file layout

Retirement Plan	Current Employer Contribution Rate	Employer Contribution Rate Effective July 1, 2009
PERS – Main System	5.12%	5.26%
Defined Contribution	5.12%	5.26%
Law Enforcement with prior service	9.31%	9.45%
Law Enforcement – no prior service	7.43%	7.57%
Judges Retirement	15.52%	15.66%
Highway Patrol Retirement	17.70%	17.84%
National Guard Retirement	7.50%	7.64%
Dept of Public Instruction	7.22%	7.36%
Career & Technical Education	6.97%	7.11%

Notes:

1. The employee contribution rate did not change
2. The employer contribution rate includes the employer retirement contribution as well as the employer health insurance credit contribution

Contribution Rates for Part-time/Temporary Employees

The contribution rate for employees who are participating in the retirement plan on an optional basis (part-time/temporary employees) will also be affected by Senate Bill 2154. These employees are required to pay both the employee and employer share of the contributions. The increased contributions will be on wages reported on the July 2009 Transmittal of Deduction For Part-Time/Temporary Employees SFN 51415. Their contribution rate will increase from 9.12% to 9.26%.

The implementation of this contribution rate change will follow the same process as outlined above for the employer contribution rate.