

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM



DEFINED BENEFIT PLAN

MEMBERSHIP REQUIREMENTS

Effective July 1, 2009 – June 30, 2011

NDPERS

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Introduction

NDPERS is a hybrid defined benefit plan established under the North Dakota Century Code Chapter 54-52. All state agencies participate in the North Dakota Public Employees Retirement System, except those covered by other state sponsored pension plans, not including Social Security.

Eligible county, city, and non-certified school district employees may participate in NDPERS if their governing boards elect to participate.

Eligibility

Employees of a participating employer are eligible to participate in NDPERS in one of two ways:

NOTE: PARTICIPATING EMPLOYER REFERS TO A STATE AGENCY OR POLITICAL SUBDIVISION THAT IS ENROLLED IN NDPERS.

A. Mandatory Participation Requirements

Anyone hired by a participating employer who works at least 20 hours per week for 20 or more weeks of the year; is at least 18 years of age; and holds a position that is regularly funded and not of limited duration must participate unless they waived participation in writing when their employer initially joined NDPERS.

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Employees meeting the mandatory participation requirements must be enrolled the first month of eligible employment, even when hired on a probationary basis. There is no maximum age limit applicable for enrollment purposes.

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Elected officials of participating counties, at their individual option, may enroll or waive participation in the plan within the first 6 months of their term. All other elected officials who meet the above

mandatory participation requirements must be enrolled in the plan within the first 6 months of their term.

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Officials of all other participating employers appointed on or after August 1, 1999, who meet the above mandatory participation requirements must be enrolled in the plan effective the first month of their taking office.

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NDPERS is funded by contributions from members, employers and earnings on investments. Retirement contribution rates for mandatory participants are 4% employee contribution, 5.26% employer contribution, based on the employee's monthly gross salary, excluding payments for overtime or other fringe benefits. It is possible for an employer to pay all or part of the employee contribution for permanent full-time employees. However, the employer must treat all employees covered under NDPERS equally.

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For employees who are employed by more than one participating employer, doing the same type of job and the total number of hours worked for the different employers is at least 20 hours a week for twenty or more months of the year, each participating employer should pay retirement contributions for that individual, based upon the wages the employee receives from that employer. Employee's record should reflect contributions from each contributing employer.

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If an employee works for more than one participating employer and the jobs are different, the jobs should be evaluated separately and retirement contributions must be made if the individual job meets the legal eligibility requirements. The jobs, if unrelated, should not be combined to determine eligibility. However, if both positions are eligible for NDPERS participation, retirement contributions should be made for both.

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If an employee works in several capacities for the same employer and is under a full-time contract or written agreement for one or more of these duties, the retirement contributions must be made on the contract work only. The other employment will be considered more incidental and similar to overtime, which is excluded for retirement contribution purposes.

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If an employee works in several capacities for the same employer and does not have any contract or written agreement, if the sum of hours meets eligibility guidelines, a retirement contribution should be made on all wages earned, excluding overtime.

B. Optional Participation Requirements

Employees who are considered part-time or temporary and are filling a position that is not regularly funded or if it is regularly funded but do not work at least 20 or more hours a week for more than four months a year and are at least 18 years old, may elect to participate in NDPERS within the first 180 days of part-time or temporary employment, or within 180 days of a change in status to part-time or temporary employment.

If an election is not received by NDPERS office within the above time-frame, the result is an irrevocable waiver of participation.

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If a temporary or part-time employee elects to participate in NDPERS, they must contribute 9.26% of their gross monthly salary. North Dakota law prohibits the employer from paying contributions for a temporary or part-time employee.

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A member may not participate as both a permanent and a temporary or part-time member. Permanent employment takes precedence.

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This brochure is intended to provide general information and may not be considered to be a legal interpretation of retirement law. Statements contained in this brochure do not supersede the North Dakota Century Code or Administrative Code or restrict the authority granted to the Retirement Board. This information is subject both to changes made by the legislature and rules and regulations established by the Board of the North Dakota Public Employees Retirement System. For any questions, please contact our office.