

Summary of Primary Legislative Proposals Public Employees Retirement System

The Legislative Employee Benefits Committee met on October 26, 2004 and took the following actions on proposed legislation submitted for the 59th Session:

Bill Number & Sponsor	Summary	Action
50052.04 PERS	<ul style="list-style-type: none"> • Allows employers in the Highway Patrolmen's Retirement Plan, the Hybrid Plan, the Retiree Health Benefit Fund and the Defined Contribution Plan to elect to pick up employee contributions for eligible military service credit for veterans returning after passage of the bill, and if no election is made the default method requires employers to pick up employee contributions for this service credit in the same manner as for regular employee contributions; also allows employers to pay for eligible military service credit prior to the date of passage of the bill; • Expands the definition of disability under the Highway Patrolmen's Retirement Plan as being unable to perform duties of a highway patrol officer; • Updates federal compliance provisions of Highway Patrolmen's Retirement Plan and Hybrid Plan; • Eliminates the 5-year term certain option and adds a 20-year term certain option and partial lump sum option (maximum amount 12 months of payments) to the Highway Patrolmen's Retirement Plan and Hybrid Plan; also adds a joint and survivor option to the level income form in the Hybrid Plan; • Provides record confidentiality rules under the Highway Patrolmen's Retirement Plan to permit sharing of information with beneficiaries and the name of members with the public for the purpose of locating the member; • Allows employers in the Highway Patrolmen's Retirement Plan to purchase service credit equal to unused sick leave at termination; • Provides for the System to perform background checks on new employees of the Public Employees Retirement System; • Changes the eligibility requirement for the Law Enforcement Retirement Plan from 20 hours to 32 hours of employment per week for peace officers employed after August 1, 2005 and prohibits such employees from concurrently participating in any other PERS administered retirement plan; • Allows employees who change from permanent to temporary employee status to continue to participate in the Defined Contribution Plan by filing an election to do so within 180 days of status change and making contributions to the Plan and Retiree Health Benefit Fund; • Clarifies that non-spouse beneficiaries may receive a distribution from the Defined Contribution Plan in a 	<p>The NDPERS Board submitted amendments to remove the proposed change in the disability definition for the HP retirement program and the provision for background checks. The proposed amendments were adopted and the bill received a favorable recommendation from the committee.</p>

	lump sum form only upon the death of the member.	
50053.02 PERS	<ul style="list-style-type: none"> Changes the definition of final average salary under the Highway Patrolmen's Retirement Plan from the highest 36 consecutive months to the highest 36 months, effective for retirements on and after August 1, 2005 and from the highest 36 months in the last 120 months of employment to the last 180 months of employment, effective for retirements on and after July 1, 2009; Changes the definition of final average salary under the Hybrid Plan from highest 36 months in the last 120 months of employment to the highest 36 months in the last 180 months of employment, effective for retirements on and after July 1, 2009; Increases by 3.0% the final average salary for individuals who are members of the Hybrid Plan or the Highway Patrolmen's Retirement System on August 1, 2005; and Allows the board to provide for a one-time post-retirement payment equal to 50% of the member's currently monthly benefit payment amount payable in January of either 2006 or 2007, if the trust fund's total annualized return on investments is at least 11.20% for the fiscal year ending June of 2005 or 2006, applicable to both the Hybrid Plan and the Highway Patrolmen's Retirement System. This is a potential one-time payment in the biennium. 	Amendments were submitted by PERS and adopted to remove the proposed 3% Final Average Salary increase in this bill. After being amended, the bill received a favorable recommendation.
50054.01 PERS	<ul style="list-style-type: none"> To accept and expend funds from sources other than premiums. This would allow PERS to accept any subsidies payable as a result of the Medicare Modernization Act of 2003. To negotiate with bidders on competitive bids after the submission of proposals To self-administer should it decide to self-fund its health benefits To establish its own independent health provider network, which would be limited to PERS use only 	No amendments introduced; received a favorable recommendation.
50055.02 PERS	<ul style="list-style-type: none"> Changes the statutory language to refer to the required monthly contribution to the Retiree Health Benefit Fund, rather than the specific contribution percentage; Increases the required monthly contribution to the Retiree Health Benefit Fund from 1.00% of monthly salary to 1.45% of monthly salary; and Increases the monthly retiree health credit from \$4.50 per year of credited service to \$5.00 per year of credited service. 	No amendments introduced; received an unfavorable recommendation.
50011.01 Senator Mathern	As proposed, this bill would allow the Board, to the extent permitted under federal law and Section 54-52.1-04 of the Century Code, to contract with one or more non-domestic pharmacy benefit managers (PBMs) to facilitate the purchase of eligible Canadian	No amendments introduced; received an unfavorable recommendation.

	prescriptions. As an incentive for active employees and retirees to use the proposed program, the Board may forgive all or a part of any prescription copayment. The proposed bill would authorize the Board to pay the PBM for prescriptions obtained from eligible Canadian pharmacies.	
50022.01 Senator Mathern	As proposed, this bill would expand participation in the uniform group insurance program by permitting permanent and temporary employees of private sector employers and uninsured private citizens of the State to participate in the PERS benefit plans subject to certain conditions. The bill would require federal approval to operate as a governmental plan. Private sector temporary employees and private citizens without healthy insurance coverage could enroll in the program subject to paying "risk-adjusted" premiums. In addition, there is a six-month residency requirement for private citizens. Similar bills have been submitted in the last three legislative sessions.	No amendments introduced; received an unfavorable recommendation.
50043.01 Senator Wardner	The proposed bill would allow any "employee who terminated employment by retirement on or after achieving normal retirement age and who was vested in the employer plan at the time of retirement" the option to continue or begin participation in the health plan.	No amendments introduced; received an unfavorable recommendation.
50056.02	Increases primary insurance benefits under the OASIS fund from \$906.62 to \$933.28 on August 1, 2005, and \$959.94 on August 1, 2006.	No amendments introduced; received a favorable recommendation.

At its November meeting, the PERS Board decided to submit bills #50052.04, #50053.02, #50054.01, #50055.02, and 50056.02 for consideration by the next Legislative Session and the Governor.