

CHAPTER 71-08-11 CONTRIBUTIONS

Section

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71-08-11-01. Adjustment for bonuses, profit sharing, and contributions paid in a month other than month earned.

Adjustments for the following must be made for all participating members:

1. Participating employers shall report bonuses or profit-sharing amounts paid when remitting the contribution associated with the bonus. Recruitment and retention bonuses paid pursuant to North Dakota Century Code section 54-06-31 are not eligible for consideration as salary and contributions associated with those bonuses may not be submitted.
2. Bonuses or profit-sharing amounts may not be submitted to the public employees retirement system for any month other than the month the amount is paid to the participating employer.

History: Effective January 1, 2025.

General Authority: NDCC 54-52-04, 54-52.6-01(8)

Law Implemented: NDCC 54-52.6-01, 54-52.6-02

71-08-11-02. Basis for calculation contributions - Salary reduction - Salary deferral arrangements.

1. Amounts deducted from a participating member's salary at the participating member's option to a qualified section 125 cafeteria plan, 401(k) plan, 403(b) plan, or 457 plan are part of wages or salary when calculating retirement contributions.
2. Employee contributions paid by the employer under IRC 414(h) pursuant to a salary reduction agreement do not reduce wages or salary when calculating retirement contributions.
3. Amounts contributed to a qualified section 125 cafeteria plan, 401(k) plan, 403(b) plan, or 457 plan by the employer are not part of wages or salary when calculating retirement contributions.

History: Effective January 1, 2025.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52.6-01, 54-52.6-02

71-08-11-03. Employer payment of employee contributions.

1. A written election submitted under subsection 3 of North Dakota Century Code section 54-52.6-09 must be reported to the board a minimum of thirty-one days prior to the effective date.

2. An employer electing to pay employee monthly salary contributions under North Dakota Century Code section 54-52-05 or 54-52.6-09 may not discriminate in its contributions to eligible employees within the same class of employees for plan enrollment.

History: Effective January 1, 2025; amended effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52.6-09

71-08-11-04. Retirement contributions for individuals working less than a forty-hour workweek.

Retirement contributions must be made on wages paid to a permanent employee who is regularly scheduled for less than forty hours per week but who works at least twenty hours per week during a twelve-month period.

History: Effective January 1, 2025.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52.6-09.6

71-08-11-05. Individual employee incentive payments.

Individual employee incentive payments received under North Dakota Century Code section 54-06-24 or similar programs are not considered to be salary and are not subject to retirement contributions.

History: Effective January 1, 2025.

General Authority: NDCC 54-52-04, 54-52.6-01(8), 54-52.6-02

Law Implemented: NDCC 54-52.6-01, 54-52.6-02

71-08-11-06. Contributions transferred from defined benefit retirement plan.

1. The lump sum amount to be transferred from the defined benefit retirement plan under North Dakota Century Code section 54-52.6-02.2 and North Dakota Century Code section 54-52.6-03 based on the actuarial present value of the eligible employee's accumulated benefit obligation as of January 1, 2025, includes the employee contribution portion and the employer contribution portion.
2. The employee contribution portion of the actuarial present value of the eligible employee accumulated benefit obligation means the employee's direct contribution to the defined benefit retirement plan under North Dakota Century Code chapter 54-52 plus the interest on the employee's contributions in the defined benefit retirement plan.
3. The employer contribution portion of the actuarial present value of the eligible employee's accumulated benefit obligation means the lump sum amount transferred minus the employee share. The employee shall vest in the employer contribution under the provisions found in North Dakota Century Code section 54-52.6-10.

History: Effective January 1, 2025.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52.6-02.2, 54-52.6-03

71-08-11-07. Employer-paid additional contribution for a transferee.

For an eligible employee who is employed by a state employer who transfers from the defined benefit plan to the defined contribution plan under North Dakota Century Code chapter 54-52.6, the eligible employee's state employer, on January 1 of each year an additional contribution is due, will make the additional contribution under subsection 3 of North Dakota Century Code section

54-52.6-02.2 no later than January 15 of the year in which the additional contribution is required. An eligible employee who is employed by a state employer at the time each additional contribution is required must receive the additional contribution.

History: Effective January 1, 2025.

General Authority: NDCC 54-52.6-02

Law Implemented: NDCC 54-52.6-02.2, 54-52.6-03

71-08-11-08. Forfeiture of rights upon distribution.

Distribution of accumulated account balance must cancel all vesting service credit accumulated prior to the distribution and must extinguish the right to any retiree benefits provided by North Dakota Century Code chapter 54-52.6.

History: Effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52.6-13