

**2010 REPRESENTATIVE ASSEMBLY**

NEW BUSINESS ITEM #3

Opposition of PERS Proposed LegislationSUBMITTED BY: **NDEA Board of Directors**

The 2010 NDEA Representative Assembly goes on record in opposition to the ND PERS proposed legislation that would solve the PERS funding shortfall by increasing only the employees' contributions by eight percent (8%) phased in over the next four years beginning in 2012.

The 2010 NDEA Representative Assembly further directs the NDEA to:

- Monitor all proposals addressing the PERS funding shortfall.
- Lobby for methods to restore the fund to solvency that maintain the defined-benefit plan, call for reasonable sharing of the increased costs of the plan, and maintain the two percent (2%) multiplier for the plan.
- Lobby against major benefit reductions.

RATIONALE:

The NDEA opposes the idea of putting the cost of maintaining the solvency of the PERS fund solely on the employees. Restoring the fund to solvency should be shared by all of the stakeholders in the defined-benefit plan.

ESP members who participate in PERS have low salaries, few (if any) employment rights, no right to collectively bargain, and very few have health insurance. The PERS retirement benefit is one of the few benefits that some ESP members have, and those members should not be required to make disproportionate contributions to maintain the viability of the fund.