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MEMO

TO: Cass County Board of Commissioners

FROM: Tracy Peters

Date: October 1, 2024

Subject: NDPERS Update

On January 1, 2025, the NDPERS Main Plan will close to all new employees. Those employees will join the newly created Defined Contribution Plan (DC2025). This change does not affect:

1. Employees currently in the NDPERS Main Plan
2. Employees in a plan other than the Main Plan (for example, Public Safety / Law Enforcement).

The new DC2025 mandates the following contributions:

- 4% - employee share
- 5.26% - employer share

The Current Plan mandates the following contributions:

- 7% - employee share
- 9.26% - employer share

For employees in the Current Plan, Cass County has elected to "pick up" 4% of the mandatory 7% employee contribution – leaving the employee with a mandatory 3% contribution.

- 3% employee + 4% employer = 7% employee share
- 9.26% employer share

Under DC2025 plan, NDPERS is going to assume any political subdivisions currently "picking up" a portion of the employees share will continue to do so unless NDPERS is notified otherwise. If Cass County elects to continue to "pick up" 4% of the employees share in the DC2025 plan, the contributions would be as follows:

- 0% employee share
- 9.26% employer share

If Cass County elects to change the "pick up," it would similarly change for all current employees.

COMMISSION OPTIONS:

The Commission can elect to do nothing which would result in a continuation of the 4% "pick up" in the DC2025 plan.

OR

The Commission could elect to change the 4% "pick up" that would result in a change for all staff.

Under DC2025, employees will also have the opportunity to elect to contribute up to an additional 3% to NDPERS at the time of hire and, if that election is made, the employer will be required to match that NDPERS contribution up to 3%. This election must be made within 30 days of hire. Once made, this election can never be changed.

If the employee does not elect to contribute an additional 3% into NDPERS, the employee may still be able to take advantage of a 3% match through a deferred compensation plan. If the employer participates in the NDPERS Deferred Compensation plan, the employee can elect to contribute up to 3% into that Deferred Compensation plan and the employer must match up to 3%. Cass County does not currently participate in this plan but could elect to do so.

If the employer participates in another Deferred Compensation plan, for example our Nationwide Deferred Compensation plan, the employer can elect to match up to 3% of the employees contributions if they chose to do so. Currently, Cass County employees can elect to contribute to the Nationwide Deferred Compensation plan but there is no match by the employer.

COMMISSION OPTIONS:

The Commission could elect to do nothing in terms of a 457 “match” which would result in the employee having the choice to contribute up to 3% into NDPERS within 30 days of employment. No other “match” would be available.

OR:

Move to approve up to a 3% match into our existing 457 Nationwide plan for employees in the DC2025 plan with NDPERS.