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SUBJECT: RETIREMENT

EFFECTIVE DATE: January 17, 2013

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#### RETIREMENT

All new non-elected employees employed twenty (20) hours or more per week, for more than five (5) months per year, are required to participate in the North Dakota Public Employees Retirement System (NDPERS). Elected officials may apply for membership.

Cass County pays 11.26% of the employee's gross monthly salary on the employee's behalf. Employees have a two (2) percent deduction (pre-tax) for the employee contribution. NDPERS provides for invested retirement benefits after three (3) years of service.

The NDPERS Portability Enhancement Provision (PEP) allows employees to "vest" in the employer contribution by participating in an approved Deferred Compensation Program. This means that if an employee leaves employment and does not wish to draw a pension, they have the opportunity to take both the employee contribution and the employer contribution out of the NDPERS System.

If an employee terminates County employment prior to being vested (3 years), he/she is required to receive a refund which is equivalent to 5% of contributions including any accrued interest.

If an employee terminates County employment after becoming vested (3 years), he/she has 2 options:

1. Receiving a refund at time of termination (employee is only entitled to receive a refund which is equivalent to 5% of contributions including any accrued interest).
2. Leave entire amount in the account until retirement age (employee is then entitled to the entire 11.26% of contributions including any accrued interest).

A temporary or part time employee employed less than 20 hours per week may elect to participate in NDPERS. The employee shall pay monthly to the fund an amount equal to 11.26% times the present monthly salary. The employee may continue to participate as a temporary or part time employee in the public employee's retirement system until termination of employment or reclassification of the employee as a standard employee.

Refer to the North Dakota Public Employees Retirement System handbook for more details.

Employees who began employment prior to the mandatory date (May 1971) for NDPERS enrollment are not required to participate in NDPERS. At that time

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employees had the option to enroll under the NACo Deferred Compensation Program. Under NACo, Cass County contributes 10.46% of employee's gross monthly salary as a benefit.

Elected officials may choose either NDPERS or NACo.