

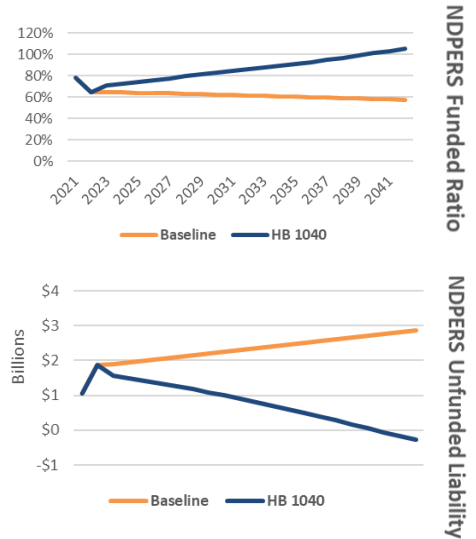


REFORM ALERT:

The Benefits of House Bill 1040

Commits the State to Fully Funding All NDPERS Retirement Benefits

- ✓ NDPERS currently holds \$1.8 billion in unfunded pension promises and expects to be insolvent in 80 years absent reform, largely due to insufficient funding and the growing interest costs from the state's accumulating debt.
- ✓ HB 1040 would shift NDPERS to an industry standard and actuarially sound method of funding, ensuring the state can deliver on its promises to members and retirees.

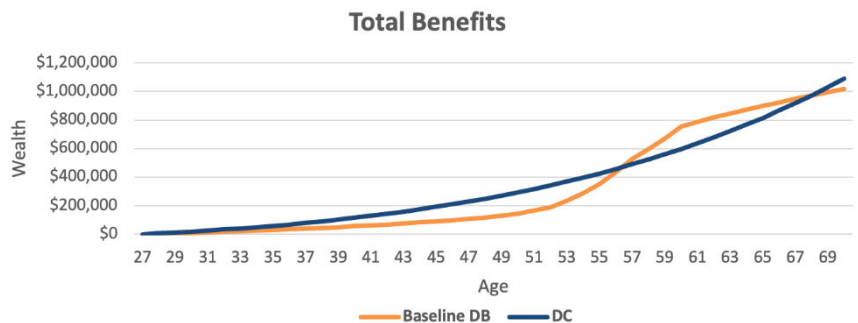


	Baseline	HB 1040
Total Employer Contribution	\$2 Billion	\$4.1 Billion
Ending Unfunded Liability	\$2.8 Billion	-\$275 Million
Total Long-term Cost	\$4.9 Billion	\$3.9 Billion

Saves Money for North Dakota Taxpayers

- ✓ By making a commitment to paying off NDPERS debt and preventing future debt, the state can expect to save over \$1 billion in NDPERS costs over the next 20 years.

Improves Benefits For Most NDPERS Employees



*Reflects a 27-year-old new hire earning the average NDPERS entry age salary of \$38,703 and participating in the full DC match..

- ✓ According to Pension Integrity Project analysis, for an average entrant into NDPERS, the proposed defined contribution plan's benefits would be more generous than the current NDPERS defined benefit plan's benefits.

PENSION INTEGRITY PROJECT CONTACTS

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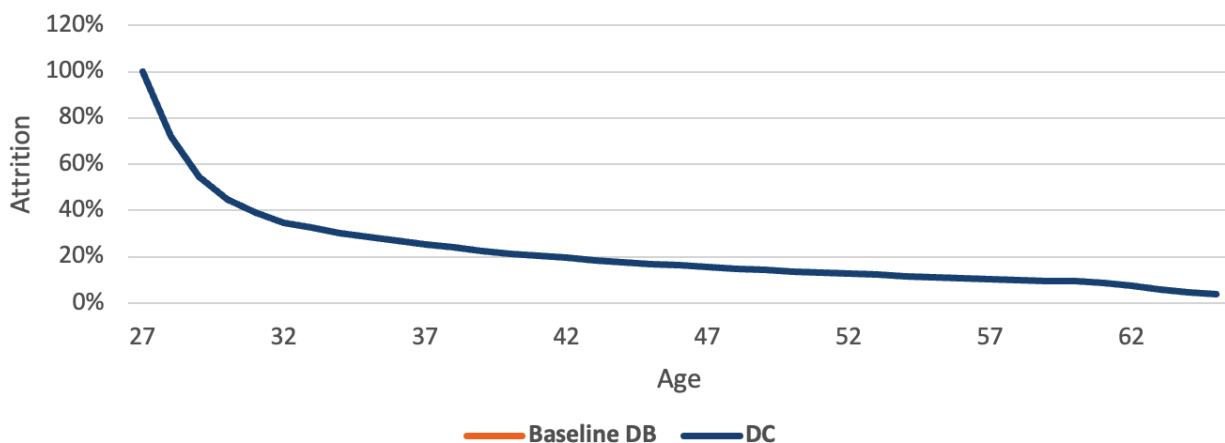
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Better Retirement Security for 85% of New NDPERS Members

- ✓ NDPERS has one of the highest turnover rates of any defined benefit plan in the country.
- ✓ Approximately 50% of all new hires leave NDPERS service before they reach the plan's vesting period of three years.
- ✓ This means that half of all members leave their jobs with only a refund of their own pension contributions, plus interest earned. They forfeit all employer contributions made and are not eligible for any pension benefit.
- ✓ The defined contribution retirement plan established in HB 1040 would ensure that all North Dakota employees are on the right path to having healthy retirement savings, not just the few workers who stay for 30+ years.

Percent of Members Remaining



Why Not Maintain the Status Quo?

- **Workers have already spoken!** 86 out of 100 state employees hired today will leave their public employers before earning an unreduced NDPERS pension.
- The benefit offered to future state employees in House Bill 1040 would provide benefit portability with a guaranteed employer contribution and match, improving North Dakota's public sector retirement benefits and making them just as—or more—attractive than most private sector retirement offerings.

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