

July 10, 2025

Re: July 15th City Commission Meeting

The Fourth Amendment and Certification that was included in your packets for the 7/1/2025 meeting was included too early and were not discussed at that meeting. Therefore, I will present this information at the 7/15/2025 meeting and this will require a new signature by Mayor Decker.

When the NDPERS Main Defined Benefit Plan was closed and the NDPERS DC Plan opened, 1/1/2025, we were required to go into this plan if we wanted to allow those employees in the Main and Public Safety Defined Benefit Plans to stay in those plans. HB 1602 allows participating political subdivisions to discontinue their participation in the NDPERS Defined Contribution (DC) Plan and re-open our DC plan (City of Dickinson Retirement Savings Plan) without affecting any of our employees that are currently, or in the future, participating in the NDPERS Defined Benefit Plans. Those employees that were participating in the NDPERS DC Plan (from 1/1/2025 – 10/1/2025) will all come over to the City of Dickinson Retirement Savings Plan once this is re-opened. There will be no fees assessed to us for choosing to opt out of the DC Plan. City staff recommends approval of the resolution to opt out of the NDPERS Defined Contribution Plan.

Also for your consideration is an amendment to the City of Dickinson Retirement Savings Plan. This will allow us to open this plan up to new employees (with the exception of those employees eligible for the Public Safety Defined Benefit Plan -Police Officer, Firefighter, EMS, Paramedic, and Dispatch) and to those employees hired from 1/1/2025-10/1/2025 and participating in the NDPERS DC Plan. The employees who joined the NDPERS DC Plan from 1/1/2025 to 10/1/2025 will have the option to leave their funds with Empower (with the exception of an auto refund process for accounts less than \$1000) or they can submit a deferral to put their funds in the City of Dickinson Retirement Savings Plan. Anyone who is currently in the NDPERS Main Plan will stay in that plan. All employees who are in the NDPERS Public Safety Plan will stay in that plan and new hires who qualify for this plan will continue to be placed in this plan.

Benefits of re-opening this plan:

1. **Contribution Rates:** Our current DC plan allows for a higher mandatory employee contribution rate (7% compared to NDPERS mandatory 4% with optional additional 3%). The employer contribution with our current DC Plan is 7% compared to NDPERS 5.26% with a mandatory 3% match if the employee contributes the additional 3%.
2. **Cost Control:** With a fixed contribution rate from both the employee and the city, our current DC plan offers predictable costs compared to the NDPERS plan of employer contribution of 5.26%- 8.26% depending on employee contribution.



3. **Local Control and Customization:** Managing our own retirement plan allows for greater control and customization to meet the specific needs and preferences of our employees and the city's financial goals.
4. **Administrative Efficiency:** Direct management of the retirement plan will streamline administrative processes and with less plans to administer.

City staff recommends approval of the Fourth Amendment of City of Dickinson, North Dakota Retirement Savings Plan.

