



HUMAN RESOURCES

Dear Commissioners,

I am asking that you consider letting us pursue the option to add the NDPERS 457 Plan. Employees hired after 1/1/2025 are automatically enrolled into the DC2025 Plan with PERS. The employee contributes 4% and the city contributes 5.26%. The employee has the option within 30 days to elect an additional up to 3% with the same city match. Whatever the employee elects in those 30 days regarding that additional up to 3%, they can never make changes to that later in their employment. By allowing the NDPERS 457 Plan, the employee will always have the option to put in, or stop that additional election, up to 3% with a city match at any time in their employment or depending on their financial ability at that given time.

It is difficult to compare the plans since we have two plans that are Defined Contribution, and several that are Defined Benefit plans. Defined benefit plans guarantee a specific retirement income based on a formula, such as salary and years of service, while defined contribution plans (like 401(k)s) offer retirement benefits based on contributions and investment performance. In my presentation, I will break down each plan to show you what the employee contributes and what the city contributes.

Giving new employees the option to join the NDPERS 457 Plan and have the opportunity to contribute an additional 3% with a city match will

1. help attract and retain staff
2. help support employee financial wellness (financial experts are recommending employees contribute 10-15% including employer contribution; if starting later in life, aiming for 15-20%)
3. offers flexibility and choice to our employees in their retirement planning

City staff recommends that Commission allow us to pursue the opportunity to offer this benefit.

Thank you,

Shelly Nameniuk, SHRM-CP
HR Director

