

AN ACT

To amend the Northern Marianas Retirement Fund Act of 1988 (Public Law 6-17), as amended, to provide for an annual cost of living allowance to annuitants of the retirement fund; to provide for the hiring of retirees under the Older Americans Act; and for other purposes.

BE IT ENACTED BY THE NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 Section 1. Amendment. 1 CMC Chapter 3 is amended to add
2 a new subsection 8358 as follows:

3 "Section 8358. Annual Cost of Living Allowance.
4 Every year beginning Fiscal Year 1992, a cost of living
5 allowance (COLA) as provided below may be paid each
6 retiree, including disability annuitants, and surviving
7 spouses until the age of fifty-five (55) under the
8 following terms and conditions:

9 (1) 5% reduced by .45% for each \$1,000.00 that
10 the annual annuity exceeds \$10,000.00, but never
11 more than \$400.00 or less than \$120.00.

12 (a) The cost of living allowance shall
13 only be paid upon appropriation of the
14 required funding by the government.

15 (b) The cost of living allowance shall be
16 only available to retirees, disability
17 annuitants and surviving spouses. Any
18 surviving spouses who is also a retiree of the
19 Fund shall be eligible to only one cost of
20 living allowance which shall be based on
21 his/her own pension as a retiree.

1 (c) The cost of living allowance shall be
2 paid in a lump sum to eligible annuitants
3 within 30 days of the annuitant's anniversary.
4 Any money remaining after all eligible
5 recipients are paid will revert to the general
6 fund of the CNMI government within 60 days
7 after the end of the fiscal year. No interest
8 or penalty shall be payable for late payment
9 of the cost of living allowance.

10 (d) The amount needed for the cost of
11 living allowance shall be annually requested
12 by the Administrator, separate and distinct
13 from the other budgetary request for the Fund.

14 (e) In the event that the amount
15 appropriated for the cost of living allowance
16 is insufficient to cover the necessary
17 disbursement, the Administrator is authorized
18 to disburse from the Fund's assets subject to
19 reimbursement by the government the following
20 fiscal year. If the government fails to
21 appropriate the additional funding required,
22 the Administrator is authorized to treat such
23 as employer contribution liability."

1 Section 2. Amendment. 1 CMC, Section 8341 (e) is
2 hereby amended as follows:

3 "(e) Class I members in receipt of service
4 retirement annuity shall be entitled to a 2 percent
5 annual increase commencing on the anniversary of
6 the member's retirement date provided the member is
7 at least 55 years of age. The cost of living
8 increase shall be computed utilizing simple
9 interest."

10 Section 3. Amendment. 1 CMC, Section 8344 (e) is
11 hereby amended to read as follows:

12 "(e) Members in receipt of service retirement
13 annuity shall be entitled to a 2 percent cost of
14 living increase commencing on the anniversary of
15 the member's retirement date, provided the member
16 is at least 55 years of age. The cost of living
17 increase shall be computed utilizing simple
18 interest."

19 Section 4. Repealer and Reenactment. 1 CMC,
20 Section 8356 (Public Law 6-41, Section 11) is repealed in its
21 entirety. All class I members whose entitlement to a refund
22 of contributions was extinguished by the enactment of Section
23 11 of Public Law 6-41 are entitled to a refund in accordance

1 with the provisions of Public Law 6-17, Section 83316.
2 Section 83316 of Public Law 6-17 is hereby reenacted. This
3 section shall be retroactive to the effective date of public
4 law 6-41.

5 Section 5. Repealer. Section 83812 of Public Law
6 6-17, as codified in 1 CMC, Section 8393, is repealed in its
7 entirety.

8 Section 6. Amendment. 1 CMC, Section 8392 (a) (2)
9 (Public Law 6-41, Section 15) is amended to read as follows:

10 "(2) Hired in a position for which
11 professionals are not readily available in the
12 local labor market, including, for example:
13 teachers for the Public School System and the
14 Northern Marianas College, attorneys for the
15 Offices of the Attorney General and Public
16 Defender, nurses and doctors for the Commonwealth
17 Health Center, and audit staff for the Office of
18 the Public Auditor, and former elected officials."

19 Section 7. Amendment. 1 CMC, Section 8392 (Public Law
20 6-41, Section 15) is amended by adding the following new
21 subsection (4) to read as follows:

22 (4) Title V employee of the Older Americans
23 Act. A retiree may be hired under Title V of the

1 Older Americans Act and continue to receive
2 benefits from the Northern Marianas Retirement
3 Fund. Those benefits will be based on the computed
4 service and wages earned upon his retirement. He
5 shall not be required to contribute to the
6 Retirement Fund on wages earned as a recipient of
7 Title V of the Older Americans Act. Any retiree
8 who was hired under Title V of the Older Americans
9 Act prior to the effective date of this Act, and
10 who has contributed to the Retirement Fund from
11 such wages, shall be entitled to a refund of all
12 such contributions. Nothing in this section shall
13 be construed to violate any provision of Article
14 III, Section 20 of the CNMI Constitution."

15 Section 8. Amendment. The last paragraph of 1 CMC,
16 Section 8392 (a) (Public Law 6-41, Section 15), is amended to
17 read as follows:

18 "(a) A retiree hired under any of the above
19 exceptions, other than pursuant to subsection (4),
20 shall have his/her benefits terminated for the
21 duration of the employment or office. Upon
22 retirement, the benefit shall be recomputed based
23 on the additional service and wages earned. During

1 the employment or office, contributions to the Fund
2 shall be mandatory. Except for positions stated
3 above, all government consulting contracts and
4 employment application forms and agreements shall
5 contain a declaration to be made under penalty of
6 perjury, stating that the employee or independent
7 contractor has not retired from and is not
8 receiving retirement benefits from the Commonwealth
9 Government."

10 Section 9. Amendment. 1 CMC, Section 8357 (b) (Public
11 Law 6-17, Section 83317 (b)) is hereby amended to read:

12 "(b) Every former governor and lieutenant
13 governor of the Commonwealth of the Northern
14 Mariana Islands shall be entitled to a special
15 retirement annuity of 65% of the highest annual
16 salary authorized by law to be paid to any governor
17 or lieutenant governor, respectively."

18 Section 10. Amendment. 1 CMC, Division 8, Chapter 3 is
19 hereby amended to add a new subsection 8358 to read as
20 follows:

21 "Section 8358. Cost of Living Adjustments for
22 Elected Officials. There is hereby authorized a
23 special adjustment to any applicable cost of living

1 allowance (COLA) paid to former elected officials
2 who served on or after January 8, 1978. Pursuant
3 to such adjustment, any COLA paid to a former
4 elected official shall be equal to the COLA
5 applicable to the highest salary authorized by law
6 for any elected position in which the annuitant
7 served. Such adjustment shall take effect on the
8 effective date of any new salary increase for
9 elected officials authorized by law."

10 Section 11. 1 CMC, Section 8330 is amended to read as
11 follows:

12 "Section 8330. Requirements for Education
13 Service Credits. Each member may elect, in
14 writing, on a form to be prescribed by the Board,
15 to receive vesting service credit for education
16 service. Such election may be made at any time
17 prior to retirement."

18 Section 12. 1 CMC, Section 8332 is amended to read as
19 follows:

20 "Section 8332. Requirements for Military
21 Service Credits. Each member may elect, in
22 writing, on a form to be prescribed by the Board,
23 to receive vesting service credit for military

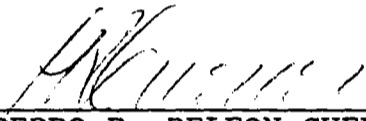
1 services. Such election may be made at any time
2 prior to retirement."

3 Section 13. Severability. If any section of this Act
4 should be declared invalid or unenforceable by a court of
5 competent jurisdiction, the judicial determination shall not
6 affect the validity of the Act as a whole, other than the
7 particular part declared invalid or unenforceable.

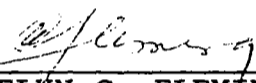
8 Section 14. Effective Date. This Act shall take effect
9 upon its approval by the Governor or upon its becoming law
10 without such approval.

CERTIFIED BY:

ATTESTED BY:

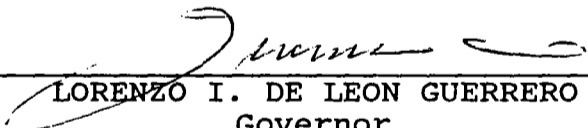


PEDRO R. DELEON GUERRERO
Speaker of the House



EVELYN C. FLEMING
House Clerk

APPROVED this 11th day of OCT, 1991



LORENZO I. DE LEON GUERRERO
Governor
Commonwealth of the Northern Mariana Islands