

# North Dakota State University

## Policy Manual

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### SECTION 142 RETIREMENT PLANS

SOURCE: NDSU PRESIDENT  
NDUS Human Resource Policy Manual, Section 10  
ND Century Code 54-52.1-03.2

1. North Dakota law requires regular employees who are 18 years of age or older and work 20 hours or more per week for 5 months or more a year to participate in a retirement plan.
  - 1.1 Faculty are generally considered to be a regular employee and covered under [TIAA](#) if she/he teaches 7.5 or more credits for two or more consecutive semesters.
2. All non-professional, staff employees (technical/para-professional, office, crafts/trades, and service bands) will participate in the North Dakota Public Employees Retirement System (NDPERS).
  - 2.1 The cost of this retirement plan, which amounts to 15.26% percent of gross salary, is funded as indicated below:  
NDSU = 12.26%  
Employee = 3%
3. All faculty, other academic staff, administrators, and professional staff employees will participate in a Teachers Insurance and Annuity Association - College Retirement Equities Fund ([TIAA](#)) retirement plan which has been approved by the State Board of Higher Education. (A copy of the most recent plan document may be obtained from the Office of Human Resources/Payroll.)
  - 3.1 In lieu of participation in the TIAA retirement plan, eligible employees having accrued retirement benefits under the North Dakota Public Employees' Retirement System (PERS) may elect to continue participation in PERS. A PERS participant who later qualifies for participation in TIAA may elect to become a participant by making such election within sixty days of being transferred or placed in a different band. In absence of such election, the right of participation is irrevocably waived. Eligible employees who have accrued retirement benefits under the TIAA plan, and who later qualify for participation in PERS, may within sixty days of the transfer or placement in a different band elect to continue participation in TIAA in lieu of participation in the PERS retirement plan. In absence of such election, the right of participation is irrevocably waived.
  - 3.2 Teaching and research faculty with rank of assistant professor or instructor, research personnel and lecturers with equivalent rank, and professional staff (3000 band) participate in the [TIAA](#) plan as of the date of first employment at an employee-employer contribution rate of 11 percent (3.5 percent employee contribution, 7.5 percent employer contribution); after two years of service the rate shall be 17 percent (4.5 percent employee contribution, 12.5 percent employer contribution); after ten years of service the rate shall be 18 percent (5 percent employee contribution, 13 percent employer contribution).
  - 3.3 Teaching and research faculty with rank of professor or associate professor, research personnel with equivalent rank, and executive and administrative staff (1000 band)

participate in the [TIAA](#) plan as of the date of first employment at an employee-employer contribution rate of 17 percent of contract salary (4.5 percent employee contribution, 12.5 percent employer contribution). After 10 years of service, the total contribution rate shall be 18 percent (5 percent employee contribution, 13 percent employer contribution).

- 3.4 Employees shall be given credit for years of service during which they accrued retirement benefits under NDPERS, TFFR, and/or [TIAA](#). Credit for [TIAA](#) years of service shall also include credit earned at other institutions, including out-of-state institutions, provided employee has a current [TIAA](#) contract (i.e. was not repurchased).
- 3.5 Each employee must designate the percentage basis for allocating their premiums between [TIAA](#), which provides a fixed amount of future retirement income, and the [CREF](#) accounts, which provide variable annuities. This percentage election may be changed at any time by calling 1-800-842-2776 or by making election changes in the individual's online TIAA account.
- 3.6 All contributions (both employer and employee) will be made on a tax-sheltered basis. When tax-sheltering, the employee does not pay income tax on the contributions until the funds are withdrawn from the retirement program.
- 3.7 Each employee may also tax-shelter additional salary without matching funds from the University to a Tax Sheltered Annuity by payroll reduction.
- 3.8 The employee-employer total contribution is forwarded to [TIAA](#). The employee's contribution is from semi-monthly compensation based on a regularly executed contract.
- 3.9 Early retirement under the [TIAA](#) retirement plan is permitted when employment ceases prior to age 59 1/2 with an approved Early Retirement Agreement.

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HISTORY:

New	July 1990
Amended	April 1992
Amended	June 1994
Amended	August 1997
Amended	July 1999
Amended	November 2005
Housekeeping	December 2010
Housekeeping	January 31, 2011
Housekeeping	April 23, 2012
Housekeeping	April 4, 2013
Housekeeping	January 17, 2014
Amended	September 19, 2017