

# PEP Program Information

## NDPERS Portability Enhancement Provision (PEP) Program Enrollment Information

The Portability Enhancement Provision (PEP) under the Defined Benefit Hybrid Retirement Plan allows active participants in the retirement plan to “vest” in the employer’s contribution to the retirement plan.

Under the NDPERS defined benefit retirement plan, the Employer contribution paid by the employer to the retirement plan is paid into the retirement pool of funds. Employees participating in an approved deferred compensation plan established by the employer are able to vest in the employer contribution and have it added to their member account balance. PEP reallocates up to 4% of the employer contributions to the individual member account.

By participating in the employer established 457 deferred compensation plan or an employer provided 403(b) plan, participating employees vest in the employer contribution to the NDPERS defined benefit retirement plan and are credited with the Vested Employer Contributions or PEP.

In the event a North Dakota governmental unit provides an established 457 or 403(b) plan and wishes to enroll in the Portability Enhancement Provision (PEP) to the Defined Benefit Retirement Plan, a signed board resolution and a signed PEP Agreement are required prior to NDPERS signing the “Portability Enhancement Provision (PEP) Agreement” with the governmental unit.

The board resolution must be stated as follows:

**A motion was made for (EMPLOYER NAME) to join the NDPERS (PLAN NAME) and offer the plan to all eligible employees of the (EMPLOYER NAME). The motion was seconded by (Board Member Name). The board approved joining the NDPERS (PLAN NAME) effective (MONTH 1, YEAR).**