

**§18252-B. Requirements for plan provided by district employer for employees to whom section 18252-A applies**

The plan provided by the participating local district employer for employees to whom section 18252-A applies must meet the following requirements. [PL 1997, c. 709, §4 (NEW).]

**1. Internal Revenue Code.** The plan must meet the requirements of United States Internal Revenue Code, Section 401(a) for defined contribution plans or United States Internal Revenue Code, Section 457 for deferred compensation plans, or both. [PL 1997, c. 709, §4 (NEW).]

**2. Employer contribution.** The employer must contribute as a percentage of compensation on behalf of each employee in each pay period an amount not less than the amount the employer would be required to pay if the employee were covered under the United States Social Security Act, not including the Medicare portion of the payment, consistent with applicable contribution limits of federal law. [RR 2015, c. 2, §5 (COR).]

**3. Employee contribution.** The employee must contribute as a percentage of compensation in each pay period an amount not less than the employee would have been required to contribute as of the employee's date of hire had the employee been a member under the Participating Local District Retirement Program under the so-called "Regular Plan A" of the consolidated plan for participating local districts, consistent with applicable contribution limits of federal law. [PL 2021, c. 548, §35 (AMD).]

**4. Education.** The employer must provide for employees to whom section 18252-A applies an education program that meets the requirements of federal law for such programs for the plan that the employer provides. [PL 1997, c. 709, §4 (NEW).]

**5. Disability benefits.** For employees who become covered under the plan, the employer must provide a disability benefit program, the cost of which must be paid by the employer. At a minimum, that program must establish eligibility criteria, provide coverage for physical and mental disabilities and provide a level of benefits at least equal to 60% of the employee's annual compensation. [PL 1997, c. 709, §4 (NEW).]

**6. Change or termination of plan.** Except with respect to current employees covered under the plan and with respect to persons receiving benefits under the plan, the employer may change or terminate the plan at any time, to the extent that change or termination is not prohibited by other law. The employer may allow current employees covered under the plan the choice to instead be covered under the changed plan.

A. Section 18252-A, subsection 1, paragraph A applies to an employee hired or rehired by the employer after the employer changes the plan. [PL 1997, c. 709, §4 (NEW).]

B. If, after plan termination, the employer no longer provides a plan under this section, an employee hired or rehired after termination of the plan must be a member under the Participating Local District Retirement Program. [PL 2007, c. 491, §197 (AMD).]

C. [PL 2009, c. 474, §34 (RP).]  
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**SECTION HISTORY**

PL 1997, c. 709, §4 (NEW). PL 2007, c. 491, §§196-198 (AMD). PL 2009, c. 474, §34 (AMD). RR 2015, c. 2, §5 (COR). PL 2021, c. 548, §35 (AMD).

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