

FOURTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

FIRST DAY, SECOND SPECIAL SESSION, 2005

H. L. I. NO. 14-11

A HOUSE LEGISLATIVE INITIATIVE

To amend Article III, section 20 of the NMI Constitution to protect and ensure the integrity of the government retirement system.

BE IT ENACTED BY THE FOURTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 Section 1. Findings. The Legislature finds that a constitutional amendment
2 restricting legislative authority to enact laws expanding the unfounded liability of the
3 government to the retirement system is necessary to maintain the financial integrity of the
4 system and the welfare of government retirees. In FY 2003, the unfunded liability created
5 by various statutes exceeded \$517,000,000.

6 In light of the Commonwealth Government’s decision to opt out of the federal
7 social security retirement system, the CNMI retirement pension may in fact be an
8 employee’s only source of income upon retirement. The protection of the retirement
9 system is therefore paramount and justifies a constitutional limitation on authority over
10 government retirement benefits.

11 Section 2. Legislative Initiative. The Fourteenth Northern Marianas
12 Commonwealth Legislature, by the affirmative vote of three-fourths of the members of
13 each house present and voting, hereby proposes the following amendment to section 20 of
14 Article III of the Constitution of the Northern Mariana Islands to be placed before the
15 people for ratification at the next general election:

16 **“A PROPOSED CONSTITUTIONAL AMENDMENT**

17 **To protect and ensure the integrity of the government retirement**
18 **system by prohibiting the making of laws which create an unfunded**
19 **obligation of the Commonwealth Government to the retirement system.**

1 **Article III, section 20 of the Constitution is hereby amended to read as**
2 **follows:**

3 Section 20: Retirement System.

4 a) Membership in an employee retirement system of the Commonwealth
5 shall constitute a contractual relationship. Accrued benefits of this
6 system shall be neither diminished nor impaired.

7 b) An employee who has acquired not less than twenty years of creditable
8 service under the Commonwealth retirement system shall be credited
9 an additional five years and shall be eligible to retire. An employee
10 who elects to retire under this provision may not be reemployed by the
11 Commonwealth Government or any of its instrumentalities or
12 agencies, for more than 60 days in any fiscal year without losing his or
13 her retirement benefits for the remainder of that fiscal year, except that
14 the legislature may by law exempt reemployment of retirees as
15 classroom teachers, doctors, nurses, and other medical professionals
16 from this limitation, for reemployment not exceeding two (2) years.
17 No retiree may have their retirement benefits recomputed based on any
18 reemployment during which retirement benefits are drawn, but every
19 such reemployed retiree shall nevertheless be required to contribute to
20 the retirement fund during the period of reemployment, at the same
21 rate as other government employees. The legislature may prohibit
22 recomputation of retirement benefits based on reemployment after
23 retirement in any event or under any circumstances.

24 c) No law shall be enacted that creates an unfunded obligation of the
25 Commonwealth Government to the retirement system.

26 Section 3. Adoption and Transmittal. The Speaker of the House and the
27 President of the Senate shall certify, and the Clerks of the House and Senate shall attest to

HOUSE LEGISLATIVE INITIATIVE NO. 14-11

1 the passage of this Legislative Initiative. The House Clerk shall then cause the Initiative
2 to be transmitted to the Governor and the Board of Elections. Pursuant to Article XVIII,
3 Section 5 of the Commonwealth Constitution, the Board shall place this Legislative
4 Initiative, with the Findings and Purpose section herein, before the people of the
5 Commonwealth for ratification vote in the next regular general election.

Date: May 23, 2005

Introduced By: /s/ Rep. Joseph P. Deleon Guerrero
/s/ Rep. Heinz S. Hofschneider
/s/ Rep. Arnold I. Palacios
/s/ Rep. Ray Tebuteb
/s/ Rep. Jesus T. Attao
/s/ Rep. Benjamin B. Seman
/s/ Rep. Norman S. Palacios
/s/ Rep. Justo S. Quitugua

Reviewed for Legal Sufficiency by:

House Legal Counsel