



The Senate

NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

P.O. Box 129
Saipan, MP 96950

SEP. 24 1996

Honorable Froilan C. Tenorio
Governor
Commonwealth of the Northern Mariana Islands
Saipan, MP 96950

Dear Governor Tenorio:

I am pleased to transmit herewith a certified copy of Senate Legislative Initiative No. 10-4, entitled, "A Legislative Initiative to propose a constitutional amendment to pennit legislation allowing retirees to return to government service as classroom teachers and nurses without losing their retirement benefits. The Legislative Initiative passed the Senate on June 13, 1996 and the House of Representatives on September 17, 1996, Tenth Northern Marianas Commonwealth Legislature by the required three-fourths (3/4) vote of the members present and voting in each house.

Sincerely,

A handwritten signature in black ink, appearing to read "Nicolasa B. Borja".

Nicolasa B. Borja
Senate Clerk

Attachment

THE SENATE
TENTH NORTHERN MARIANAS COMMONWEALTH
LEGISLATURE

SECOND REGULAR SESSION, 1996

SENATE LEGISLATIVE INITIATIVE NO. 10-4

A LEGISLATIVE INITIATIVE

To propose a constitutional amendment to permit legislation allowing retirees to return to government service as classroom teachers and nurses without losing their retirement benefits.

Offered by Senator(s): Juan P. Tenorio and Thomas P. Villagomez

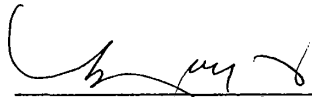
DATE: June 5, 1996

SENATE ACTION

Standing Committee Report No.: None
Second and Final Reading: June 13, 1996

HOUSE ACTION

Standing Committee Report No.: None
First and Final Reading: September 17, 1996



NICOLASA B. BORJA
SENATE CLERK

Recd 9/24/96

THIRD SPECIAL SESSION, 1996

A LEGISLATIVE INITIATIVE

To propose a constitutional amendment to permit legislation allowing retirees to return to government service as classroom teachers and nurses without losing their retirement benefits.

BE IT ENACTED BY THE TENTH NORTHERN MARIANAS
COMMONWEALTH LEGISLATURE:

1 Section 1. Findings. The Legislature finds that the number of classroom
2 teachers, doctors, nurses, and other medical professionals is insufficient to meet the
3 demands of the Commonwealth. The Legislature further finds that there are local
4 retirees who could fill these positions who are reluctant to do so because government
5 reemployment would terminate their retirement benefits. The Legislature cannot
6 provide for the utilization of this labor source due to the Constitutional prohibition
7 against reemployment without loss of retirement benefits. The purpose of the
8 ammendment is to allow legislation to help reduce reliance on nonresident labor to fill
9 these positions by encouraging qualified retirees to seek employment as classroom
10 teachers, doctors, nurses, and other medical professionals without losing their
11 retirement benefits.

12 Currently retirees can be reemployed by the Commonwealth government if
13 they are willing to forego their retirement benefits during the period of reemployment.
14 This amounts to a 100% penalty on reemployment, a situation which would be
15 attractive only if the pay to be earned from reemployment were very significantly
16 greater than the retirement benefits. Under this amendment, retirees would lose only
17 the amount of their contribution to the retirement fund during the period of
18 reemployment. In other words, to the retiree, the price of reemployment would be
19 only 6.5% (for Class I members) or 9% (for Class II members) of the salary recieved

1 from reemployment. This is a reasonable price to pay for the privilege of double-
2 dipping.

3 Section 2. Legislative Initiative. The Tenth Northern Marianas
4 Commonwealth Legislature, by the affirmative vote of three-fourths of the members
5 of each house present and voting, hereby proposes the following amendment to the
6 Constitution to be placed before the people for ratification:

7 "A PROPOSED CONSTITUTIONAL AMENDMENT

8 To amend Article III, Section 20 of the Commonwealth
9 Constitution to permit legislation allowing retirees to reenter
10 the work force as classroom teachers, doctors, nurses, and other
11 medical professionals without losing their retirement benefits
12 and to help reduce reliance on nonresident labor to fill these
13 positions.

14 I. Article III, Section 20 is amended to read:

15 "Section 20. Retirement System.

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

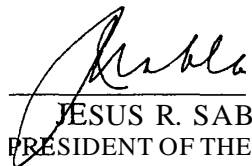
32 Section 2. Adoption and Transmittal. The President of the Senate and the
33 Speaker of the House shall certify, and the Clerks of the Senate and House shall attest

SENATE LEGISLATIVE
INITIATIVE NO. 10-4


1 to the adoption of this Legislative Initiative. The Senate Clerk shall then cause the
2 Initiative to be transmitted to the Governor and the Board of Elections with
3 instructions that the Board place it before the people of the Commonwealth for a
4 ratification vote, in conformance with Article XVIII, Section 5 of the Commonwealth
5 Constitution and 1 CMC § 6432.

PASSED BY THE SENATE ON JUNE 13, 1996 AND THE HOUSE OF
REPRESENTATIVES ON SEPTEMBER 17, 1996 BY THE AFFIRMATIVE
VOTE OF THREE-FOURTHS (3/4) OF THE MEMBERS OF EACH HOUSE
PRESENT AND VOTING.

CERTIFIED BY:

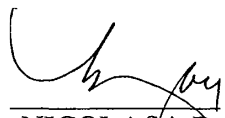


JESUS R. SABLAN
PRESIDENT OF THE SENATE




DIEGO T. BENAVENTE
SPEAKER
HOUSE OF REPRESENTATIVES

ATTESTED TO BY:



NICOLASA B. BORJA
SENATE CLERK



EVELYN C. FLEMING
HOUSE CLERK

RATIFIED ON 11/1/97