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 permit 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,

[Signature]
Nicolasa B. Borja
Senate Clerk

Attachment
THE SENATE
TENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
SECOND REGULAR SESSION, 1996

SENATE LEGISLATIVE INITIATIVE NO. 10-4

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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.
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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
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:

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

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

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

"A PROPOSED CONSTITUTIONAL AMENDMENT

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

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

"Section 20. Retirement System.

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

Section 2. **Adoption and Transmittal.** The President of the Senate and the Speaker of the House shall certify, and the Clerks of the Senate and House shall attest
to the adoption of this Legislative Initiative. The Senate Clerk shall then cause the
Initiative to be transmitted to the Governor and the Board of Elections with
instructions that the Board place it before the people of the Commonwealth for a
ratification vote, in conformance with Article XVIII, Section 5 of the Commonwealth
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:

[Signatures]

JESUS R. SABLÁN
PRESIDENT OF THE SENATE

[Signatures]

DIGGO T. BENAVENTE
SPEAKER
HOUSE OF REPRESENTATIVES

ATTESTED TO BY:

[Signatures]

NICOLÁS B. BORJA
SENATE CLERK

[Signatures]

EVELYN C. FLEMING
HOUSE CLERK

RATIFIED ON 11/1/97