

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0095-22\_

SPONSOR: Jamie Henio

**TITLE: An Act Relating to the Budget and Finance Committee; Approving the Fiscal Year 2023 Fringe Rates for the Navajo Nation's Retirement Plan**

*Date posted:* May 10, 2022 at 6:21 PM

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**SUMMARY OF PROPOSED LEGISLATION**

**LEGISLATIVE SUMMARY SHEET**

Tracking No. 0095-22

Date: May 9, 2022

Re: **AN ACT RELATING TO THE BUDGET AND FINANCE COMMITTEE;  
APPROVING THE FISCAL YEAR 2023 FRINGE RATES FOR THE  
NAVAJO NATION'S RETIREMENT PLAN**

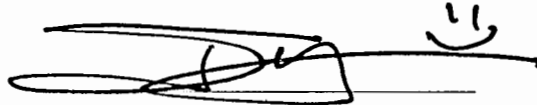
**Purpose of this Legislation:**

to approve the fringe benefit rates for the Navajo Nation's Retirement Plan for Fiscal Year 2023.

OLC No. 22-136-1

1 PROPOSED STANDING COMMITTEE RESOLUTION  
2 24<sup>th</sup> NAVAJO NATION COUNCIL - Fourth Year, 2022

3 Introduced by:

4   
5

6 (Sponsor)

7  
8 Tracking No. 0095-22

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10 AN ACT  
11 RELATING TO THE BUDGET AND FINANCE COMMITTEE;  
12 APPROVING THE FISCAL YEAR 2023 FRINGE RATES  
13 FOR THE NAVAJO NATION'S RETIREMENT PLAN  
14

15 SECTION ONE. AUTHORITY

16 A. The Navajo Nation established the Budget and Finance Committee as a standing committee  
17 of the Navajo Nation Council. As such, the Committee is empowered to promulgate policies  
18 and regulations concerning wages, expenditure reimbursement, and fringe benefits for  
19 Navajo Nation officials and employees. 2 N.N.C. §164(A)(9), §300(A), and §301(B)(8).

20 B. The Budget and Finance Committee, under the authority delegated in Resolution No. CF-21-  
21 73, established the Retirement Plan for Employees of the Navajo Tribe and Certain Tribal  
22 Affiliates (the "Retirement Plan") effective July 1, 1973. See Resolution No. BFMY-41-73.

23 C. The Navajo Nation Council, the Budget and Finance Committee, and the Health, Education,  
24 and Human Services Committee have since approved various amendments and restatements  
25 of the Retirement Plan through Resolutions Nos. BFMA-56-74, BFMY-198-77, CMY-26-  
26 79, BFJY-101-85, BFJN-71-86, BFS-56-90, BFMY-25-91, BFS-98-02, BFMA-34-03,  
27 BFMA-05-08, BFCO-16-09, HSCD-13-10, BFJY-16-19, and BFO-34-19, and BFN-37-20.  
28

29 SECTION TWO. FINDINGS

30 A. Pursuant to Article 11.02 of the Retirement Plan, the Retirement Plan Administration

1 Committee has the authority to administer the Retirement Plan, to construe and apply all of  
2 the Retirement Plan provisions, and to arrange for such legal, administrative, consulting,  
3 actuarial, investment, accounting, and other professional services related to the Retirement  
4 Plan, as the Administration Committee deems proper.

5 B. On March 11, 2022, the Administration Committee's actuarial consultant presented an initial  
6 report, followed by an updated report on March 23, 2022 outlining the proposed FY 2023  
7 Retirement Fringe Rates for Regular Employees and Council Delegates, Commissioned Law  
8 Enforcement Officers, and Judges.

9 C. In Resolution No. RPAC-02-22 the Administration Committee approved the use of a 15-year  
10 amortization period to calculate the FY 2023 Retirement Fringe Rates for Regular Employees  
11 and Council Delegates, Commissioned Law Enforcement Officers, and Judges, and also  
12 recommended that based on use of a six point four percent (6.4%) discount rate, the FY 2023  
13 Retirement Fringe Rates should be set as follows: fourteen point five percent (14.5%) for  
14 Regular Employees and Council Delegates; eighteen point five percent (18.5%) for  
15 Commissioned Law Enforcement Officers; and forty-four point five percent (44.5%) for  
16 Judges.

17 D. Resolution No. RPAC-02-22 is attached hereto as **EXHIBIT 1**, and the consultant's report  
18 dated March 23, 2022, is attached as **Sub-Exhibit A**.

19 E. The Administration Committee balanced budgetary considerations, recent investment market  
20 volatility, and the need to maintain the funded status of the Retirement Plan.

21 F. The Budget and Finance Committee, pursuant to its authority under 2 N.N.C. §164(A)(9),  
22 §300(A), and §301(B)(8), finds it in the best interest of the Navajo Nation to approve the  
23 recommendations of the Retirement Plan Administration Committee.  
24

### 25 **SECTION THREE. APPROVAL**

26 For the Navajo Nation's Retirement Plan, the Budget and Finance Committee hereby approves  
27 the use of a 15-year amortization period, a six point four percent (6.4%) discount rate, and  
28 retirement fringe rates for FY 2023, as follows: fourteen point five percent (14.5%) for Regular  
29 Employees and Council Delegates; eighteen point five percent (18.5%) for Commissioned Law  
30 Enforcement Officers; and forty-four point five percent (44.5%) for Judges.

1 **SECTION FIVE. EFFECTIVE DATE**

2 This legislation shall become effective in accordance with 2 N.N.C. §301(B)(13).

3

4 **SECTION SIX. SAVING CLAUSE**

5 If any provision of this legislation is determined invalid by the Supreme Court of the Navajo  
6 Nation, or by a Navajo Nation District Court without appeal to the Navajo Nation Supreme  
7 Court, the remainder of this legislation shall be the law of the Navajo Nation.

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