

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0090-24_

SPONSOR: Shaandiin Parrish

TITLE: An Action Relating to the Budget and Finance Committee; Approving the Fiscal Year 2025 Fringe Benefit Rates for the Navajo Nation Retirement Plan

Date posted: April 23, 2024 at 6:04PM

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SUMMARY OF PROPOSED LEGISLATION

Tracking No. 0090-24

DATE: April 23, 2024

**RE: AN ACTION RELATING TO THE BUDGET AND FINANCE COMMITTEE;
APPROVING THE FISCAL YEAR 2025 FRINGE BENEFIT RATES FOR
THE NAVAJO NATION RETIREMENT PLAN**

PURPOSE OF THIS LEGISLATION:

to approve the FY2025 fringe benefit rates for the Navajo Nation Retirement Plan, as recommended by the Navajo Nation's Retirement Plan Administration Committee.

FINAL AUTHORITY and VOTE REQUIREMENT:

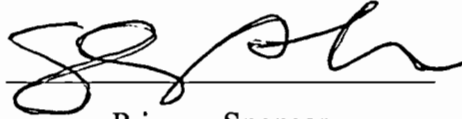
The Budget and Finance Committee has final authority. A simple majority vote of the Committee is required to approve the resolution.

OLC No. 24-238-1

5-DAY BILL HOLD PERIOD 522
Website Posting Time/Date _____
Posting End Date: 04-28-24
Eligible for Action: 04-29-24

1 PROPOSED STANDING COMMITTEE RESOLUTION
2 25th NAVAJO NATION COUNCIL - Second Year, 2024

3 Introduced by:

4 

5 Primary Sponsor

6 Tracking No. 0090-24

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10 AN ACTION
11 RELATING TO THE BUDGET AND FINANCE COMMITTEE;
12 APPROVING THE FISCAL YEAR 2025 FRINGE BENEFIT
13 RATES FOR THE NAVAJO NATION RETIREMENT PLAN
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15 BE IT ENACTED:

16
17 SECTION ONE. AUTHORITY

18 A. The Budget & Finance Committee ("BFC") is a standing committee of the Navajo Nation
19 Council that is authorized to approve policies and regulations regarding wages, expenditure
20 reimbursements, and fringe benefits for Navajo Nation officials and employees. 2 N.N.C.
21 §164(A)(9), §300(A), §301(B)(8).

22 B. Pursuant to its authority delegated by the Council in Resolution No. CF-21-73, BFC in
23 Resolution No. BFMY-41-73 first approved the Retirement Plan for Employees of the Navajo
24 Tribe and Certain Tribal Affiliates ("Retirement Plan"). The Retirement Plan originally
25 became effective July 1, 1973.

26 C. BFC, the Health, Education & Human Services Committee, and the Council have since
27 approved various amendments and restatements of the Retirement Plan, via Resolutions Nos.
28 BFMA-56-74, BFMY-198-77, CMY-26-79, BFJY-101-85, BFJN-71-86, BFS-56-90,
29 BFMY-25-91, BFS-98-02, BFMA-34-03, BFMA-05-08, BFCO-16-09, HSCD-13-10, BFJY-
30 16-19, and BFO-34-19, BFMY-13-21, and BFD-46-22.

1 **SECTION TWO. FINDINGS**

2 A. Pursuant to Article 11.02 of the Retirement Plan, the Retirement Plan Administration
3 Committee (“RPAC”) manages and administers the Retirement Plan. To assist the RPAC in
4 its functions, the RPAC arranges for necessary and appropriate legal, actuarial, investment,
5 accounting, and other professionals to provide the RPAC with consultant services.

6 B. On March 15, 2024, the RPAC’s consultant presented a report describing its proposed Fiscal
7 Year 2025 fringe benefit rates for the Retirement Plan, which rates would apply to Regular
8 Employees, Council Delegates, Commissioned Law Enforcement Officers, and Judges, of the
9 Navajo Nation. A copy of the RPAC consultant’s report is attached hereto as **EXHIBIT B**
10 **(Sub-Exhibit 1)**.

11 C. In Resolution No. RPAC-01-24 the RPAC approved the use of a 20-year amortization period
12 in calculating the FY2025 retirement fringe benefit rates, based on budget concerns resulting
13 from diminishing Navajo Nation revenues, recent investment market volatility and projected
14 financial headwinds, and on the need to maintain the funded status of the Retirement Plan.
15 Based on the use of a 20-year amortization period and a 6.4% discount rate, the RPAC
16 recommends that the FY2025 retirement fringe benefit rates be set as follows:

- 17 14.2% for Regular Employees and Council Delegates;
- 18 14.5% for Commissioned Law Enforcement Officers; and
- 19 32.5% for Judges.

20 A copy of Resolution No. RPAC-01-24 is attached hereto as **EXHIBIT A**.

21 D. Pursuant to its authorities under 2 N.N.C. §164(A)(9), §300(A), and §301(B)(8), BFC finds
22 it in the Navajo Nation’s best interest to accept and approve the above recommendations from
23 the RPAC regarding the FY2025 retirement fringe benefit rates, as shown in RPAC-01-24.
24

25 **SECTION THREE. APPROVAL**

26 For the Retirement Plan for Employees of the Navajo Tribe and Certain Tribal Affiliates, the
27 Budget and Finance Committee of the Navajo Nation Council hereby approves the
28 recommendations of the Retirement Plan Administration Committee, as described and set forth
29 in Resolution No. RPAC-01-24, attached as **EXHIBIT A**, which recommendations regarding
30 the FY2025 retirement fringe benefit rates include the use of a 20-year amortization period, a

1 6.4% discount rate, and the following retirement fringe benefit rates to be included in the Navajo
2 Nation's Comprehensive Budget for FY2024:

3 14.2% for Regular Employees and Council Delegates;

4 14.5% for Commissioned Law Enforcement Officers; and

5 32.5% for Judges.
6

7 **SECTION FOUR. EFFECTIVE DATE**

8 This Action shall become effective in accordance with 2 N.N.C. §301(B)(13).
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10 **SECTION FIVE. SAVING CLAUSE**

11 If any provision of this Action is determined invalid by the Supreme Court of the Navajo Nation,
12 or by a Navajo Nation District Court without appeal to the Navajo Nation Supreme Court, the
13 remainder of this Action shall be the law of the Navajo Nation.
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