

Perspectives

FOR RETIRED
MEMBERS
OF THE
NORTH DAKOTA
PUBLIC
EMPLOYEES
RETIREMENT
SYSTEM

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This newsletter is published by the North Dakota Public Employees Retirement System
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discovernd.com/ndpers

Board Members:

Jon Strinden
Chairman
Sandi Tabor

Attorney General Appointee

Dr. Terry L. Dwelle
State Health Officer

Members Elected:

Rosey Sand, Howard G. Sage,
David Gunkel, Weldee Baetsch
Sparb Collins
Executive Director
Kathy M. Allen
Editor

PERS Board Election

The term of Retirement Board member Weldee Baetsch expires on June 30, 2004. Mr. Baetsch is the representative for the retired members of the North Dakota Public Employees Retirement System (NDPERS). NDPERS is required to give notification of the vacancy and election process to all retired employees. The Board acts as the administrating body to manage the Public Employees Retirement System, Judges Retirement System, Highway Patrol Retirement System, North Dakota National Guard/Law Enforcement Retirement System the Uniform Group Insurance Program, Section 457 Deferred Compensation Plan, Prefunded Retiree Health Program, and the Section 125 FlexComp Program for public employees. In addition, three of the elected members are selected by the board to serve on the State Investment Board.

The Board consists of seven members. The chairman is appointed by the governor. Three members are elected by the active membership, one member is elected by the retired membership, there is an attorney general appointee, and one member is the state health officer. The board meets once a month in Bismarck with the meetings generally lasting four to five hours. Board members are paid \$62.50 per meeting.

Any person who is receiving a retirement benefit as of July 1, 2004 or who is eligible to receive a deferred vested retirement benefit, may become a candidate for the retiree member to the Board.

An eligible individual must obtain the signatures of 25 members who either are receiving retirement benefits or are eligible to receive deferred vested benefits as determined by the NDPERS retirement membership role. Nomination petitions are available from the NDPERS office at 400 East Broadway, Suite 505, Bismarck, ND. You may request this information in writing, by phone or through our e-mail address at ndpers@state.nd.us. The deadline to submit petitions is 4 p.m., Friday, May 7, 2004. Election ballots will be mailed to active members the week of June 1, 2004. Ballots must be returned no later than the close of business on Friday, June 18, 2004. Election returns will be tabulated on Monday, June 21, 2004.

If you have any questions about the election, please call the NDPERS office at 701-328-3918 or toll free at 1-800-803-7377 if you are outside the Bismarck-Mandan calling area



SURVEY RESULTS...

How would you prefer to receive your PERSpectives newsletter?

In the last issue of this newsletter, we included a survey providing you with options on how you would prefer to receive your issue. The response rate was very low but the majority of those votes indicated a preference to receive the newsletter at the home address. Therefore, we will continue to distribute the newsletter by mailing as we have done in the past. Thanks to all of you that took the time to respond to our survey.



Reporting a Death to NDPERS

NDPERS must be notified *as soon as possible* about the death of a NDPERS retiree, spouse, or dependent. Once NDPERS is informed, a Benefit Programs Administrator will contact the beneficiary(ies) on record and assist you/them through each step of the process to determine if any benefits are payable.

When you call, PERS will need the following information:

1. The deceased person's name and Social Security Number,
2. Date of death, and
3. Name, address, and telephone number of the contact person.

It is important to report a death promptly. If a delay occurs and additional benefit payments are issued by NDPERS to a deceased retiree, the overpayment must be repaid from the estate of the deceased person. This could cause an unnecessary financial hardship for a survivor. In cases of death of a spouse or dependent, the death may impact a retiree's benefit payment and/or group insurance premium(s).

To report a death, you can call NDPERS at: (701) 328-3900 or 1-800-803-7377

Or write to NDPERS at:
 ND Public Employees
 Retirement System
 PO Box 1657
 Bismarck ND 58502-1657

Please keep this information with your personal records and/or provide a copy to your attorney, beneficiary, or any other individuals that may be appointed to handle your affairs.

Who Should You Call?

The NDPERS office receives hundreds of phone calls each day from our members and fortunately most of the questions can be answered by our staff. However, the following directory will assist you in determining who to call in the following circumstances to ensure you receive prompt service:

- Health insurance claim or coverage questions: BCBS service unit at 1-800-223-1704 or 282-1400 for Fargo area members. The North Dakota Relay Service toll-free number is 1-800-366-6888
- Health ID Card: Same as above
- Dental insurance claim or coverage questions: ING Reliastar Life Insurance Company at (877) 527-6173
- Dental or vision ID cards: contact NDPERS.

- Vision insurance claim or coverage questions: Ameritas Life Insurance Corp at (800) 255-4931

- Status of an application or premium payment: NDPERS at 701-328-3900 or toll free at 1-800-803-7377

- Premium rate for a change in coverage level: Same as above.

- Missing pension check: If you do not receive your check by the 10th business day of the month, contact NDPERS at the above number. Please be advised that we cannot take any action until after the specified time period has elapsed.

- Change of address: We cannot take requests for change of address over the phone or by e-mail. Please make your requests in writing to NDPERS, PO Box 1657, Bismarck, ND 58502 or fax the NDPERS office at (701) 328-3920.

NDPERS Sends Out Requests for Proposals for Consulting, Recordkeeping and Investment Services

NDPERS sent out Requests for Proposals as part of its due diligence to insure the best value and services for the following plans:

Deferred Compensation and Defined Contribution Plans

Provider services for the 457 Deferred Compensation Companion Plan and the 401(a) Defined Contribution Plan were put out to bid in December of 2003. The current providers are VALIC and Fidelity, respectively. Bids were due January 15, 2004. Deloitte and Touche, the consultant retained to assist us with this process, provided the Board with the analysis and its recommendations at the January and February meetings. Four companies were invited to meet with the Board for interviews in March:

- Amvescap
- CitiStreet
- Fidelity
- VALIC

The Board will award the contract for services in March.

Uniform Group Insurance Plans

Consulting services for the Uniform Group Insurance Plans were sent out in January, 2004. The current consultant is Deloitte & Touche. Bids were due February 23, 2004. The PERS Board will award the contract for services by April 1, 2004.

Defined Benefit Hybrid and 401(a) Defined Contribution plan, 457 Deferred Compensation Plan, and Retiree Health insurance Credit Program

Consulting services for the above plans were sent out in December, 2003. The current consultant for these plans is The Segal Company. Bids were due January 14, 2004. The PERS Board reviewed the RFP responses at its February 19 meeting. The following companies were invited to meet with the Board in March for interviews:

- Gabriel, Roeder, Smith & Company (GRS)
- Mellon
- The Segal Company

The Board will award the contract for services by April 1, 2004.

Medicare Approved Prescription Discount Card

The new Medicare bill signed by the president in December includes a Medicare approved prescription drug discount card. Below is a summary of the card provisions:

- Not the full Medicare drug benefit
- Medicare Approved Discount Card is temporary
 - Begins June 1, 2004;
 - Ends December 31, 2005
 - Initial enrollment begins May 1, 2004
 - First effective date is June 1, 2004
 - All cards terminate on December 31, 2005
- Must be enrolled in Medicare Part A or Part B or both to purchase a card
- Annual enrollment fee of no more than \$30
- Only 1 card may be purchased
- Approved cards will carry a MEDICARE APPROVED seal
- Each card will have its own list of approved drugs
- Cards available only from Medicare approved sponsors
- A new card/card sponsor may be chosen for calendar year 2005
- Persons on Medicaid not eligible for Medicare approved drug card (unless in Medicaid spend-down)
- Persons with income less than 135% of federal poverty level (\$12,569 for a single; \$16,862 for a couple) MAY be eligible for:
 - \$600/year credit toward the cost of prescription drugs
 - Reduced co-insurance payments
 - No annual enrollment fee
- Generally, persons receiving outpatient drug coverage through Medicaid, TRICARE, FEHBP or group health insurance (such as NDPERS) will not qualify for the \$600 per year credit
- Those above 135% of federal poverty level receive 10% to 15% (estimated) price reduction on drugs on the card's list of approved drugs
- Syringes and medical supplies associated with insulin are included

If you have questions please call Senior Health Insurance Counseling 328-2440 (1-800-247-0560).

New and Improved Medicare Preventive Benefits Start in 2005

New Preventive Benefits will be covered, including:

- A one-time initial wellness physical exam within 6 months of the day you first enroll in Medicare Part B.
 - Screening blood tests for early detection of cardiovascular (heart) diseases.
 - Diabetes screening tests for people with Medicare at risk of getting diabetes.
- These benefits add to the preventive services that Medicare already covers, such as cancer screenings, bone mass measurements and vaccinations.

Prescription Drug Benefits will be added to Medicare in 2006. All people with Medicare will be able to enroll in plans that cover prescription drugs. Plans might vary, but in general, this is how they will work:

- You will choose a prescription drug plan and pay a premium of about \$35 per month.
- You will pay the first \$250 (called a "deductible").
- Medicare then will pay 75% of costs between \$250 and \$2,250 in drug spending. You will pay only 25% of these costs.
- You will pay 100% of the drug costs above \$2,250 until you reach \$3,600 in out-of-pocket spending.
- Medicare will pay about 95% of the costs after you have spent \$3,600.

Some prescription drug plans may have additional options to help you pay the out-of-pocket expenses.

Extra Help Will be Available for people with low incomes and limited assets. Most significantly, people with Medicare in the greatest need, who have incomes below a certain limit won't have to pay the premiums or deductible for prescription drugs. The income limits will be set in 2005. If you qualify, you will only pay a small co-payment for each prescription you need. Other people with low incomes and limited assets will get help paying the premiums and deductible. The amount they pay for each prescription will be limited.

For the latest information about Medicare, visit www.medicare.gov or call 1-800-MEDICARE (1-800-633-4227). TYY users should call 1-877-486-2048.

2004 Income Tax Withholding for Annuity Payments



Due to the Jobs and Growth Tax Relief Reconciliation Act of 2003, the Internal Revenue Service (IRS) issued new tax withholding tables that are to be used to calculate the federal income tax withholding for pension and annuity payments. The new federal tax tables went into effect with the July 1, 2003 benefit payments.

The July 1, 2003 federal tax withholding tables will remain in effect for the 2004 calendar year. Therefore, you will see no change in any federal income tax withholding you may be having deducted from your pension check.

If you wish to make a change to your current election, please complete and return a "Form W4-P Tax Withholding Certificate SFN 51506". You may obtain this form by either calling the NDPERS office at (701) 328-3900 or 1-800-803-7377 (outside the Bismarck/Mandan area) or from our website at www.discovernd.com/ndpers under Forms and Publications.

2004 Mailing Schedule

The following is the 2004 schedule when annuitant checks will be MAILED from the NDPERS office:

January 2	July 1
February 2	August 2
March 1	September 1
April 1	October 1
May 3	November 1
June 1	December 1

In the event you do not receive your annuity check by the 10th of the month, please report the missing check to the NDPERS Accountant by calling (701) 328-3914 or 1-800-803-7377 if calling outside the Bismarck/Mandan calling area. A "Stop Payment" will be placed on your check and a new one will be issued after the 10th. If the original check should arrive at your residence after a "Stop Payment" has been order, DO NOT cash the check – return it to the NDPERS office.

The articles and opinions in this publication are for general information only and are not intended to provide specific advice or recommendations for any individual. We suggest that you consult your attorney, accountant, financial or tax advisor with regard to your individual situation. This newsletter is available in alternate formats upon request. Printed on recycled paper.

Hundreds of NDPERS retirees enjoy the safety, convenience, and efficiency of having their monthly benefit payments automatically deposited into their bank account. By taking advantage of this convenient option, you can be assured that your pension will be electronically transmitted to your bank on the first business day of each month regardless of weather conditions.

You can sign up for Direct Deposit very easily. Request a "Direct Deposit Authorization for Annuitant Payments" from the NDPERS office by calling (701) 328-3900 or 1-800-803-7377 if calling outside the Bismarck/Mandan calling area. Or visit the website, www.discover.com/ndpers. Sorry, NDPERS CANNOT accept any other types of direct deposit forms. There are no service fees charged by the banks or NDPERS for this convenience.

2003 Comprehensive Annual Financial Report

NDPERS prepares a Comprehensive Annual Financial Report as of June 30 of each year. This report contains detailed financial, investment, actuarial and statistical information for the plans administered by NDPERS. You can view, download or print the report from the NDPERS website at www.discovernd.com/ndpers by selecting 'About NDPERS' under the General Information heading. You may also request a copy of the report by sending an email to khumann@state.nd.us or by calling the PERS office. If you have any questions on the report, contact Sharon Schiermeister.

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North Dakota Public Employees Retirement System



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