

Perspectives

FOR ACTIVE
MEMBERS
OF THE
NORTH DAKOTA
PUBLIC
EMPLOYEES
RETIREMENT
SYSTEM

SUMMER 2003 • VOLUME 26, NUMBER 3

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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

New Funds Now Available For Purchase of Service Credit

Effective August 1, 2003, the NDPERS Defined Benefit Plan can accept additional funds into the plan for the purpose of purchasing eligible service credit. Pursuant to IRS requirements, your funds must be certified by the financial institution as **pre-tax dollars** and must come from a 401(a), 401(k), 403(b), 457, traditional IRA, Federal Employee Retirement System Thrift Savings Plan, or a 401(c) Keogh plan whose deposits came only from a qualified 401(a) or (k).

For more information about the provisions of purchasing service credit, please refer to the NDPERS website at www.discovernd.com/ndpers/news.

To request a cost calculation for eligible service, the NDPERS Request for Purchase Information SFN 53718 must be completed and submitted to NDPERS. This form is also available on the NDPERS website. Phone requests for cost calculations will not be accepted.

The PERSpectives staff requests your opinion!

We would like to find out how you would prefer to receive your PERSpectives newsletter. There are three options from which to choose:

1. Continue to receive your newsletter by mail at your home address,
2. Be notified when the newsletter is available on the NDPERS website for online viewing or downloading, or
3. None.

(See page 2 for your opportunity to choose...)

Howard Sage Re-Elected

Howard Sage was elected to another five-year term on the NDPERS Retirement Board. His term is effective July 1, 2003 and ends June 30, 2008. Howard is employed by the Department of Commerce. The following is a recap of the election results:

NAME	NUMBER OF VOTES	
Howard Sage	1,885	
Invalid Ballots	10	
Write-In Ballots	7	
Received after Deadline	40	
TOTALS	1,885	1,942



Howard Sage

A New Look for the NDPERS Website



www.discovernd.com/ndpers

Our web site has a new look. If you haven't visited it recently, please take time to familiarize yourself with it. It has many improvements to assist you in learning about your benefits. Review the menu on the left side of our Home Page. You can click on any of these topic areas to obtain information about NDPERS and the programs it administers. You will find summary plan descriptions (SPDs), provider directories, program highlights, benefit schedules, forms, and publications as well as NDPERS current events and links to the sites of various vendors that provide services to PERS.

Distribution of Summary Plan Descriptions

Because the SPDs for the PERS benefit programs can be accessed on our web site, we will no longer be mailing these documents to our members. This includes the following programs:

- NDPERS Retirement Plan
- Highway Patrol Retirement Plan
- Judge's Retirement Plan
- Guard's Retirement Plan
- Deferred Compensation Plan
- Group Life Plan
- Group Dental Plan
- Group Vision Plan
- FlexComp Plan

Should you require a hard copy, it will be necessary to make your request to this office. BCBSND will still be mailing out the Certificate of Insurance SPD to all enrolled subscribers.

The PERSpectives staff requests your opinion!

Continued from cover story...

If you choose option 1, you will continue to receive the newsletter as in the past. Option 2 will remove your name from our mailing list and add it to a list of e-mail addresses to receive an announcement as each newsletter becomes available on the website. With option 3, your name will not be included on any mailing or e-mail distribution list. However, current and previous editions of *PERSpectives* can be viewed on the NDPERS website at any time.

To make your selection, please complete the *PERSpectives* Options ballot below

and send it to the NDPERS office. A copy of the ballot, which can be printed, filled out and sent to the NDPERS office, is also available on the NDPERS website at www.discovernd.com/ndpers under "NDPERS NEWS." Only completed ballots will ensure your name remains on the postal mailing list. You can change your mind at any time by notifying the NDPERS office in writing or by sending an e-mail to www.ndpers@state.us.nd. We will distribute the newsletter based on the preferences on file at the time of each new issue. We hope this will better serve our valued members.

View Our Web Cast

We now have a web cast production available for your viewing. The topic is the group health plan and it covers the following subjects:

- Eligibility
- PPO vs. EPO Coverage
- Definitions
- Plan of Benefits for 2003-2005 Biennium
- Wellness & Preventive Benefits
- Other Plan Features

The presentation is narrated and is 15 minutes long. Please take time to view this web cast. You can find it at www.discovernd.com/ndpers. Click on "NDPERS Health Coverage 7/1/03 thru 6/30/05."

North Dakota Public Employees Retirement System

PERSpective Options

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Legislation Expands Eligibility for Retirees in NDPERS Group Insurance Plan

Senate Bill 2176, passed during the 2003 state legislative session, allows retirees of certain political subdivisions to participate in the NDPERS Uniform Group Insurance Program. Effective August 1, 2003, political subdivision employees who are receiving or accept a retirement allowance from an employer that participates in the North Dakota Public Employee's Retirement System (PERS) Uniform Group Insurance program may be eligible to continue or start that coverage. To be eligible, the retiree must make the election within 31 days from any one of the following "qualifying events".

1. Date of retirement, defined as either your:
 - Last day of active employment if you do not defer your retirement benefit or take a lump-sum refund of your retirement account, or
 - Date of first retirement check if you defer your retirement benefit.
2. Your 65th birthday or eligibility for Medicare;
3. Your spouse's or eligible dependent's 65th birthday or eligibility for Medicare;
4. The loss of coverage in a health plan sponsored or provided by your employer or your spouse's employer, if you are covered through your spouse's employer group plan. This includes loss of cover-

age due to the death of, or divorce from a spouse as well as completion of COBRA continuation coverage.

5. Marriage
6. Birth, adoption, or appointment of children for legal guardianship.
7. When the political subdivision joins the group insurance plan if the retiree was a member of the former plan.

If the retiree or surviving spouse does not enroll within 31 days of any one of the above qualifying events, you will have forfeited your right to enroll in the plan in the future.

Each retiree or surviving spouse shall pay premiums directly to the PERS board. The PERS board may require documentation that the retiree has accepted a retirement allowance from an eligible employer sponsored retirement plan other than PERS. An employer-sponsored plan is typically created through the assistance of an intermediary. Eligible plans are defined as follows:

- 401(a) Plan
- 457 Deferred Compensation Plan
- 401(k) Plan
- 403(b) Plan

If you have further questions about these provisions, please contact the Public Employees Retirement System.

New PPO & EPO Directories

BCBS will no longer be mailing the provider directories to your home address. To view the directories you can visit the BCBS website at www.bcbsnd.com/cgi-bin/ntwksearch.cgi or request one by calling the number on the back of your ID card. Following are instructions for navigating the website:

EPO:

The website will bring you directly to the FIND A DOCTOR page. In the Health Plan space, click on the down arrow and select NDPERS EPO. Then in the Network Affiliation space click on the down arrow and select whatever network you are affiliated with and click on Search. This will bring up all the providers who are with that network. You can narrow the search by entering the city where you live or are looking for a doctor.

PPO:

The website will bring you directly to the FIND A DOCTOR page. In the Health Plan space, click on the down arrow and select NDPERS PPO. Then in the Network Affiliation space, click on the down arrow and select NDPERS PPO and click on Search. This will bring up all PPO providers. You can narrow the search by entering the city where you live or are looking for a doctor.

PERS Board Takes Action on Investment Funds

Invesco Dynamics and Strong Opportunity Funds Put on Review

At its June meeting, the PERS Board placed the Invesco Dynamics (FIDYX), Alger Small Cap (ALSRX), and the Strong Opportunity (SOPFX) funds under "formal fund review." All three funds are available to members of the 401(a) defined contribution plan and the Invesco and Strong Opportunity are available to members of the 457 deferred compensation Companion Plan. Based on our investment guidelines "formal fund review" means these funds are not meeting performance standards and policy objectives. The funds will continue to be available to members who are already in them, but will not be available to new participants.

The Board will continue to monitor these funds in the future.

Other Legislative Action

Bill No.	Status	Topic
SB 2033	Passed	Provides for the establishment of a new retirement plan for North Dakota Law Enforcement Officers.
HB1063 & 1064	Passed	Transfers the responsibility for the OASIS and Job Service Retirement Plans to PERS.
SB 2029	Passed	Requires that all mandates for covered services applied to group insurance plans in the state must be effective for the PERS plan beginning with the new biennium. PERS would study the effect of the mandate during the biennium and report its findings to the next legislative session.
HB 1247	Failed	Mandates health insurance coverage for outpatient hormone replacement therapy, contraceptives, infertility therapy, and osteoporosis treatment.
HB 1349	Failed	Mandates health insurance coverage for colorectal cancer screening.

10K-A-Day Wellness Program Walking Your Way to Good Health

Last fall, in conjunction with the Wellness Benefit Program, NDPERS introduced the 10K-A-Day program. It was offered through the Wellness Benefit Program (WBP) and was available to state agencies and participating political subdivisions in the state's group health plan. It was selected by the PERS Board as a way to encourage more employers to initiate and conduct onsite wellness programs for their employees. An application period was open from November 1 through December 15, 2003 and again from March 15 through May 1, 2003.

Due to the significant level of participation and continued interest in the program, the NDPERS Board approved to extend the program for the six month period beginning July 1, 2003 through December 31, 2003.

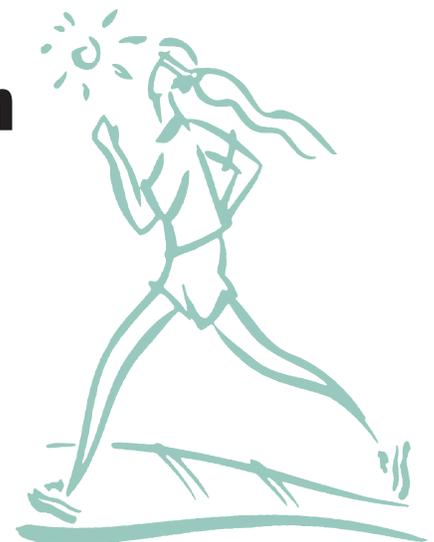
What is 10K-A-Day? It is an incentive program that helps motivate people to increase their physical activity through a step program.

How does 10K-A-Day work? Each participant will receive a pedometer and activity log to track the number of steps walked each day with the goal to gradually increase the steps per day over a 4-week period.

Why a pedometer? Pedometers provide immediate feedback, give meaning to walking, and promote intentional walking as part of a healthy lifestyle.

How does the program work? The agency/department contact person will receive a Coordinator Guide that contains the program materials you need to successfully implement the program at your work site. You will be required to conduct pre and post-program survey assessments. The kit will also include the pedometers.

How much funding is available? The Wellness Committee will determine the amount available to each employer based



on the size of your agency. You will be notified by the Committee of the benefit amount following approval of your application.

How do we apply for the program? Applications for the 10K-A-Day program will be accepted by the NDPERS office from July 1, 2003 through December 15, 2003. To obtain an application, please send your request to the PERS office either in writing or by e-mail to ndpers@state.nd.us. No telephone requests for an application will be accepted. We will continue to accept applications for other work site programs as well.

Health Plan Summary of Changes

Effective July 1, 2003

The following is a brief summary of your plan changes effective July 1, 2003:

Cost Sharing Amounts

The cost sharing amounts have been revised as follows:

Coinsurance Amounts

- BASIC Plan changed from 80% to 75% of allowed charge
- PPO Plan changed from 85% to 80 of allowed charge
- EPO Plan changed from 90% to 85% of allowed charge
- Non-formulary drug benefit is 50% of the allowed charge
- Diagnostic X-ray/ lab services are subject to the deductible and coinsurance. The copayment amount no longer applies.

Psychiatric and Substance Abuse Services

Inpatient

- Benefits for psychiatric and substance abuse services have been revised to allow a combined maximum benefit allowance of 45 days per member per benefit period. Preauthorization is required.

Substance Abuse Residential Treatment

- Benefits have been added for substance abuse residential treatment services. Benefits will be subject to a maximum benefit allowance of 60 days per member per benefit period. Preauthorization is required.

Transitional Care Units

Benefits are available for transitional care units. Preauthorization is required.

Long-Term Acute Care Facilities/Rehabilitation

Preauthorization is required for long-term acute care facilities and for an inpatient admission to a rehabilitation facility.

Network Provider Directory Listing

Language has been added advising members that Provider Directories are available by calling the number on the back of the ID card or by visiting the BCB-SND or NDPERS web sites. See related article on page 3.

If you have any questions, please call the number listed on the back of your insurance ID card.

Deferred Compensation Plan QDROs

Senate Bill 2058, passed by the 2003 legislative session, authorizes NDPERS to accept domestic relations orders. Therefore, effective August 1, 2003, the accounts in the NDPERS 457 Deferred Compensation Plan can be subject to distribution under a Qualified Domestic Relations Order (QDRO). A QDRO is any judgment, decree or order issued by the court which relates to the provision of child support, spousal support or marital property rights to a spouse, former spouse, child or other dependent of a participating member, made pursuant to a North Dakota domestic relations law, and which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to receive all or a part of the benefits payable to the participating member.

After a domestic relations order is deemed to be qualified, the alternate payee is required to take a lump sum payment of the allocated benefits within 120 days of the later of the board's acceptance of the qualified domestic relations order or the entry of the order by the court. The lump sum payment is taxable to the alternate payee.

Prior to beginning or constructing a domestic relations order, your attorney should contact the NDPERS office to obtain a copy of the QDRO requirements.

Legislative Council Study of NDPERS

The Legislative Council study of health insurance benefits recommended in SB 2015 has been selected as a 2003-04 interim study by the Legislative Employee Benefits Committee.

As approved, the study will include the public employee health insurance benefits, including options for providing health insurance for state employees, the availability of other health insurance plans, single versus family coverage, employee contributions, and unitization of premium rates for budgeting purposes. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

USERRA Employer Update Available on Website

There are special policies that apply to the administration of our retirement and group insurance benefits with regard to reservists that are called for active duty. We have prepared a memorandum regarding the administration of NDPERS benefits for these individuals. This memorandum is available at www.discovernd.com/ndpers under both "News" and "Employer" on the menu. Please reference this memorandum if you have any questions.

Remember to visit and browse our website at

discovernd.com/ndpers

for information about NDPERS and its programs and operations.

Who should you call?

The NDPERS office receives hundreds of phone calls each day from our membership and fortunately most of the questions can be answered by our staff. However, in the event you are calling about a health insurance claim or have coverage questions, please direct those calls to the Blue Cross Blue Shield service unit. BCBSND has 12 staff assigned to the NDPERS group that can assist you.

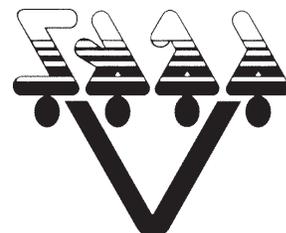
The next time you need assistance with your health insurance claims or have coverage questions – who should you call? BCBSND at 1-800-223-1704 or 282-1400 for Fargo area members and ask for the PERS Service Unit. The North Dakota Relay Service toll-free number is 1-800-366-6888.

When Visiting the NDPERS Office...

Please make an appointment before stopping by the NDPERS office. Although staff will accommodate walk-ins when possible, an appointment will ensure that someone is available to assist you at the time you arrive. An appointment also allows staff to prepare appropriate benefit information for your individual needs.

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.

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