

# Perspectives

FOR RETIRED  
MEMBERS  
OF THE  
NORTH DAKOTA  
PUBLIC  
EMPLOYEES  
RETIREMENT  
SYSTEM

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## IN THIS ISSUE...

- **Contribution Increases**
- **New Companion Plan & 401k(a) Defined Contribution Plan Provider**
- **Notice About the Early Retiree Reinsurance Program**
- **New Group Life Carrier**
- **Summary of Legislative Proposals**
- **Superior Vision Plan – Accessing Your Benefits**



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## Contribution Increases

Senate bill 2108 was passed by the 2011 legislature. The bill provides for both the employer and the employee contribution to be increased by 1% each for the Public Employees Retirement System, Judges Retirement System, Highway Patrol Retirement System and the Defined Contribution Retirement Plan effective January 2012 and again in January 2013.

As proposed, this bill sets forth a plan over a 4-year period that increases both employer and employee contributions by 4% each to address the funding challenge facing the PERS retirement plans as a result of the turmoil in the financial markets. For a full review of that challenge, please refer to the PERS Retirement Plan Financial Update articles in the fall 2009, spring 2010 and fall 2010 PERSpectives newsletters on the PERS web site at <http://www.nd.gov/ndpers/>

[forms-and-publications/perspectives-archive.html](http://www.nd.gov/ndpers/forms-and-publications/perspectives-archive.html).

Based on your monthly salary, the chart below shows the effect of the contribution increase as it applies to both employer and employee.

If you are a part-time or temporary employee and enrolled in the plan, your contribution will be the amount shown in the total column for the dates listed. If you are employed by a non-state governmental entity, your employer may elect to have the employee contribution paid on a pretax basis. If no election is made by the employer, contributions will be paid on an after tax basis. More detailed information will be provided to your employer in the upcoming months. State agencies will not be required to make an election.

Effective Dates	Employer Contribution	Employee Contribution	Total
7/1/11 – 12/31/11	4.12%	4%	8.12%
1/1/12 – 12/31/12	5.12%	5%	10.12%
1/1/13	6.12%	6%	12.12%

## New Companion Plan & 401(a) Defined Contribution Plan Provider

The NDPERS Board has selected TIAA-CREF as the new provider for the 457 Deferred Compensation Companion Plan and the 401(a) Defined Contribution Plan. This was the result of a Request for Proposal that was released earlier this year. The primary reason for the change is lower administrative fees and an increase in days allotted to counseling services for participants. The \$8 annual fee for the defined contribution plan and the \$30 annual fee for the deferred compensation program were eliminated and the number of days of on-site counseling services has been increased from 21 days to 180 days a year. PERS staff is currently working with TIAA-CREF for plan implementation and transition effective November 1, 2011. More information on this transition will be communicated to plan participants in September.

## Notice About the Early Retiree Reinsurance Program

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program (ERRP). The ERRP is a Federal program that was established under the Affordable Care Act. Under the ERRP, the Federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the ERRP, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants' premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the plan sponsor chooses to use the ERRP reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also use the ERRP reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families. NDPERS has decided to use these funds to offset future premium increases.

## New Group Life Carrier

The NDPERS Board has selected ING as the new carrier provider for the group life insurance plan. This was the result of a Request for Proposal that was released earlier this year. We transitioned to ING effective July 1, 2011. Following are the considerations that resulted in the Board's decision:

1. Basic life coverage for active employees increased from \$1,300 to \$3,500; this is an increase in the basic life benefit of 269%.
2. Reduced the employee and spouse rates an average of 18% and 26.5%, respectively.
3. Travel Assistance Benefits (domestic and international) to include:
  - Pre-trip Information:
    - Visa and passport requirements, immunization requirements, foreign exchange rates, embassy/consular referral, travel/tourist advisories, temperature and weather conditions and cultural information.
  - Emergency Personal Service (non medical):
    - Urgent message relay, interpretation/translation services, emergency travel arrangements, recovery of lost or stolen luggage or personal possessions and legal assistance and/or bail bond.
  - Medical Assistance Services:
    - Medical referrals, medical case monitoring, Rx assistance and arrangement and payment of emergency medical services up to \$10,000 with a written guarantee of reimbursement from eligible participant.
  - Emergency Transportation Services:
    - Visit of family member or friend, return of traveling companion, return of dependent children, return of vehicle and return of mortal remains.

You may contact ING Travel Assistance for the above services as follows:

In the U.S. toll free:	800.859.2821
Worldwide, Collect:	202.296.8355
Email:	ops@europassistance-usa.com
Web:	www.europassistance-usa.com

4. Funeral Planning and Concierge Services through Everest at no cost for employees, their spouse and children under age 25 to include:
  - Unlimited use of secure, online planning tools to include personalized reports that compare local funeral home prices nationwide.
  - Round-the-clock toll-free access to Everest advisors.
  - Concierge services to provide personal assistance including planning a funeral or memorial service and negotiating prices with funeral homes.

To access this benefit go to the Everest Enrollment site to create your personal user ID and profile at [www.everestfuneral.com/ing](http://www.everestfuneral.com/ing). If you do not have internet access, or would like further information or assistance, contact an Everest Service Advisor at 1-877-456-5050.

### What's New at NDPERS?

A lot! This is as a result of:

- Legislative changes
- Benefit program changes
- Administrative changes

NDPERS will have a video presentation available on our web site at [www.nd.gov/ndpers](http://www.nd.gov/ndpers) some time in late September to inform you of "What's New." We encourage you to view this presentation to get a detailed explanation of these changes.

# SUMMARY OF LEGISLATIVE PROPOSALS

The following summarizes the bills submitted for the 2011 legislative session.

Bill No./Sponsor	DESCRIPTION	Status/Committee Recommendation
SB 2108 NDPERS	<p>Increases employee and employer contributions equally for the Main, Highway Patrol, Judges and Defined Contribution plans:</p> <ul style="list-style-type: none"> <li>• 2% employee increase and 2% employer increase with a 1% increase January 1, 2012 and a 1% increase January 1, 2013.</li> </ul> <p>Increases employee contributions for the Law Enforcement plan:</p> <ul style="list-style-type: none"> <li>• 1% employee increase with a .5% increase January 1, 2012 and a .5% increase January 1, 2013.</li> </ul> <p>Increases the temporary employee contribution for the defined benefit and defined contribution plans:</p> <ul style="list-style-type: none"> <li>• 4% employee increase with a 2% increase January 1, 2012 and a 2% increase January 1, 2013.</li> </ul>	<i>Passed</i>
SB 2109 NDPERS	<p>Allows transfers from the PERS DC plan to TIAA/CREFF, eliminates the 60-month term certain option as a form of payment for surviving spouses in the Highway Patrol Retirement System (HPRS), updates the IRS compliance provisions, modifies the PERS board election process, removes the requirement for a member of the law enforcement plan to have three consecutive years of service immediately before retirement to three consecutive years of service and clarifies that any surviving beneficiary who dies before receiving a distribution of such account balance is treated as predeceasing the member.</p>	<i>Passed</i>
SB 2110 NDPERS	<p>Amends the North Dakota Century Code relating to the uniform group insurance program and allows:</p> <ul style="list-style-type: none"> <li>• Another lower cost coverage option for retired employees not eligible for Medicare,</li> <li>• The board to receive separate bids for prescription drug coverage,</li> <li>• The board to consider self-insurance of health insurance benefits as well as part or all of the prescription drug coverage.</li> </ul>	<i>Passed</i>
HB 1364 Rep. Carlson	<p>Creates a high deductible health plan (HDHP) with a health savings account for state employees.</p>	<i>Passed</i>



## Superior Vision Plan – Accessing Your Benefits

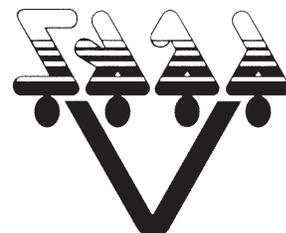
The Superior Vision Plan benefits are offered through a Preferred Provider Organization (PPO). They have “in-network” providers (contract) and “out-of-network” providers (no contract). The network is nationwide. Currently the network has 161 providers in North Dakota, including some border communities in Minnesota. You may locate a vision provider using the following access sites:

Go to [www.superiorvision.com](http://www.superiorvision.com) and click on “Locate a Provider” or go to [www.nd.gov/ndpers](http://www.nd.gov/ndpers) and click on “Active Members” from the menu and select “Vision Plan” and click on “Provider Network.” When you input your zip code, you will get a list of those providers within your location.

If you do not have internet services, you may contact Customer Service at 800.507.3800.

*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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