



DISABILITY RETIREMENT KIT
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
(Rev. 01-2012)

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www.nd.gov/ndpers

NOTE: PLEASE DO NOT DUPLEX WHEN PRINTING THIS KIT



This publication contains information, forms, and instructions necessary for a terminating employee to apply for disability retirement benefits and insurance under the Defined Benefit Plan. This publication is to be completed by BOTH the Employer and Employee.

This publication is intended to provide general information and may not be considered to be a legal interpretation of law. Statements contained in this publication do not supersede the North Dakota Century Code or Administrative Code or restrict the authority granted to the Retirement Board.

The information in this publication is subject to changes made by the North Dakota legislature, by the Board of the North Dakota Public Employees Retirement System (NDPERS), and its agents



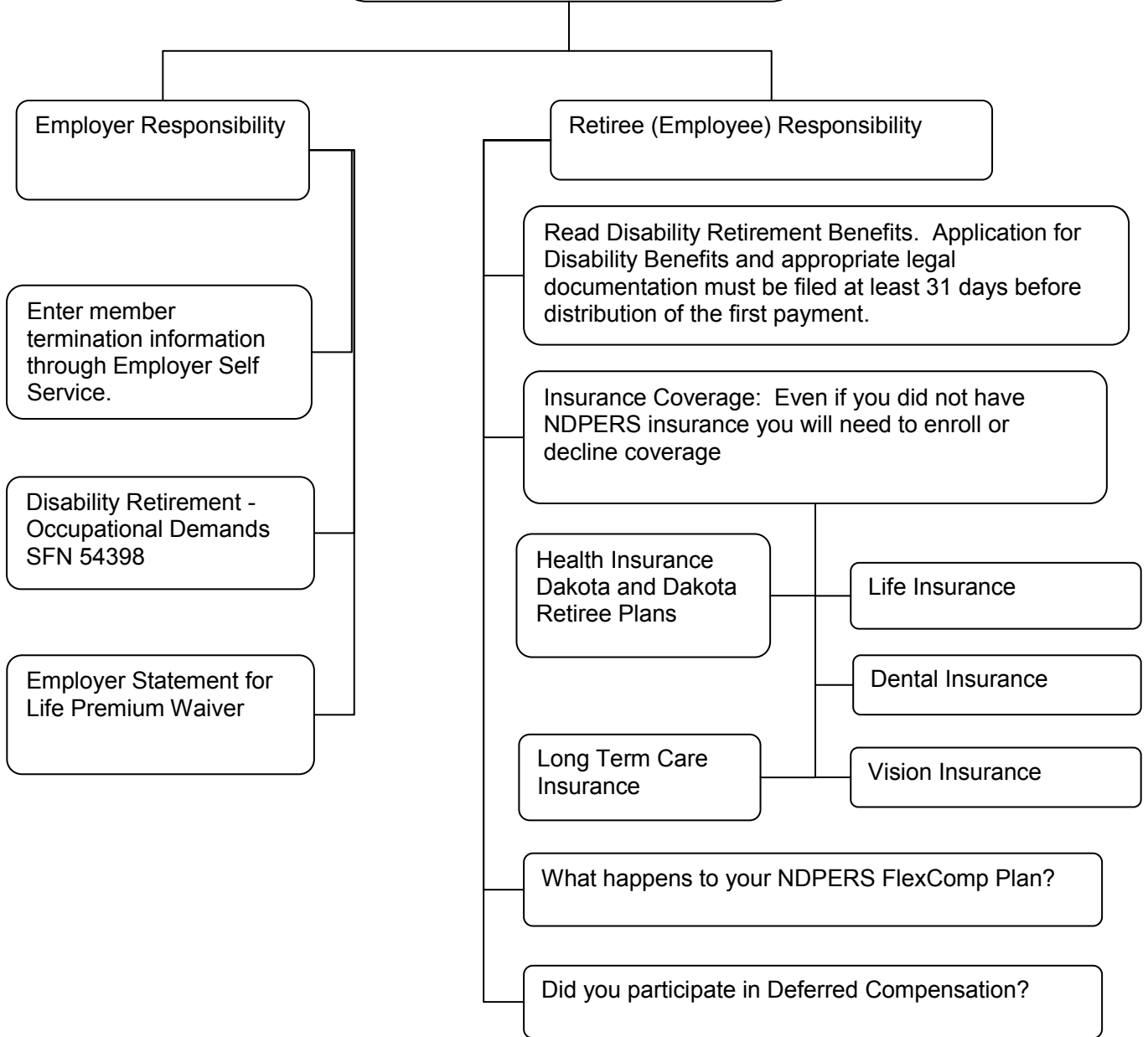
USE THE DISABILITY KIT IF:

- the member or member's employer contributed to the NDPERS Defined Benefit Plan or Defined Contribution Plan for at least six (6) months, and
- the disability occurred during a period of eligible employment, and
- the member is unable to work due to a medically determinable physical or mental impairment that has or is expected to last at least for a continuous period of 12 months or result in death, and
- the member is currently on your payroll or the member is within twelve (12) months of their termination date.

DISABILITY RETIREMENT KIT

Defined Benefit and Defined Contribution Members Only

Use this kit if you want to apply for disability retirement benefits



CHECKLIST



	FORM NAME	SFN #
<input type="checkbox"/>	ESTIMATED BENEFIT PAYMENT REQUEST	59058
<input type="checkbox"/>	APPLICATION FOR DISABILITY RETIREMENT BENEFITS	18000
<input type="checkbox"/>	DISABILITY RETIREMENT OCCUPATIONAL DEMANDS	54398
<input type="checkbox"/>	DISABILITY RETIREMENT ATTENDING PHYSICIAN'S STATEMENT OF DISABILITY	54399
<input type="checkbox"/>	LEGIBLE PHOTOCOPIES OF BIRTH CERTIFICATE, SPOUSE'S BIRTH CERTIFICATE & MARRIAGE CERTIFICATE	
<input type="checkbox"/>	DESIGNATION OF BENEFICIARY FOR THE GROUP RETIREMENT PLAN	2560
<input type="checkbox"/>	AUTHORIZATION FOR DIRECT DEPOSIT FOR ANNUITY PAYMENT	18379
<input type="checkbox"/>	WITHOLDING ALLOWANCE ELECTION FOR PENSION PAYMENTS	51506
<input type="checkbox"/>	RETIREE CONTINUATION OF GROUP HEALTH INSURANCE COVERAGE (COBRA)	53799
<input type="checkbox"/>	RETIREE GROUP HEALTH INSURANCE APPLICATION – NON MEDICARE	16277
<input type="checkbox"/>	RETIREE HEALTH INSURANCE WITH MEDICARE APPLICATION	59562
<input type="checkbox"/>	MEDICARE BLUE RX ENROLLMENT FORM	
<input type="checkbox"/>	RETIREE LIFE INSURANCE APPLICATION	53622
<input type="checkbox"/>	APPLICATION FOR CONVERSION OF GROUP LIFE INSURANCE	
<input type="checkbox"/>	AUTHORIZATION FOR RELEASE OF HEALTH RELATED INFORMATION	
<input type="checkbox"/>	WAIVER OF PREMIUM DISABILITY CLAIM	
<input type="checkbox"/>	ATTENDING PHYSICIAN STATEMENT OF DISABILITY- FOR WAIVER CLAIMS	
<input type="checkbox"/>	RETIREE VISION_DENTAL INSURANCE ENROLLMENT/CHANGE	53504
<input type="checkbox"/>	AUTHORIZATION FOR AUTOMATIC PREMIUM DEDUCTION	50134
<input type="checkbox"/>	UNUM ELECTION FOR PORTABLE COVERAGE	
<input type="checkbox"/>	CONTINUATION OF COVERAGE IN MEDICAL SPENDING ACCOUNT (COBRA)	53512
<input type="checkbox"/>		
<input type="checkbox"/>		
<input type="checkbox"/>		

DISABILITY RETIREMENT BENEFITS

Effective July 1, 2011- June 30, 2013

To be eligible for benefits listed on this sheet, you must terminate employment. The Administrative Code Chapter 71-02-01-01(24) states: "Termination of employment" means a severance of employment by not being on the payroll of a covered employer for a minimum of one month. Approved leave of absence does not constitute termination of employment.

DISABILITY RETIREMENT BENEFIT – WHAT IS IT?

For the Defined Benefit plan members, the disability retirement benefit is funded by your employer's contributions. The Plan provides a monthly benefit payment to eligible participants who are unable to engage in substantial gainful employment for an extended period of time. For Defined Contribution plan members, the disability benefit is funded by your member account balance.

WHO IS COVERED UNDER THE DISABILITY BENEFIT PLAN?

All participating members of the NDPERS Defined Benefit Plan or Defined Contribution Plan who have accumulated six (6) months of eligible service are covered under the disability retirement plan.

ELIGIBILITY REQUIREMENTS

To be eligible for NDPERS disability retirement benefits the following must apply:

- ❖ Your disability must have occurred during a period of eligible employment.
- ❖ You must be unable to engage in any substantial gainful activity due to a medically determinable physical or mental impairment expected to result in death or which will or has lasted for a continuous period of not less than twelve months.
- ❖ You must submit a "Disability Retirement Kit" to the NDPERS office within 12 (twelve) months of termination of employment.
- ❖ You must be determined to be disabled by the NDPERS' medical advisor, who is responsible for making disability eligibility determinations for the Board. In lieu of a review by the NDPERS' medical advisor, a member who qualifies for Social Security Disability benefits and submits a "Disability Retirement Kit" with a copy of the Social Security Notice of Award, may be deemed eligible for NDPERS disability benefits without requiring a determination from the medical advisor. The Social Security Notice of Award must provide proof that the member's disability was determined during his/her period of eligible employment.

HOW TO APPLY FOR DISABILITY BENEFITS

You may submit a “NDPERS Disability Retirement Kit” up to four (4) months prior to your date of termination. However, you must submit an application to NDPERS within 12 months of your termination date. You may obtain a “NDPERS Disability Retirement Kit” from your payroll office, the NDPERS office, or the NDPERS Website.

Defined contribution members must contact the Defined Contribution plan program administrator to receive an application. Defined Benefit plan members, who are at least 55 years of age and have a minimum of thirty-six (36) months of service credit, may also apply for early retirement benefits. This will allow NDPERS to pay you under Early Retirement provisions while your disability application is being processed. To apply for early retirement benefits, you must complete a “Retirement Kit”.

NDPERS must receive an application for disability retirement benefits and appropriate legal documentation at least 31 days before the distribution of the first disability retirement check. If documents are filed too late the payment may be DELAYED.

COORDINATION WITH OTHER DISABILITY PLANS

Your NDPERS disability retirement benefit payment will not be reduced by any other benefits you may be receiving as a result of your disability.

DISABILITY BENEFIT PAYMENTS

If the medical advisor determines that you are totally and permanently disabled according to the Plan, your benefit is payable retroactive to the first of the month following your date of termination. The benefit is payable as long as you are disabled.

DEFINED BENEFIT PLAN:

Your disability retirement benefit is computed as 25% of your final average salary. The minimum basic disability retirement benefit is \$100.00 per month. Final average salary is the average of your highest 36 of the last 180 months you worked. You may obtain an estimate of your disability retirement benefit by completing a “Request for Benefit Information SFN 53603” or Estimate Benefit Payment Request SFN 59058. You can also obtain it through NDPERS Online Services at www.nd.gov/ndpers.

BENEFIT PAYMENT OPTIONS

There are several different benefit payment options available to choose from. These payment options differ in how they pay your beneficiary in the event of your death, and in the actuarial reduction necessary to provide these benefits to you and your beneficiary. Keep in mind that each payment option will pay you the member for as long as you meet the eligibility requirements to receive benefits. You cannot change your benefit option once you have cashed your first benefit payment.

SINGLE LIFE OPTION: Under this option there is no monthly income provision for your beneficiary. If you should die while receiving benefits, your beneficiary will get a lump sum payment of the balance of your member account, if any balance remains.

50% JOINT & SURVIVOR OPTION: This amount is actuarially reduced based upon your age and the age of your spouse. Upon your death, your spouse will receive 50% of your monthly benefit payment for his/her lifetime. If your spouse dies first, your benefit will be adjusted back to the single life benefit amount once a photocopy of your spouse's "Certificate of Death" has been received. If this benefit option is selected, it will be necessary for you to submit a copy of your spouse's birth certificate and your marriage certificate with your benefit application.

100% JOINT & SURVIVOR OPTION: This amount is actuarially reduced based upon your age and the age of your spouse. Upon your death, your spouse will receive 100% of your monthly benefit payment for his/her lifetime. If your spouse dies first, your benefit will be adjusted back to the single life benefit amount once a photocopy of your spouse's "Certificate of Death" has been received. If this benefit option is selected, it will be necessary for you to submit a copy of your spouse's birth certificate and your marriage certificate with your benefit.

TWENTY (20) YEAR TERM CERTAIN: This amount is reduced based upon actuarial factors. If you should die within the first twenty years of receiving your benefit, your beneficiary will continue to receive monthly payments of the same amount until the end of the twenty year term. If you die after receiving the benefit for twenty years, there will be no further benefit payments made to your beneficiary. This option is not available if you are age 79 or over.

If you are receiving a disability retirement benefit a lump sum payment of the balance, if any, will also be paid to your beneficiary. If the payment to you has been longer than the term, your beneficiary will only receive the remaining account balance.

TEN (10) YEAR TERM CERTAIN: This amount is reduced based upon actuarial factors. If you should die within the first ten years of receiving your benefit, your beneficiary will continue to receive monthly payments of the same amount until the end of the ten year term. If you die after receiving the benefit for ten years, there will be no further benefit payments made to your beneficiary.

If you are receiving a disability retirement benefit a lump sum payment of the balance, if any, will also be paid to your beneficiary. If the payment to you has been longer than the term, your beneficiary will only receive the remaining account balance.

DEFINED CONTRIBUTION PLAN:

APPLICATION

To request an application for disability benefits for the Defined Contribution Plan, please contact the Defined Contribution Plan Program Administrator at the NDPERS office by

calling (800) 803-7377. In addition, your agency's payroll office must send in your termination information through Employer Self Service. Your completed Disability Application and "TIAA-CREF Distribution Form" can be filed with NDPERS up to four (4) months prior to your date of termination. However, you must submit an application to NDPERS within 12 months of your termination date. However, you must submit an application to NDPERS within 12 months of your termination date.

BENEFIT PAYMENT OPTIONS

Deferred Member Account Balance

When you terminate employment, you can apply to defer your entire vested Account balance. Under this option you leave your Account balance with the Trustee Company until you either take it out as a lump sum or periodic distribution. If you choose this option, you and your employer must complete a NDPERS Deferred Retirement Kit to elect this option.

Lump sum distributions

If you elect this option, your entire vested Account balance will be paid to you as a lump-sum distribution. You may elect to roll this lump-sum distribution into another eligible employer plan or a traditional IRA. If you choose this option you will need to complete a NDPERS Refund/Rollover Kit and a "TIAA-CREF Distribution Form".

Periodic distributions

If you elect this option, your vested Account balance will be paid to you in monthly, quarterly, semiannual, or annual periodic payments until your account is exhausted. If you choose this option you will need to contact the Defined Contribution Program Benefits Administrator at the NDPERS office to receive a Disability Application. A "TIAA-CREF Distribution Form" also must be submitted to NDPERS.

Distributions will be subject to the following rules:

1.) Refund Distribution

Any taxable distribution paid by the Trustee Company directly to you will be subject to mandatory Federal income tax withholding of 20% of the requested distribution. You cannot elect out of this tax withholding but you can avoid it by electing a direct rollover distribution. This withholding is not a penalty but rather a prepayment of your Federal income taxes, although there may also be an IRS penalty assessed in certain circumstances. If you are under age 59 1/2 at the time the distribution occurs, you will be subject to a 10% penalty at the time you file your income tax return for the year in which you took the distribution.

2.) Direct Rollover Distribution

As an alternative to a cash distribution, you may request that your entire distribution be rolled directly into an IRA or into another employer's eligible plan (if it accepts rollover contributions); Federal income taxes will not be withheld on any direct rollover distribution.

a.) Rollover to an IRA – You must complete a Qualified Plan Distribution Form and indicate the name and address of the custodian

or trustee, and account number for your IRA. After authorizing your distribution, the Plan Administrator will forward the form to the Trustee Company. A check will be issued by the Trustee Company payable to the IRA custodian or trustee for your benefit. The check will contain the notation 'Direct Rollover' and it will be mailed directly to you. You will be responsible for forwarding it on to the custodian or trustee. You must provide NDPERS with complete information to facilitate your direct rollover distribution.

b.) Rollover to Another Eligible Employer Plan – You should check with your new employer to determine if its plan will accept rollover contributions. If allowed, then you must complete a Qualified Plan Distribution Form and indicate the name, address and plan number of your new employer's qualified plan. After authorizing your distribution, the Plan Administrator will forward the form to the Trustee. A check will be issued by the Trustee Company payable to the trustee of your new eligible employer plan. The check will contain the notation 'Direct Rollover' and it will be mailed directly to you. You will be responsible for forwarding it on to the new trustee. You must provide NDPERS with complete information to facilitate your direct rollover distribution.

3.) *Combination Refund Distribution and Direct Rollover Distribution*

You may request that part of your distribution be paid directly to you and the balance to be directly rolled into an IRA or your eligible employer Plan. Any cash distribution you receive will be subject to the Federal income tax withholding rules referred to in (1). Any direct rollover distribution will be made in accordance with (2).

You will pay income tax on the amount of any taxable distribution you receive from the Plan unless it is rolled into an IRA or your eligible employer plan. A 10% IRS premature distribution penalty tax may also apply to your taxable distribution unless it is rolled into an IRA or another eligible plan. The 20% Federal income tax withheld under this section may not cover your entire income tax liability.

If your vested account balance is less than \$1,000, the entire amount will be automatically distributed to you unless you request in writing within 120 days after termination, that the vested account balance remain in the Plan.

DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS:

DENIAL OF BENEFITS – REVIEW PROCEDURE

If you receive written notice that your application for disability retirement has been denied, you may request a review of the decision. A written request for review must be received in the NDPERS office within 60 days of receiving a denial notice. You will be notified of the time and date of the appeal hearing and may attend and/or be represented by legal counsel. The appeal discussion is confidential and closed to the general public.

If the Board's decision is to uphold the recommendation of the medical advisor, the applicant may file a request for a formal hearing to be conducted before an administrative law judge.

RECERTIFICATION OF DISABILITY STATUS

Your eligibility to continue to receive disability benefits must be recertified 18 months after the date your first check is issued and thereafter as specified by the NDPERS medical consultant.

Prior to the 18 month payment anniversary date, you will receive an "Application for Recertification of Disability Benefits" and a "Recertification of Disability- Attending Physician's Statement". These two forms are to be completed and returned to NDPERS.

Also, as a part of the recertification process, you will be required to complete a "Statement of Annual Earnings for Disability Annuitants SFN 53157" to document all employment. (See Return to Work Provisions).

If it is determined that you were not eligible for benefits during any time period when benefits were provided, the executive director may do all things necessary to recover the erroneously paid benefits.

RETURN TO WORK PROVISIONS

To be eligible for benefits, you must terminate employment or terminate membership. "Termination of employment" means a severance of employment by not being on the payroll of a covered employer for a minimum of one month (31 days). This period is determined by counting 31 days from your final regular payroll payment to the date you begin actual employment (first day of work) with a new NDPERS participating employer.

Approved leave of absence does not constitute termination of employment.

"Termination of participation" means termination of eligibility to participate in the retirement plan.

Disability

If you return to work in a permanent full-time position and are eligible to participate in NDPERS, your disability benefits must be suspended. You are not eligible to receive a disability retirement benefit while permanently employed with a NDPERS participating employer. (See "Overpayment of Benefits" section). If you are not able to continue employment for a consecutive period of time resulting in nine (9) months of service credit as a result of the disability and continue to meet the eligibility requirements under the plan, you may resume disability.

If you return to employment not covered under NDPERS, your disability benefit may continue for up to nine (9) consecutive months. If you are not able to continue employment for at least nine (9) months as a result of the disability and continue to meet the eligibility requirements under the plan, you may continue disability status. You must notify the NDPERS office in writing of your intent to return to work.

OVERPAYMENT OF BENEFITS

The laws governing NDPERS state that a person who receives an overpayment is liable to refund those payments upon receiving an explanation and a written request for the amount to be returned. Pursuant to that section, a member may be charged six (6) percent interest on the unpaid balance until the balance is paid in full. NDPERS executive director must approve any repayment proposal made.

TAXES AND YOUR BENEFIT PAYMENT

The NDPERS disability benefit is provided by your employer's contributions to the retirement system and is therefore 100% taxable before age 65. At age 65, your benefit is considered a retirement benefit for income tax purposes. A portion of your monthly benefit may be non-taxable, based upon your contributions to your member account balance. An exclusion ratio will be computed to determine your non-taxable portion, if any.

According to IRS Regulation Section 1.72-15(c)(2), your member account balance will not be reduced before age 65. At age 65, your member account balance is reduced by the monthly benefit payments you receive.

You have the option of having federal and North Dakota state income taxes withheld from your monthly benefit payment. At the time of your retirement, NDPERS will have you complete a federal W-4P withholding form. You may elect not to have income tax withheld from your pension payment by using the same form. You may change your tax withholding election at any time, and as often as you wish.

If you do not have federal income tax withheld from your benefit payment, you cannot have ND state income tax withheld.

Whether you should have taxes withheld depends upon your financial situation. Questions about the amount of taxes to withhold or the need for tax deduction should be directed to a professional tax consultant.

DIRECT DEPOSIT

After receiving your first check, you may have your monthly payment sent directly to your checking or savings account through Direct Deposit. You and your bank must complete a "Authorization for Direct Deposit for Annuity Payment SFN 18379" 30 days before the date of deposit. To change banks, simply complete a new direct deposit form with the new financial institution. NDPERS will not accept alternate Direct Deposit forms. Deposits are electronically sent for deposit the first working day of each month.

RETIREE INSURANCE COVERAGE

The NDPERS Health, Dental, Vision, and Long-Term Care insurance plans are available to you even if your employer did not participate in these NDPERS Plans prior to your retirement or disability retirement.

You may enroll in the above insurance if you do so within 31 days of retirement or disability retirement or during the eligible qualifying events. Please refer to the NDPERS website for each plan's qualifying events, premium information, and plan

design. Anyone age 65 or older must have both Part A and B of Medicare to be eligible to enroll in the Dakota Retiree Plan.

RETIREE HEALTH CREDIT

The Retiree Health Insurance Credit Program offers you a credit which reduces your health insurance premiums upon retirement. This credit can only be used if you choose to participate in the NDPERS Dakota Plan or Dakota Retiree Plan and are drawing a monthly NDPERS or NDHPRS benefit payment.

Defined Contribution Plan members must be at least 55 years old or meet the Rule of 85 and receiving a periodic distribution from the trustee company. The retiree health credit is only applied toward health insurance premiums as long as you are receiving a periodic distribution.

You receive \$5.00 for every year of retirement service credit, subject to reduction for early retirement. Your retiree health insurance credit will not be reduced if you are age 65, meet the Rule of 85 or are receiving NDPERS Disability retirement benefits. Your credit will be applied automatically when you retire and participate in the Dakota Plan or Dakota Retiree Plan.

Under the Standard Option, upon your death, your retiree health insurance credit will be transferred to your surviving spouse if your surviving spouse receives a monthly payment from NDPERS and participates in the Dakota Plan. He or she can use the health insurance credit for as long as the benefit payments continue.

Under the Alternate Health Credit Option, if you are married and choose a Single Life, Ten or Twenty Year Term Certain, or Level Social Security retirement option, you now have the opportunity to elect an alternate form of retiree health insurance credit. You may now choose an actuarially reduced 50% or 100% Joint & Survivor retiree health credit option that applies only to the health credit portion of your retirement benefits.

DEFINITIONS (Reference – N.D.A.C. Chapter 71-02-01-01)

Leave of absence means the period of time up to one year for which an individual may be absent from covered employment without being terminated. At the executive director's discretion, the leave of absence may be extended not to exceed two years, or indefinitely if the leave of absence is due to interruption of employment.

Medical consultant means a person or committee appointed by the board of the North Dakota Public Employees Retirement System to evaluate medical information submitted in relation to disability applications, recertification, and rehabilitation programs or other such duties as assigned by the board.

Permanent and total disability for members of the main retirement system and the national guard/law enforcement retirement plan means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months. For members of the

judge's retirement plan, "permanent and total disability" is determined pursuant to subdivision e of subsection 3 of section 54-52-17 of the North Dakota Century Code.

Substantial gainful activity is to be based upon the totality of the circumstances including consideration of an individual's training, education, and experience; an individual's potential for earning at least seventy percent of the individual's predisability earnings; and other items deemed significant on a case-by-case basis. Eligibility is based on an individual's employability and not actual employment status.

Termination of employment is a severance of employment by not being on the payroll of a covered employer for a minimum of one month. Approved leave of absence does not constitute termination of employment.

Direct Deposit by Automated Clearing House



(ACH)

ACH Direct Deposit service for the convenience of NDPERS benefit recipients

It is NDPERS Board's policy that all annuity payments are required to be direct deposited. This method of transferring funds is safe, secure and used nationwide. You do not have to change your current bank relationship to take advantage of this service. It is available through all banks, credit unions, savings and loans facilities and most other financial institutions.

Advantages of Direct Deposit:

- The money will be there on time each month.
- Your worries about mail delays or stolen checks are over.
- You'll avoid waiting in long bank lines to cash or deposit checks.
- Your money will be deposited quicker – the first business day of each month, which allows you to access money more quickly than before.

To begin Direct Deposit, simply complete an Authorization for Direct Deposit for Annuity Payments SFN 18379. (This form may be obtained on-line at www.nd.gov/ndpers).

You must complete and sign the "Annuitant/Payee" part of the form.

Your bank must complete the "Financial Institution" part of the form.

Return the form to the NDPERS office by the 14th of any month. Your Direct Deposit of PERS benefit payments will begin the first of the following month, unless an alternate effective date is requested.

To change financial institutions or change any account information, just complete an Authorization for Direct Deposit for Annuity Payments SFN 18379.

Every three months NDPERS will send you a "quarterly statement of deductions". This statement gives you a record of all monthly deductions made from your benefit payment before deposit. It also provides convenient year-to-date totals of all deductions and benefit payments for your records.

Direct Deposit is safe, convenient and easy. Benefit payments are deposited electronically into your bank account.

There are no service fees charged by NDPERS for this service. It's free! However, you may have to check with your bank for any possible fees.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the North Dakota Public Employee's Retirement Plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Corrective distributions of contributions that exceed tax law limitations

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.

- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

You can elect to rollover after-tax contributions to an IRA or another employer plan that will accept the contributions. If your rollover includes after-tax contributions, NDPERS will require a letter of acceptance from the financial institution that the rollover is to be sent to. **The letter of acceptance must indicate that they will accept the after-tax portion of the rollover.** You may also want to request information from the financial institution regarding how the record-keeping for the funds will be handled once the funds are deposited.

If NDPERS does not receive this letter of acceptance within 6 months from the date your rollover application is received, NDPERS will process the rollover by sending the taxable portion to the financial institution and the after-tax contributions to you at your mailing address.

After-tax contributions included in a payment are not taxed. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover or a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You

can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA

You can roll over a payment from the Plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than \$100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth

IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

Payments after death of the participant

If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse and you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse and if you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order

If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

Nonresident aliens:

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

The following tax tables are provided as a general guideline. For more information you may wish to consult with your professional tax advisor. You can also find more detailed information on these websites, www.irs.gov and www.nd.gov/tax.

2012

Wage Bracket Table for Income Tax Withholding (Circular E)

SINGLE Persons-MONTHLY Payroll Period

Wages

Number of Withholding Allowances

At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax withheld shall be:										

\$0	\$220	0	0	0	0	0	0	0	0	0	0	0
220	230	5	0	0	0	0	0	0	0	0	0	0
230	240	6	0	0	0	0	0	0	0	0	0	0
240	250	7	0	0	0	0	0	0	0	0	0	0
250	260	8	0	0	0	0	0	0	0	0	0	0
260	270	9	0	0	0	0	0	0	0	0	0	0
270	280	10	0	0	0	0	0	0	0	0	0	0
280	290	11	0	0	0	0	0	0	0	0	0	0
290	300	12	0	0	0	0	0	0	0	0	0	0
300	320	13	0	0	0	0	0	0	0	0	0	0
320	340	15	0	0	0	0	0	0	0	0	0	0
340	360	17	0	0	0	0	0	0	0	0	0	0
360	380	19	0	0	0	0	0	0	0	0	0	0
380	400	21	0	0	0	0	0	0	0	0	0	0
400	420	23	0	0	0	0	0	0	0	0	0	0
420	440	25	0	0	0	0	0	0	0	0	0	0
440	460	27	0	0	0	0	0	0	0	0	0	0
460	480	29	0	0	0	0	0	0	0	0	0	0
480	500	31	0	0	0	0	0	0	0	0	0	0
500	520	33	1	0	0	0	0	0	0	0	0	0
520	540	35	3	0	0	0	0	0	0	0	0	0
540	560	37	5	0	0	0	0	0	0	0	0	0
560	580	39	7	0	0	0	0	0	0	0	0	0
580	600	41	9	0	0	0	0	0	0	0	0	0
600	640	44	12	0	0	0	0	0	0	0	0	0
640	680	48	16	0	0	0	0	0	0	0	0	0
680	720	52	20	0	0	0	0	0	0	0	0	0
720	760	56	24	0	0	0	0	0	0	0	0	0
760	800	60	28	0	0	0	0	0	0	0	0	0
800	840	64	32	1	0	0	0	0	0	0	0	0
840	880	68	36	5	0	0	0	0	0	0	0	0
880	920	72	40	9	0	0	0	0	0	0	0	0
920	960	78	44	13	0	0	0	0	0	0	0	0
960	1000	84	48	17	0	0	0	0	0	0	0	0
1000	1040	90	52	21	0	0	0	0	0	0	0	0
1040	1080	96	56	25	0	0	0	0	0	0	0	0
1080	1120	102	60	29	0	0	0	0	0	0	0	0
1120	1160	108	64	33	1	0	0	0	0	0	0	0

2012 Wage Bracket Table for Income Tax Withholding (Circular E)												
SINGLE Persons-MONTHLY Payroll Period												
Wages		Number of Withholding Allowances										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax withheld shall be:										

1160	1200	114	68	37	5	0	0	0	0	0	0	0
1200	1240	120	72	41	9	0	0	0	0	0	0	0
1240	1280	126	78	45	13	0	0	0	0	0	0	0
1280	1320	132	84	49	17	0	0	0	0	0	0	0
1320	1360	138	90	53	21	0	0	0	0	0	0	0
1360	1400	144	96	57	25	0	0	0	0	0	0	0
1400	1440	150	102	61	29	0	0	0	0	0	0	0
1440	1480	156	108	65	33	1	0	0	0	0	0	0
1480	1520	162	114	69	37	5	0	0	0	0	0	0
1520	1560	168	120	73	41	9	0	0	0	0	0	0
1560	1600	174	126	79	45	13	0	0	0	0	0	0
1600	1640	180	132	85	49	17	0	0	0	0	0	0
1640	1680	186	138	91	53	21	0	0	0	0	0	0
1680	1720	192	144	97	57	25	0	0	0	0	0	0
1720	1760	198	150	103	61	29	0	0	0	0	0	0
1760	1800	204	156	109	65	33	2	0	0	0	0	0
1800	1840	210	162	115	69	37	6	0	0	0	0	0
1840	1880	216	168	121	73	41	10	0	0	0	0	0
1880	1920	222	174	127	79	45	14	0	0	0	0	0
1920	1960	228	180	133	85	49	18	0	0	0	0	0
1960	2000	234	186	139	91	53	22	0	0	0	0	0
2000	2040	240	192	145	97	57	26	0	0	0	0	0
2040	2080	246	198	151	103	61	30	0	0	0	0	0
2080	2120	252	204	157	109	65	34	2	0	0	0	0
2120	2160	258	210	163	115	69	38	6	0	0	0	0
2160	2200	264	216	169	121	74	42	10	0	0	0	0
2200	2240	270	222	175	127	80	46	14	0	0	0	0
2240	2280	276	228	181	133	86	50	18	0	0	0	0
2280	2320	282	234	187	139	92	54	22	0	0	0	0
2320	2360	288	240	193	145	98	58	26	0	0	0	0
2360	2400	294	246	199	151	104	62	30	0	0	0	0
2400	2440	300	252	205	157	110	66	34	2	0	0	0
2440	2480	306	258	211	163	116	70	38	6	0	0	0
2480	2520	312	264	217	169	122	74	42	10	0	0	0
2520	2560	318	270	223	175	128	80	46	14	0	0	0
2560	2600	324	276	229	181	134	86	50	18	0	0	0
2600	2640	330	282	235	187	140	92	54	22	0	0	0

2012 Wage Bracket Table for Income Tax Withholding (Circular E)												
SINGLE Persons-MONTHLY Payroll Period												
Wages		Number of Withholding Allowances										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax withheld shall be:										

2640	2680	336	288	241	193	146	98	58	26	0	0	0
2680	2720	342	294	247	199	152	104	62	30	0	0	0
2720	2760	348	300	253	205	158	110	66	34	3	0	0
2760	2800	354	306	259	211	164	116	70	38	7	0	0
2800	2840	360	312	265	217	170	122	75	42	11	0	0
2840	2880	366	318	271	223	176	128	81	46	15	0	0
2880	2920	372	324	277	229	182	134	87	50	19	0	0
2920	2960	378	330	283	235	188	140	93	54	23	0	0
2960	3000	384	336	289	241	194	146	99	58	27	0	0
3000	3040	390	342	295	247	200	152	105	62	31	0	0
3040	3080	396	348	301	253	206	158	111	66	35	3	0
3080	3120	402	354	307	259	212	164	117	70	39	7	0
3120	3160	409	360	313	265	218	170	123	75	43	11	0
3160	3200	419	366	319	271	224	176	129	81	47	15	0
3200	3240	429	372	325	277	230	182	135	87	51	19	0
3240	3280	439	378	331	283	236	188	141	93	55	23	0
3280	3320	449	384	337	289	242	194	147	99	59	27	0
3320	3360	459	390	343	295	248	200	153	105	63	31	0
3360	3400	469	396	349	301	254	206	159	111	67	35	3
3400	3440	479	402	355	307	260	212	165	117	71	39	7
3440	3480	489	410	361	313	266	218	171	123	76	43	11
3480	3520	499	420	367	319	272	224	177	129	82	47	15
3520	3560	509	430	373	325	278	230	183	135	88	51	19
3560	3600	519	440	379	331	284	236	189	141	94	55	23
3600	3640	529	450	385	337	290	242	195	147	100	59	27
3640	3680	539	460	391	343	296	248	201	153	106	63	31
3680	3720	549	470	397	349	302	254	207	159	112	67	35
3720	3760	559	480	403	355	308	260	213	165	118	71	39
3760	3800	569	490	411	361	314	266	219	171	124	76	43
3800	3840	579	500	421	367	320	272	225	177	130	82	47
3840	3880	589	510	431	373	326	278	231	183	136	88	51
3880	3920	599	520	441	379	332	284	237	189	142	94	55
3920	3960	609	530	451	385	338	290	243	195	148	100	59
3960	4000	619	540	461	391	344	296	249	201	154	106	63
4000	4040	629	550	471	397	350	302	255	207	160	112	67
4040	4080	639	560	481	403	356	308	261	213	166	118	71
4080	4120	649	570	491	412	362	314	267	219	172	124	77
4120	4160	659	580	501	422	368	320	273	225	178	130	83

2012

Wage Bracket Table for Income Tax Withholding (Circular E)

SINGLE Persons-MONTHLY Payroll Period

Wages

Number of Withholding Allowances

At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax withheld shall be:										

4160	4200	669	590	511	432	374	326	279	231	184	136	89
4200	4240	679	600	521	442	380	332	285	237	190	142	95
4240	4280	689	610	531	452	386	338	291	243	196	148	101
4280	4320	699	620	541	462	392	344	297	249	202	154	107
4320	4360	709	630	551	472	398	350	303	255	208	160	113
4360	4400	719	640	561	482	404	356	309	261	214	166	119
4400	4440	729	650	571	492	413	362	315	267	220	172	125
4440	4480	739	660	581	502	423	368	321	273	226	178	131
4480	4520	749	670	591	512	433	374	327	279	232	184	137
4520	4560	759	680	601	522	443	380	333	285	238	190	143
4560	4600	769	690	611	532	453	386	339	291	244	196	149
4600	4640	779	700	621	542	463	392	345	297	250	202	155
4640	4680	789	710	631	552	473	398	351	303	256	208	161
4680	4720	799	720	641	562	483	404	357	309	262	214	167
4720	4760	809	730	651	572	493	414	363	315	268	220	173
4760	4800	819	740	661	582	503	424	369	321	274	226	179
4800	4840	829	750	671	592	513	434	375	327	280	232	185
4840	4880	839	760	681	602	523	444	381	333	286	238	191
4880	4920	849	770	691	612	533	454	387	339	292	244	197
4920	4960	859	780	701	622	543	464	393	345	298	250	203
4960	5000	869	790	711	632	553	474	399	351	304	256	209
5000	5040	879	800	721	642	563	484	405	357	310	262	215
5040	5080	889	810	731	652	573	494	414	363	316	268	221

2012

Wage Bracket Table for Income Tax Withholding (Circular E)

MARRIED Persons -- MONTHLY Payroll Period

Wages

Number of Withholding Allowances

At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax withheld shall be:										

\$0	\$540	0	0	0	0	0	0	0	0	0	0	0
540	560	0	0	0	0	0	0	0	0	0	0	0
560	580	0	0	0	0	0	0	0	0	0	0	0
580	600	0	0	0	0	0	0	0	0	0	0	0
600	640	0	0	0	0	0	0	0	0	0	0	0
640	680	0	0	0	0	0	0	0	0	0	0	0
680	720	3	0	0	0	0	0	0	0	0	0	0
720	760	7	0	0	0	0	0	0	0	0	0	0
760	800	11	0	0	0	0	0	0	0	0	0	0
800	840	15	0	0	0	0	0	0	0	0	0	0
840	880	19	0	0	0	0	0	0	0	0	0	0
880	920	23	0	0	0	0	0	0	0	0	0	0
920	960	27	0	0	0	0	0	0	0	0	0	0
960	1000	31	0	0	0	0	0	0	0	0	0	0
1000	1040	35	3	0	0	0	0	0	0	0	0	0
1040	1080	39	7	0	0	0	0	0	0	0	0	0
1080	1120	43	11	0	0	0	0	0	0	0	0	0
1120	1160	47	15	0	0	0	0	0	0	0	0	0
1160	1200	51	19	0	0	0	0	0	0	0	0	0
1200	1240	55	23	0	0	0	0	0	0	0	0	0
1240	1280	59	27	0	0	0	0	0	0	0	0	0
1280	1320	63	31	0	0	0	0	0	0	0	0	0
1320	1360	67	35	3	0	0	0	0	0	0	0	0
1360	1400	71	39	7	0	0	0	0	0	0	0	0
1400	1440	75	43	11	0	0	0	0	0	0	0	0
1440	1480	79	47	15	0	0	0	0	0	0	0	0
1480	1520	83	51	19	0	0	0	0	0	0	0	0
1520	1560	87	55	23	0	0	0	0	0	0	0	0
1560	1600	91	59	27	0	0	0	0	0	0	0	0
1600	1640	95	63	31	0	0	0	0	0	0	0	0
1640	1680	99	67	35	4	0	0	0	0	0	0	0
1680	1720	103	71	39	8	0	0	0	0	0	0	0
1720	1760	107	75	43	12	0	0	0	0	0	0	0
1760	1800	111	79	47	16	0	0	0	0	0	0	0
1800	1840	115	83	51	20	0	0	0	0	0	0	0

2012

Wage Bracket Table for Income Tax Withholding (Circular E)

MARRIED Persons -- MONTHLY Payroll Period

Wages

Number of Withholding Allowances

At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax withheld shall be:										

1840	1880	119	87	55	24	0	0	0	0	0	0	0
1880	1920	123	91	59	28	0	0	0	0	0	0	0
1920	1960	127	95	63	32	0	0	0	0	0	0	0
1960	2000	131	99	67	36	4	0	0	0	0	0	0
2000	2040	135	103	71	40	8	0	0	0	0	0	0
2040	2080	139	107	75	44	12	0	0	0	0	0	0
2080	2120	143	111	79	48	16	0	0	0	0	0	0
2120	2160	147	115	83	52	20	0	0	0	0	0	0
2160	2200	153	119	87	56	24	0	0	0	0	0	0
2200	2240	159	123	91	60	28	0	0	0	0	0	0
2240	2280	165	127	95	64	32	0	0	0	0	0	0
2280	2320	171	131	99	68	36	4	0	0	0	0	0
2320	2360	177	135	103	72	40	8	0	0	0	0	0
2360	2400	183	139	107	76	44	12	0	0	0	0	0
2400	2440	189	143	111	80	48	16	0	0	0	0	0
2440	2480	195	148	115	84	52	20	0	0	0	0	0
2480	2520	201	154	119	88	56	24	0	0	0	0	0
2520	2560	207	160	123	92	60	28	0	0	0	0	0
2560	2600	213	166	127	96	64	32	1	0	0	0	0
2600	2640	219	172	131	100	68	36	5	0	0	0	0
2640	2680	225	178	135	104	72	40	9	0	0	0	0
2680	2720	231	184	139	108	76	44	13	0	0	0	0
2720	2760	237	190	143	112	80	48	17	0	0	0	0
2760	2800	243	196	148	116	84	52	21	0	0	0	0
2800	2840	249	202	154	120	88	56	25	0	0	0	0
2840	2880	255	208	160	124	92	60	29	0	0	0	0
2880	2920	261	214	166	128	96	64	33	1	0	0	0
2920	2960	267	220	172	132	100	68	37	5	0	0	0
2960	3000	273	226	178	136	104	72	41	9	0	0	0
3000	3040	279	232	184	140	108	76	45	13	0	0	0
3040	3080	285	238	190	144	112	80	49	17	0	0	0
3080	3120	291	244	196	149	116	84	53	21	0	0	0
3120	3160	297	250	202	155	120	88	57	25	0	0	0
3160	3200	303	256	208	161	124	92	61	29	0	0	0
3200	3240	309	262	214	167	128	96	65	33	1	0	0

2012

Wage Bracket Table for Income Tax Withholding (Circular E)

MARRIED Persons -- MONTHLY Payroll Period

Wages

Number of Withholding Allowances

At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax withheld shall be:										

3240	3280	315	268	220	173	132	100	69	37	5	0	0
3280	3320	321	274	226	179	136	104	73	41	9	0	0
3320	3360	327	280	232	185	140	108	77	45	13	0	0
3360	3400	333	286	238	191	144	112	81	49	17	0	0
3400	3440	339	292	244	197	149	116	85	53	21	0	0
3440	3480	345	298	250	203	155	120	89	57	25	0	0
3480	3520	351	304	256	209	161	124	93	61	29	0	0
3520	3560	357	310	262	215	167	128	97	65	33	2	0
3560	3600	363	316	268	221	173	132	101	69	37	6	0
3600	3640	369	322	274	227	179	136	105	73	41	10	0
3640	3680	375	328	280	233	185	140	109	77	45	14	0
3680	3720	381	334	286	239	191	144	113	81	49	18	0
3720	3760	387	340	292	245	197	150	117	85	53	22	0
3760	3800	393	346	298	251	203	156	121	89	57	26	0
3800	3840	399	352	304	257	209	162	125	93	61	30	0
3840	3880	405	358	310	263	215	168	129	97	65	34	2
3880	3920	411	364	316	269	221	174	133	101	69	38	6
3920	3960	417	370	322	275	227	180	137	105	73	42	10
3960	4000	423	376	328	281	233	186	141	109	77	46	14
4000	4040	429	382	334	287	239	192	145	113	81	50	18
4040	4080	435	388	340	293	245	198	150	117	85	54	22
4080	4120	441	394	346	299	251	204	156	121	89	58	26
4120	4160	447	400	352	305	257	210	162	125	93	62	30
4160	4200	453	406	358	311	263	216	168	129	97	66	34
4200	4240	459	412	364	317	269	222	174	133	101	70	38
4240	4280	465	418	370	323	275	228	180	137	105	74	42
4280	4320	471	424	376	329	281	234	186	141	109	78	46
4320	4360	477	430	382	335	287	240	192	145	113	82	50
4360	4400	483	436	388	341	293	246	198	151	117	86	54
4400	4440	489	442	394	347	299	252	204	157	121	90	58
4440	4480	495	448	400	353	305	258	210	163	125	94	62
4480	4520	501	454	406	359	311	264	216	169	129	98	66
4520	4560	507	460	412	365	317	270	222	175	133	102	70
4560	4600	513	466	418	371	323	276	228	181	137	106	74
4600	4640	519	472	424	377	329	282	234	187	141	110	78

2012

Wage Bracket Table for Income Tax Withholding (Circular E)

MARRIED Persons -- MONTHLY Payroll Period

Wages

Number of Withholding Allowances

At least		But less than		0	1	2	3	4	5	6	7	8	9	10
The amount of income tax withheld shall be:														
4640	4680			525	478	430	383	335	288	240	193	145	114	82
4680	4720			531	484	436	389	341	294	246	199	151	118	86
4720	4760			537	490	442	395	347	300	252	205	157	122	90
4760	4800			543	496	448	401	353	306	258	211	163	126	94
4800	4840			549	502	454	407	359	312	264	217	169	130	98
4840	4880			555	508	460	413	365	318	270	223	175	134	102
4880	4920			561	514	466	419	371	324	276	229	181	138	106
4920	4960			567	520	472	425	377	330	282	235	187	142	110
4960	5000			573	526	478	431	383	336	288	241	193	146	114
5000	5040			579	532	484	437	389	342	294	247	199	152	118
5040	5080			585	538	490	443	395	348	300	253	205	158	122
5080	5120			591	544	496	449	401	354	306	259	211	164	126
5120	5160			597	550	502	455	407	360	312	265	217	170	130
5160	5200			603	556	508	461	413	366	318	271	223	176	134
5200	5240			609	562	514	467	419	372	324	277	229	182	138
5240	5280			615	568	520	473	425	378	330	283	235	188	142
5280	5320			621	574	526	479	431	384	336	289	241	194	146
5320	5360			627	580	532	485	437	390	342	295	247	200	152
5360	5400			633	586	538	491	443	396	348	301	253	206	158
5400	5440			639	592	544	497	449	402	354	307	259	212	164
5440	5480			645	598	550	503	455	408	360	313	265	218	170
5480	5520			651	604	556	509	461	414	366	319	271	224	176
5520	5560			657	610	562	515	467	420	372	325	277	230	182
5560	5600			663	616	568	521	473	426	378	331	283	236	188
5600	5640			669	622	574	527	479	432	384	337	289	242	194
5640	5680			675	628	580	533	485	438	390	343	295	248	200
5680	5720			681	634	586	539	491	444	396	349	301	254	206
5720	5760			687	640	592	545	497	450	402	355	307	260	212
5760	5800			693	646	598	551	503	456	408	361	313	266	218
5800	5840			699	652	604	557	509	462	414	367	319	272	224
5840	5880			705	658	610	563	515	468	420	373	325	278	230

2012 North Dakota Individual Income Tax Withholding Tables

SINGLE Persons-MONTHLY Payroll Period

Wages		Number of Withholding Allowances										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of North Dakota Income Tax Withholding is:										
\$0	\$220	0	0	0	0	0	0	0	0	0	0	0
220	230	0	0	0	0	0	0	0	0	0	0	0
230	240	0	0	0	0	0	0	0	0	0	0	0
240	250	0	0	0	0	0	0	0	0	0	0	0
250	260	0	0	0	0	0	0	0	0	0	0	0
260	270	0	0	0	0	0	0	0	0	0	0	0
270	280	0	0	0	0	0	0	0	0	0	0	0
280	290	0	0	0	0	0	0	0	0	0	0	0
290	300	0	0	0	0	0	0	0	0	0	0	0
300	320	0	0	0	0	0	0	0	0	0	0	0
320	340	0	0	0	0	0	0	0	0	0	0	0
340	360	0	0	0	0	0	0	0	0	0	0	0
360	380	1	0	0	0	0	0	0	0	0	0	0
380	400	1	0	0	0	0	0	0	0	0	0	0
400	420	1	0	0	0	0	0	0	0	0	0	0
420	440	1	0	0	0	0	0	0	0	0	0	0
440	460	2	0	0	0	0	0	0	0	0	0	0
460	480	2	0	0	0	0	0	0	0	0	0	0
480	500	2	0	0	0	0	0	0	0	0	0	0
500	520	3	0	0	0	0	0	0	0	0	0	0
520	540	3	0	0	0	0	0	0	0	0	0	0
540	560	3	0	0	0	0	0	0	0	0	0	0
560	580	4	0	0	0	0	0	0	0	0	0	0
580	600	4	0	0	0	0	0	0	0	0	0	0
600	640	4	0	0	0	0	0	0	0	0	0	0
640	680	5	1	0	0	0	0	0	0	0	0	0
680	720	6	1	0	0	0	0	0	0	0	0	0
720	760	6	2	0	0	0	0	0	0	0	0	0
760	800	7	3	0	0	0	0	0	0	0	0	0
800	840	7	3	0	0	0	0	0	0	0	0	0
840	880	8	4	0	0	0	0	0	0	0	0	0
880	920	9	4	0	0	0	0	0	0	0	0	0
920	960	9	5	1	0	0	0	0	0	0	0	0
960	1000	10	6	1	0	0	0	0	0	0	0	0
1000	1040	10	6	2	0	0	0	0	0	0	0	0

2012 North Dakota Individual Income Tax Withholding Tables

SINGLE Persons-MONTHLY Payroll Period

Wages		Number of Withholding Allowances										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of North Dakota Income Tax Withholding is:										
1040	1080	11	7	3	0	0	0	0	0	0	0	0
1080	1120	12	7	3	0	0	0	0	0	0	0	0
1120	1160	12	8	4	0	0	0	0	0	0	0	0
1160	1200	13	9	4	0	0	0	0	0	0	0	0
1200	1240	13	9	5	1	0	0	0	0	0	0	0
1240	1280	14	10	6	2	0	0	0	0	0	0	0
1280	1320	15	10	6	2	0	0	0	0	0	0	0
1320	1360	15	11	7	3	0	0	0	0	0	0	0
1360	1400	16	12	7	3	0	0	0	0	0	0	0
1400	1440	16	12	8	4	0	0	0	0	0	0	0
1440	1480	17	13	9	5	0	0	0	0	0	0	0
1480	1520	18	13	9	5	1	0	0	0	0	0	0
1520	1560	18	14	10	6	2	0	0	0	0	0	0
1560	1600	19	15	11	6	2	0	0	0	0	0	0
1600	1640	19	15	11	7	3	0	0	0	0	0	0
1640	1680	20	16	12	8	3	0	0	0	0	0	0
1680	1720	21	16	12	8	4	0	0	0	0	0	0
1720	1760	21	17	13	9	5	0	0	0	0	0	0
1760	1800	22	18	14	9	5	1	0	0	0	0	0
1800	1840	22	18	14	10	6	2	0	0	0	0	0
1840	1880	23	19	15	11	6	2	0	0	0	0	0
1880	1920	24	20	15	11	7	3	0	0	0	0	0
1920	1960	24	20	16	12	8	3	0	0	0	0	0
1960	2000	25	21	17	12	8	4	0	0	0	0	0
2000	2040	25	21	17	13	9	5	1	0	0	0	0
2040	2080	26	22	18	14	9	5	1	0	0	0	0
2080	2120	27	23	18	14	10	6	2	0	0	0	0
2120	2160	27	23	19	15	11	7	2	0	0	0	0
2160	2200	28	24	20	15	11	7	3	0	0	0	0
2200	2240	28	24	20	16	12	8	4	0	0	0	0
2240	2280	29	25	21	17	12	8	4	0	0	0	0
2280	2320	30	26	21	17	13	9	5	1	0	0	0
2320	2360	30	26	22	18	14	10	5	1	0	0	0
2360	2400	31	27	23	18	14	10	6	2	0	0	0
2400	2440	32	27	23	19	15	11	7	2	0	0	0

2012 North Dakota Individual Income Tax Withholding Tables

SINGLE Persons-MONTHLY Payroll Period

Wages		Number of Withholding Allowances										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of North Dakota Income Tax Withholding is:										
2440	2480	32	28	24	20	16	11	7	3	0	0	0
2480	2520	33	29	24	20	16	12	8	4	0	0	0
2520	2560	33	29	25	21	17	13	8	4	0	0	0
2560	2600	34	30	26	21	17	13	9	5	1	0	0
2600	2640	35	30	26	22	18	14	10	5	1	0	0
2640	2680	35	31	27	23	19	14	10	6	2	0	0
2680	2720	36	32	27	23	19	15	11	7	3	0	0
2720	2760	36	32	28	24	20	16	11	7	3	0	0
2760	2800	37	33	29	24	20	16	12	8	4	0	0
2800	2840	38	33	29	25	21	17	13	8	4	0	0
2840	2880	38	34	30	26	22	17	13	9	5	1	0
2880	2920	39	35	30	26	22	18	14	10	6	1	0
2920	2960	39	35	31	27	23	19	14	10	6	2	0
2960	3000	40	36	32	28	23	19	15	11	7	3	0
3000	3040	41	36	32	28	24	20	16	12	7	3	0
3040	3080	41	37	33	29	25	20	16	12	8	4	0
3080	3120	42	38	33	29	25	21	17	13	9	4	0
3120	3160	42	38	34	30	26	22	17	13	9	5	1
3160	3200	43	39	35	31	26	22	18	14	10	6	1
3200	3240	44	39	35	31	27	23	19	15	10	6	2
3240	3280	45	40	36	32	28	23	19	15	11	7	3
3280	3320	47	41	36	32	28	24	20	16	12	7	3
3320	3360	48	41	37	33	29	25	20	16	12	8	4
3360	3400	49	42	38	34	29	25	21	17	13	9	4
3400	3440	50	42	38	34	30	26	22	18	13	9	5
3440	3480	51	43	39	35	31	26	22	18	14	10	6
3480	3520	52	44	40	35	31	27	23	19	15	10	6
3520	3560	53	46	40	36	32	28	24	19	15	11	7
3560	3600	54	47	41	37	32	28	24	20	16	12	7
3600	3640	56	48	41	37	33	29	25	21	16	12	8
3640	3680	57	49	42	38	34	29	25	21	17	13	9
3680	3720	58	50	43	38	34	30	26	22	18	13	9
3720	3760	59	51	43	39	35	31	27	22	18	14	10
3760	3800	60	52	45	40	35	31	27	23	19	15	11
3800	3840	61	53	46	40	36	32	28	24	19	15	11

2012 North Dakota Individual Income Tax Withholding Tables

SINGLE Persons-MONTHLY Payroll Period

Wages		Number of Withholding Allowances										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of North Dakota Income Tax Withholding is:										
3840	3880	62	55	47	41	37	32	28	24	20	16	12
3880	3920	63	56	48	41	37	33	29	25	21	16	12
3920	3960	65	57	49	42	38	34	30	25	21	17	13
3960	4000	66	58	50	43	38	34	30	26	22	18	14
4000	4040	67	59	51	44	39	35	31	27	22	18	14
4040	4080	68	60	52	45	40	36	31	27	23	19	15
4080	4120	69	61	54	46	40	36	32	28	24	20	15
4120	4160	70	62	55	47	41	37	33	28	24	20	16
4160	4200	71	64	56	48	41	37	33	29	25	21	17
4200	4240	72	65	57	49	42	38	34	30	25	21	17
4240	4280	74	66	58	50	43	39	34	30	26	22	18
4280	4320	75	67	59	51	44	39	35	31	27	23	18
4320	4360	76	68	60	53	45	40	36	31	27	23	19
4360	4400	77	69	61	54	46	40	36	32	28	24	20
4400	4440	78	70	63	55	47	41	37	33	28	24	20
4440	4480	79	72	64	56	48	42	37	33	29	25	21
4480	4520	80	73	65	57	49	42	38	34	30	26	21
4520	4560	82	74	66	58	50	43	39	34	30	26	22
4560	4600	83	75	67	59	52	44	39	35	31	27	23
4600	4640	84	76	68	61	53	45	40	36	32	27	23
4640	4680	85	77	69	62	54	46	40	36	32	28	24
4680	4720	86	78	71	63	55	47	41	37	33	29	24
4720	4760	87	79	72	64	56	48	42	37	33	29	25
4760	4800	88	81	73	65	57	50	42	38	34	30	26
4800	4840	89	82	74	66	58	51	43	39	35	30	26
4840	4880	91	83	75	67	60	52	44	39	35	31	27
4880	4920	92	84	76	68	61	53	45	40	36	32	27
4920	4960	93	85	77	70	62	54	46	40	36	32	28
4960	5000	94	86	78	71	63	55	47	41	37	33	29
5000	5040	95	87	80	72	64	56	49	42	38	33	29

2012 North Dakota Individual Income Tax Withholding Tables

MARRIED Persons -- MONTHLY Payroll Period

Wages		Number of Withholding Allowances										
		0	1	2	3	4	5	6	7	8	9	10
At least	But less than	The amount of North Dakota Income Tax Withholding is:										
\$0	\$540	0	0	0	0	0	0	0	0	0	0	0
540	560	0	0	0	0	0	0	0	0	0	0	0
560	580	0	0	0	0	0	0	0	0	0	0	0
580	600	0	0	0	0	0	0	0	0	0	0	0
600	640	0	0	0	0	0	0	0	0	0	0	0
640	680	0	0	0	0	0	0	0	0	0	0	0
680	720	0	0	0	0	0	0	0	0	0	0	0
720	760	0	0	0	0	0	0	0	0	0	0	0
760	800	0	0	0	0	0	0	0	0	0	0	0
800	840	0	0	0	0	0	0	0	0	0	0	0
840	880	1	0	0	0	0	0	0	0	0	0	0
880	920	2	0	0	0	0	0	0	0	0	0	0
920	960	2	0	0	0	0	0	0	0	0	0	0
960	1000	3	0	0	0	0	0	0	0	0	0	0
1000	1040	3	0	0	0	0	0	0	0	0	0	0
1040	1080	4	0	0	0	0	0	0	0	0	0	0
1080	1120	5	0	0	0	0	0	0	0	0	0	0
1120	1160	5	1	0	0	0	0	0	0	0	0	0
1160	1200	6	2	0	0	0	0	0	0	0	0	0
1200	1240	6	2	0	0	0	0	0	0	0	0	0
1240	1280	7	3	0	0	0	0	0	0	0	0	0
1280	1320	8	3	0	0	0	0	0	0	0	0	0
1320	1360	8	4	0	0	0	0	0	0	0	0	0
1360	1400	9	5	0	0	0	0	0	0	0	0	0
1400	1440	9	5	1	0	0	0	0	0	0	0	0
1440	1480	10	6	2	0	0	0	0	0	0	0	0
1480	1520	11	6	2	0	0	0	0	0	0	0	0
1520	1560	11	7	3	0	0	0	0	0	0	0	0
1560	1600	12	8	3	0	0	0	0	0	0	0	0
1600	1640	12	8	4	0	0	0	0	0	0	0	0
1640	1680	13	9	5	1	0	0	0	0	0	0	0
1680	1720	14	9	5	1	0	0	0	0	0	0	0
1720	1760	14	10	6	2	0	0	0	0	0	0	0
1760	1800	15	11	6	2	0	0	0	0	0	0	0
1800	1840	15	11	7	3	0	0	0	0	0	0	0

2012 North Dakota Individual Income Tax Withholding Tables

MARRIED Persons -- MONTHLY Payroll Period

Wages		Number of Withholding Allowances										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of North Dakota Income Tax Withholding is:										
1840	1880	16	12	8	4	0	0	0	0	0	0	0
1880	1920	17	12	8	4	0	0	0	0	0	0	0
1920	1960	17	13	9	5	1	0	0	0	0	0	0
1960	2000	18	14	10	5	1	0	0	0	0	0	0
2000	2040	18	14	10	6	2	0	0	0	0	0	0
2040	2080	19	15	11	7	2	0	0	0	0	0	0
2080	2120	20	15	11	7	3	0	0	0	0	0	0
2120	2160	20	16	12	8	4	0	0	0	0	0	0
2160	2200	21	17	13	8	4	0	0	0	0	0	0
2200	2240	21	17	13	9	5	1	0	0	0	0	0
2240	2280	22	18	14	10	5	1	0	0	0	0	0
2280	2320	23	18	14	10	6	2	0	0	0	0	0
2320	2360	23	19	15	11	7	2	0	0	0	0	0
2360	2400	24	20	16	11	7	3	0	0	0	0	0
2400	2440	24	20	16	12	8	4	0	0	0	0	0
2440	2480	25	21	17	13	8	4	0	0	0	0	0
2480	2520	26	22	17	13	9	5	1	0	0	0	0
2520	2560	26	22	18	14	10	6	1	0	0	0	0
2560	2600	27	23	19	14	10	6	2	0	0	0	0
2600	2640	27	23	19	15	11	7	3	0	0	0	0
2640	2680	28	24	20	16	11	7	3	0	0	0	0
2680	2720	29	25	20	16	12	8	4	0	0	0	0
2720	2760	29	25	21	17	13	9	4	0	0	0	0
2760	2800	30	26	22	17	13	9	5	1	0	0	0
2800	2840	31	26	22	18	14	10	6	1	0	0	0
2840	2880	31	27	23	19	14	10	6	2	0	0	0
2880	2920	32	28	23	19	15	11	7	3	0	0	0
2920	2960	32	28	24	20	16	12	7	3	0	0	0
2960	3000	33	29	25	20	16	12	8	4	0	0	0
3000	3040	34	29	25	21	17	13	9	4	0	0	0
3040	3080	34	30	26	22	18	13	9	5	1	0	0
3080	3120	35	31	26	22	18	14	10	6	2	0	0
3120	3160	35	31	27	23	19	15	10	6	2	0	0
3160	3200	36	32	28	23	19	15	11	7	3	0	0
3200	3240	37	32	28	24	20	16	12	7	3	0	0

2012 North Dakota Individual Income Tax Withholding Tables

MARRIED Persons -- MONTHLY Payroll Period

Wages		Number of Withholding Allowances										
		0	1	2	3	4	5	6	7	8	9	10
At least	But less than	The amount of North Dakota Income Tax Withholding is:										
		3240	3280	37	33	29	25	21	16	12	8	4
3280	3320	38	34	29	25	21	17	13	9	5	0	0
3320	3360	38	34	30	26	22	18	13	9	5	1	0
3360	3400	39	35	31	27	22	18	14	10	6	2	0
3400	3440	40	35	31	27	23	19	15	10	6	2	0
3440	3480	40	36	32	28	24	19	15	11	7	3	0
3480	3520	41	37	32	28	24	20	16	12	8	3	0
3520	3560	41	37	33	29	25	21	16	12	8	4	0
3560	3600	42	38	34	30	25	21	17	13	9	5	0
3600	3640	43	38	34	30	26	22	18	14	9	5	1
3640	3680	43	39	35	31	27	22	18	14	10	6	2
3680	3720	44	40	35	31	27	23	19	15	11	6	2
3720	3760	44	40	36	32	28	24	19	15	11	7	3
3760	3800	45	41	37	33	28	24	20	16	12	8	3
3800	3840	46	41	37	33	29	25	21	17	12	8	4
3840	3880	46	42	38	34	30	25	21	17	13	9	5
3880	3920	47	43	39	34	30	26	22	18	14	9	5
3920	3960	47	43	39	35	31	27	22	18	14	10	6
3960	4000	48	44	40	36	31	27	23	19	15	11	6
4000	4040	49	44	40	36	32	28	24	20	15	11	7
4040	4080	49	45	41	37	33	28	24	20	16	12	8
4080	4120	50	46	42	37	33	29	25	21	17	12	8
4120	4160	50	46	42	38	34	30	26	21	17	13	9
4160	4200	51	47	43	39	34	30	26	22	18	14	10
4200	4240	52	47	43	39	35	31	27	23	18	14	10
4240	4280	52	48	44	40	36	31	27	23	19	15	11
4280	4320	53	49	45	40	36	32	28	24	20	15	11
4320	4360	53	49	45	41	37	33	29	24	20	16	12
4360	4400	54	50	46	42	37	33	29	25	21	17	13
4400	4440	55	51	46	42	38	34	30	26	21	17	13
4440	4480	55	51	47	43	39	35	30	26	22	18	14
4480	4520	56	52	48	43	39	35	31	27	23	18	14
4520	4560	56	52	48	44	40	36	32	27	23	19	15
4560	4600	57	53	49	45	40	36	32	28	24	20	16
4600	4640	58	54	49	45	41	37	33	29	24	20	16

2012 North Dakota Individual Income Tax Withholding Tables

MARRIED Persons -- MONTHLY Payroll Period

Wages		Number of Withholding Allowances										
		0	1	2	3	4	5	6	7	8	9	10
At least	But less than	The amount of North Dakota Income Tax Withholding is:										
4640	4680	58	54	50	46	42	38	33	29	25	21	17
4680	4720	59	55	51	46	42	38	34	30	26	22	17
4720	4760	59	55	51	47	43	39	35	30	26	22	18
4760	4800	60	56	52	48	43	39	35	31	27	23	19
4800	4840	61	57	52	48	44	40	36	32	27	23	19
4840	4880	61	57	53	49	45	41	36	32	28	24	20
4880	4920	62	58	54	49	45	41	37	33	29	25	20
4920	4960	63	58	54	50	46	42	38	33	29	25	21
4960	5000	63	59	55	51	47	42	38	34	30	26	22
5000	5040	64	60	55	51	47	43	39	35	31	26	22
5040	5080	64	60	56	52	48	44	39	35	31	27	23
5080	5120	65	61	57	52	48	44	40	36	32	28	23
5120	5160	66	61	57	53	49	45	41	36	32	28	24
5160	5200	66	62	58	54	50	45	41	37	33	29	25
5200	5240	67	63	58	54	50	46	42	38	34	29	25
5240	5280	67	63	59	55	51	47	42	38	34	30	26
5280	5320	68	64	60	55	51	47	43	39	35	31	26
5320	5360	69	64	60	56	52	48	44	39	35	31	27
5360	5400	69	65	61	57	53	48	44	40	36	32	28
5400	5440	70	66	61	57	53	49	45	41	37	32	28
5440	5480	70	66	62	58	54	50	45	41	37	33	29
5480	5520	71	67	63	59	54	50	46	42	38	34	29
5520	5560	72	67	63	59	55	51	47	43	38	34	30
5560	5600	72	68	64	60	56	51	47	43	39	35	31
5600	5640	73	69	64	60	56	52	48	44	40	35	31
5640	5680	74	69	65	61	57	53	48	44	40	36	32
5680	5720	76	70	66	62	57	53	49	45	41	37	32
5720	5760	77	70	66	62	58	54	50	46	41	37	33
5760	5800	78	71	67	63	59	54	50	46	42	38	34
5800	5840	79	72	67	63	59	55	51	47	43	38	34
5840	5880	80	72	68	64	60	56	51	47	43	39	35

Health Insurance

Even if you do are not participating you must make a decision to enroll or to waive coverage.

Read Dakota and Dakota Retiree Plan information

Are you or your spouse Medicare eligible?

No

Follow the
Dakota Plan

Yes

Follow the
Dakota Retiree
Plan

DAKOTA PLAN & DAKOTA RETIREE PLAN



This is information regarding the Dakota Plan and Dakota Retiree group health insurance Plans. Both plans are underwritten by Blue Cross Blue Shield of North Dakota (BCBSND). Please refer to the Certificate of Insurance for complete details.

ELIGIBILITY

To be eligible to join the Dakota Plan or the Dakota Retiree Plan:

A member must be receiving a “retirement allowance” from:

- North Dakota Public Employees Retirement System (NDPERS)
 - ◆ Defined Benefit Plan
 - ◆ Defined Contribution Plan
- North Dakota Highway Patrol Retirement System (NDHPRS)
- Job Service Retirement Plan
- Teacher’s Fund for Retirement (TFFR)
- Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF) (North Dakota University System only)

A member of certain Political Subdivisions, if enrolled in the Dakota Plan as an active employee, and:

- Receiving a “retirement allowance” from a NDPERS Board approved employer sponsored retirement plan, such as:
 - 401(a)
 - 401(k)
 - 403(b)
 - 457

A surviving spouse must be:

- Receiving a beneficiary benefit from the aforementioned retirement plans, or
- On the Dakota Plan as a covered dependent at the time of member’s death and there is no lapse in coverage.

A non-spouse beneficiary is not eligible to continue on the group health plan.

ENROLLMENT

A member or surviving spouse who is receiving a qualified retirement allowance must apply within 31 days from any one of the following “qualifying events”:

1. Date of retirement, defined as either:
 - The last day of active employment if member does not defer his/her retirement benefit or take a lump-sum refund of his/her retirement account, or
 - Date of first retirement check if member deferred his/her retirement benefit.
2. Member’s 65th birthday or eligibility for Medicare;
3. Member’s spouse or eligible dependent’s 65th birthday or eligibility for Medicare;
4. The loss of coverage in a health plan sponsored or provided by member’s employer or member’s spouse’s employer, if covered through spouse’s employer group plan. This includes loss of coverage 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.

If a member or surviving spouse does not enroll within 31 days of any one of the above qualifying events, he/she will have forfeited his/her rights to enroll in the Plan in the future.

COVERAGE EFFECTIVE DATE

If a member is enrolled in the Dakota Plan as an active employee, coverage will become effective on the first of the month following the final date of coverage provided by his/her employer. If a member was not enrolled in the Dakota Plan at the time of application, coverage will become effective on the first day of the month following one of the “qualifying events” listed above.

PREMIUM PAYMENT POLICY

Retirement Plan	Payment Method
NDPERS Defined Benefit ¹	Benefit Check Bank Account
NDPERS Defined Contribution ³	Bank Account
NDHPRS ¹	Benefit Check Bank Account
Job Service ¹	Benefit Check Bank Account
TFFR ²	Benefit Check Bank Account
TIAA-CREF ³	Bank Account
Approved Employer Sponsored ³	Bank Account

1. If retirement allowance is large enough to deduct the entire monthly premium, the premium will automatically be withheld from the benefit check. If retirement allowance is not large enough, premium must be withheld from a bank account. Complete an Authorization for Automatic Premium Deduction SFN 50134. It is the policy of NDPERS that a member's net annuity payment can not be less than \$50.00.
2. If TFFR retirement allowance is large enough to deduct the entire monthly premium, an election to have premiums withheld from a benefit check must be made. Complete a Payroll Deduction Authorization (TFFR) SFN 19182. If retirement allowance is not large enough, premium must be withheld from a bank account. Complete an Authorization for Automatic Premium Deduction SFN 50134.
3. If retirement allowance is issued from the NDPERS Defined Contribution plan, TIAA-CREF, or a Board approved employer sponsored retirement plan, premiums must be withheld from a bank account. Complete an Authorization for Automatic Premium Deduction SFN 50134.

CANCELLATION POLICY

To cancel NDPERS health coverage, a written request must be submitted. The request must provide the contract holder's name, social security number and effective date. NDPERS must receive a cancellation request by the 15th of the month prior to the effective date. Cancellations will only be done at the end of the month. We cannot cancel a policy for a partial month or do a retroactive cancellation of a policy.

CONTINUATION OF GROUP INSURANCE COVERAGE FOR RETIRING OR TERMINATING EMPLOYEES (COBRA)

Please read this information carefully. You should retain this notice for your records.

As a result of a recent "Qualifying Event", your insurance coverage has or will terminate. Under the Federal Consolidated Omnibus Budget Reconciliation Act (COBRA), you and/or your covered dependents that are losing coverage are entitled to continue your group insurance coverage under the plan sponsored by your employer beyond the date coverage would normally end. You may have already made an election; however, we are required by federal law to provide you this notice for your records.

You and/or your covered dependents that are losing coverage are "Qualified Beneficiaries". A family member added to the covered employee's contract due to marriage or birth or placement for adoption during a period of continuation coverage will also be deemed a qualified beneficiary for COBRA purposes. The spouse or child must be added to COBRA coverage within 31 days from the date of the qualifying event.

As qualified beneficiaries, you and/or your eligible dependents losing coverage are entitled to continue the same group insurance that you had on the day before the qualifying event (provided that the company has not eliminated the policy or changed insurance carriers since the qualifying event). Additionally, you are also entitled to COBRA continuation coverage if you have other insurance coverage *prior* to electing COBRA coverage (including entitlement to Medicare).

Under the law, you have a 60-day election period during which you must inform your employer in writing or by completing an application that you want continuation coverage. This election period begins on the later of (1) the date you lose coverage due to the qualifying event or (2) the date you are provided your COBRA notification. If you are or become mentally or physically incapacitated during this election period, an appointed guardian or responsible party may elect and/or pay for COBRA continuation coverage on your behalf. If you choose COBRA continuation coverage, your election is considered made on the date you send your payment to the Plan Administrator.

Continuation Period.

Your Qualifying Event entitles you and/or your covered dependents to continue coverage for the period of 18 months if you are qualifying due to the member's termination of employment. This period begins on the date your coverage under the group insurance plan would normally cease. If you have signed an Early Retirement Agreement, whereby your employer will pay the premiums for a specified period of time, the first 18 months of employer paid premium is your COBRA continuation coverage.

Extended COBRA Continuation Coverage Period.

Any qualified beneficiary in connection with a qualifying event may be entitled to an extension of continuation coverage from 18 to 29 months if an individual is determined under Title II or XVI of the Social Security Act to have been disabled at any time during the first 60 days of COBRA continuation coverage. The disability extension applies only if any of the qualified beneficiaries provides notice to the plan administrator of the disability determination within 60 days after the date the determination is issued and before the end of the original 18-month maximum coverage period. The affected individual must also notify NDPERS within 31 days of any final determination that the individual is no longer disabled. The disability extension applies separately to each qualified beneficiary including non-disabled family members who are qualified beneficiaries due to the termination or reduction in hours of employment.

In addition, if you are the spouse or dependent of an employee who has been terminated from employment or whose hours of employment have been reduced, you may receive an extension of

continuation coverage if a second qualifying event occurs (such as employee death, divorce, legal separation, employee Medicare entitlement or losing dependent status under the Plan) during the original 18-month continuation coverage period. In such a case, the original 18-month period (or 29-month period, in the case of a disability extension) is expanded to 36 months. This extension applies only if the Plan Administrator is notified in writing within 60 days of the second qualifying event and within the original 18 or 29-month coverage period. This extension applies to individuals who are qualified beneficiaries as a result of the first qualifying event and who are still qualified beneficiaries at the time of the second qualifying event. A reduction in hours followed by a termination of employment is not considered a second qualifying event for COBRA purposes.

Premiums for COBRA Continuation Coverage.

You will be charged 102% of the applicable group premium rate for the level of coverage you select. Unless you expressly elect otherwise, the coverage to be continued will be that which you and/or your dependents (if any) had on the day before the qualifying event. However, be aware that each qualified beneficiary has independent COBRA election rights. The initial premium for continuation coverage must be made within 45 days of your COBRA election.

Your continuation coverage will not be effective until the initial premium payment is received. If the initial premium is not made within the indicated period, you will forfeit your right to continuation coverage. Subsequent monthly premium payments are due and payable on the 15th day of each month for that month's coverage. Pursuant to COBRA law, your continuation coverage will be terminated if your premium is not received by the last day of the month for which coverage was due.

How to Elect COBRA Continuation of Insurance Coverage

1. Obtain, complete and follow the instructions on the 'CONTINUATION OF GROUP INSURANCE COVERAGE (COBRA)', SFN 14120 and return it to the NDPERS office before the Election Period Expiration Date.
2. Pay the initial premium required for COBRA continuation coverage within forty-five (45) days of your COBRA election date. See the Premiums for COBRA Continuation Coverage section.

Termination of Continuation Coverage.

You may lose your continuation coverage before the end of your maximum coverage period for any of the following reasons:

1. If any required premium is not paid in a timely manner, coverage will cease for you and your qualified beneficiaries.
2. If you or any of your qualified beneficiaries become covered under another group insurance plan, after the date of COBRA election, that does not contain any applicable exclusion or limitation with respect to any pre-existing condition.
3. If all of our group insurance plans are terminated (including successor plans), coverage will cease for you and your qualified beneficiaries.
4. If coverage was extended to 29 months due to a disability, coverage will cease if there is a determination that the individual is no longer disabled. Please note: Federal law requires that you inform the plan administrator within 31 days of a final determination that the individual is no longer disabled.
5. If you or your qualified beneficiaries become entitled to coverage under Medicare, after the date of COBRA election, coverage will cease for each individual so eligible. If you are age 65 or over and receive or have applied for Social Security (or qualify for Social Security at an earlier age due to a disabling condition) you are considered to be entitled to Medicare.
6. If you request cancellation of COBRA continuation coverage in writing.
7. If the group insurance plan terminates the coverage for cause for similarly situated active employees, then the qualified beneficiary's coverage can be terminated on the same basis (such as for submission of fraudulent claims, etc.).

IMPORTANT: The plan is required to make a complete response to any inquiry from a insurance provider regarding your right to coverage under the plan during the election period. Similar requirements exist to provide the status of COBRA coverage inquiries made by insurance care providers during any applicable premium payment grace periods. If you elect the continuation coverage, the initial payment will cover the first period of continuation coverage beginning immediately after the date that your coverage under the group insurance plan ceased. Please see Premiums for COBRA Continuation Coverage section of this document.

Plan or Benefit Changes.

If you elect continuation coverage, you will receive the same level of benefits under the plan as similarly situated active employees. Plan benefits may be modified or amended during the period of continuation coverage that may result in a change of premiums in accordance with federal COBRA regulation. As a qualified beneficiary, you are entitled to the same open enrollment rights as active employees. This includes special enrollment rights such as adding coverage for newly acquired family members.

Please be advised that notification to an individual, who is a qualified beneficiary as the spouse of a covered employee, shall be considered notification to all other qualified beneficiaries residing with such spouse at the time such notice is made.

If you have any questions, please call NDPERS at 701-328-3900 or 1-800-803-7377.

Dakota Plan

Enroll in this plan if you and your spouse are not eligible for Medicare

Are you currently enrolled in NDPERS Dakota Plan as an active employee?

No

Read the END OF COBRA PERIOD OR NEW COVERAGE and the Dakota Plan Features

Do you want to enroll in the Dakota Plan?

No

Yes

Complete the Retiree Group Health Insurance Application SFN 16277 to enroll or waive coverage

Yes

Read COBRA CONTINUATION and Dakota Plan Features

Do you want to continue your coverage in the Dakota Plan?

No

Yes

Complete Retiree Continuation of Group Health Insurance Coverage (COBRA) SFN 53799 to continue coverage or to waive coverage

DAKOTA PLAN



This is information regarding your eligibility for the NDPERS group health coverage under the Dakota plan and Dakota Retiree Plan. Both plans are underwritten by Blue Cross Blue Shield of North Dakota (BCBSND).

COBRA COVERAGE

Upon termination of employment, your NDPERS health coverage will continue to the end of month following the month of your separation from employment. You and your covered dependents may apply for COBRA coverage within 60 days of your separation of employment if:

- ✓ If you, and your covered dependents were enrolled in the NDPERS health plan, and
- ✓ Neither you nor your covered dependents are eligible for Medicare.

You will have the option to continue COBRA coverage for a maximum period of 18 months. COBRA coverage will be terminated if:

- ✓ You or your covered dependents become eligible for an employer sponsored health plan
- ✓ Your or your eligible dependents become eligible for Medicare.

The following COBRA premiums are in effect through June 30, 2013:

State Agencies	<u>Single</u> \$435.50	<u>Family</u> \$1049.58
Political Subdivisions, enrolled prior to July 1, 2011		
Grand Fathered	<u>Single</u> \$465.28	<u>Family</u> \$1124.12
Non Grand Fathered	<u>Single</u> \$472.36	<u>Family</u> \$1141.20
Political Subdivisions enrolled after July 1, 2011:		
Premiums through June 30, 2012	<u>Single</u> \$452.14	<u>Family</u> \$1092.18
Premiums from July 1, 2012 to June 30, 2013	<u>Single</u> \$492.58	<u>Family</u> \$1190.22

High Deductible Health Plan (HDHP)

If you are an active state employee covered on the High Deductible Health Plan (HDHP) at the time you terminate, your coverage in this plan will continue while you are on COBRA. You will have opportunity to discontinue your participation in the HDHP plan and switch to the PPO/Basic Plan during annual enrollment.

Once terminated, there is no longer an employer contribution to a Health Savings Account (HSA) on your behalf. However, the premium that you are required to pay reflects that the state does not pay an employer contribution and are lower than the PPO/Basic COBRA rates. The premiums for HDHP COBRA are:

Single: \$379.56

Family: \$914.20

END OF COBRA PERIOD OR NEW COVERAGE

If eligibility continues upon completion of COBRA or member is applying for new coverage, the following premiums are in effect through June 30, 2013:

	<u>Single</u>	<u>Family</u>
Non-Medicare	\$640.44	\$1280.88
Non-Medicare (3 or more)		\$1601.10

Late applications must include a check payable to NDPERS for the first months' premium. Applications received after the 60 day COBRA enrollment period will not be accepted.

Upon the completion of COBRA, you have the option to enroll under a conversion health plan. For details about the conversion option, contact BCBSND at 1-800-803-7377.

EXTENDED COBRA

Disability

A member or their dependent determined to have been disabled for Social Security purposes may extend the continuation of coverage to 29 months. If member or their dependent becomes disabled at any time during the first 60 days of COBRA continuation coverage the member must provide notice of such determination to NDPERS within 60 days after the date of any final determination of disability and before the end of the 18 month continuation period.

Death

Continuation of coverage may be extended for a period up to 36 months for an eligible dependent.

CONTINUATION OF NDPERS HEALTH COVERAGE AFTER COBRA

Upon the completion of COBRA, to be eligible to continue the Dakota Plan or join the Dakota Retiree Plan you must be receiving a "retirement allowance" from:

- ◆ North Dakota Public Employees Retirement System (NDPERS)
 - Defined Benefit Plan
 - Defined Contribution Plan
- ◆ North Dakota Highway Patrol Retirement System (NDHPRS)
- ◆ Job Service Retirement Plan
- ◆ Teacher's Fund for Retirement (TFFR)
- ◆ Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF) (North Dakota University System only).

A member of certain Political Subdivisions, if enrolled in the Dakota Plan as an active employee, and:

- ◆ Receiving a "retirement allowance" from a NDPERS Board approved employer sponsored retirement plan, such as:
 - 401(a)
 - 401(k)
 - 403(b)
 - 457

Health insurance enrollment information, rate information, and application forms will be provided in the Retirement Kit. Please contact the NDPERS office prior to making application for retirement benefits.

If you defer your retirement benefit or take a lump sum distribution of your retirement account, upon completion of COBRA, your coverage will end. You have the option to enroll under a conversion health

plan directly through BCBSND. For details about the conversion option, contact BCBSND at 1-800-803-7377.

CANCELLATION OF HEALTH COVERAGE

If you wish to cancel your NDPERS health coverage you must submit a written request providing the contract holder's name, contract number and effective cancellation date. Cancellations will only be done at the end of the month. We cannot cancel your policy for a partial month or do a retroactive cancellation of a policy. NDPERS must receive your cancellation request by the 15th of the month prior to the effective cancellation date.

Additional Features of Dakota PPO/Basic and HDHP Plans:

DISEASE MANAGEMENT PROGRAM

A disease management program is offered through BCBSND. Please contact the BCBSND service unit at 1-800-223-1704.

WELLNESS PROGRAMS

Health Club Credit:

Covered members and their eligible spouse can earn up to a \$20 credit monthly for visiting a participating health club a minimum of 12 days a month.

MyHealthCenter:

Covered members and their eligible spouse can earn points to apply toward incentive prizes in this online program. MyHealthCenter provides personal coaching, the QuitNet tobacco cessation program, customized plans for fitness and nutrition, and family tools for kids.

You will receive a wellness packet with your new health ID cards which will include:

- 1) A letter that explains both programs in detail, as well as, the member's enrollment process.
- 2) Health Club Credit Schedule and list of frequently asked questions.
- 3) Login/Know Your Numbers Card.

DAKOTA HEALTH PLAN FEATURES



The plan features listed in this publication are effective July 1, 2009. For Complete features of the Dakota Plan, please visit www.nd.gov/ndpers.

Preferred Provider Organization (PPO)

The Preferred Provider Organization (PPO) is a group of hospitals, clinics and physicians who have agreed to discount their services to members of NDPERS. You have "freedom of choice" in selecting which physician or medical facility to use for services. No referral is needed. If you choose a provider who participates in the PPO program, you will have lower out-of-pocket expenses. PPO benefits are only available in the State of North Dakota, unless the medical facility provides services at a satellite location in another State.

DEDUCTIBLE AND COINSURANCE

Deductible, copayments, and coinsurance maximums accrue on a "Calendar-Year" basis, January 1 - December 31.

<u>Plan Features:</u>	<u>Basic</u> (Self Referral or Out-of-State)	<u>PPO</u>
Deductible for All Services		
-Per Person	\$400	\$400
-Per Family	\$1200	\$1200
Copayment for Physician Office Visits (no limit)	\$ 30	\$ 25
Copayment for Emergency Room	\$ 50	\$ 50
Coinsurance on all covered services except Physician Office Visits	75/25	80/20
Annual Coinsurance Maximum		
-Individual	\$1250	\$750
-Family	\$2500	\$1500
Annual Out-of-Pocket Maximums (Deductible and Coinsurance)**		
-Individual	\$1650	\$1150
-Family	\$3700	\$2700
*Out-of-network coverage is at the Basic level.		
**Office visit and emergency room copayments and prescription drug copayments and coinsurance are additional		

DISEASE MANAGEMENT PROGRAM

A disease management program is offered through BCBSND. Please contact the BCBSND service unit at 1-800-223-1704.

WELLNESS PROGRAMS

Health Club Credit:

Covered members and their eligible spouse can earn up to a \$20 credit monthly for visiting a participating health club a minimum of 12 days a month.

MyHealthCenter:

Covered members and their eligible spouse can earn points to apply toward incentive prizes in this online program. MyHealthCenter provides personal coaching, the QuitNet tobacco cessation program, customized plans for fitness and nutrition, and family tools for kids.

You will receive a wellness packet with your new health ID cards which will include:

- 4) A letter that explains both programs in detail, as well as, the member's enrollment process.
- 5) Health Club Credit Schedule and list of frequently asked questions.
- 6) Login/Know Your Numbers Card.

PREVENTIVE SCREENING SERVICES- PPO/BASIC COVERAGE

Wellness Services				
	Copayment	PPO Plan	Basic Plan	Special Conditions
Well Child Care (to member's 6th birthday)	\$25/\$30	100%	100%	Deductible does not apply.
Preventive Screening Services (members 6 and older)	\$25/\$30	100%	100%	Maximum benefit allowance of \$200 per member per benefit period. Deductible does not apply. Benefits beyond the maximum benefit allowance will be subject to cost sharing amounts. Deductible does not apply.
Immunizations		100%	100%	Deductible does not apply.
Mammography & Pap Smear Screening Services		100%	100%	The number of visits for mammography varies by age group. Maximum benefit allowance of 1 Pap smear per benefit period. Refer to benefit plan for details.
Prostate Cancer Screening Services		80%	75%	Refer to the benefit plan for details. Deductible does not apply.

For a Complete list of benefits please refer to the schedule of benefits

PRESCRIPTION DRUG COVERAGE

Deductible, copayments, and coinsurance maximums accrue on a "Calendar-Year" basis, January 1 - December 31.

<u>Plan Features:</u>	<u>Basic</u> (Self Referral or Out-of-State)	<u>PPO</u>
Prescription Formulary Generic Drug		
-Copayment	\$5	\$5
- Coinsurance (\$1,000 maximum per person per benefit period, covered at 100% after \$1,000 maximum is met)	15%	15%
Prescription Formulary Brand-Name Drug***		
-Copayment	\$20	\$20
- Coinsurance (\$1,000 maximum per person per benefit period, covered at 100% after \$1,000 maximum is met)	25%	25%
Prescription Non-Formulary Drug		
-Copayment	\$25	\$25
-Coinsurance	50%	50%

***One copayment amount per prescription order or refill for a 1–34 day supply. Two copayment amounts per prescription order or refill for a 35–100 day supply. Benefits are subject to the Outpatient Prescription Drug Coinsurance Maximum Amount. Deductible does not apply

MAIL ORDER PRESCRIPTION DRUGS:

Please contact BCBSND at 1-800-223-1704 regarding the mail order prescription plan.

MEMBER REBATE ACCOUNTS

Member rebate accounts for rebates on prescription drugs. Please contact the BCBSND service unit at 1-800-223-1704.

HIGH DEDUCTIBLE HEALTH PLAN (HDHP)

Information regarding the High Deductible Health Plan (HDHP) including deductibles, coinsurance amounts and preventive services is available on the NDPERS website.

Dakota Retiree Plan

To enroll in this plan you and/or your spouse must be eligible for Medicare

Read the Dakota Retiree Plan, Dakota Retiree Plan Prescription Drug Coverage and Notice of Credible Coverage

Do you want to enroll in the Dakota Retiree Plan?

No

Complete the Retiree Group Health Insurance Application SFN 16277 to waive coverage

Yes

Complete the Retiree Health Insurance Application with Medicare SFN 59562 to enroll

Complete the Medicare Blue Rx application for each eligible member

Attach a photocopy of your Medicare card showing Part A and Part B effective dates for each eligible member.

Dakota Retiree Plan



The Dakota Retiree Plan provides health care coverage as a secondary payer to Medicare. You will not be assessed deductible or coinsurance amounts. Please refer to the schedule of benefits outlined below.

The following information is intended to provide a brief summary of your benefits. It should not be used to determine whether your health care expenses will be paid. The written Benefit Plan governs the benefits available. Covered Services are subject to your Benefit Plan Cost Sharing Amounts, unless otherwise indicated.

* The Dakota Retiree plan provides you with prescription drug coverage, see group MedicareBlue Rx 2011 Summary of Benefits.

A member or eligible dependent is eligible to enroll in this health coverage at the time of Medicare eligibility. If covered under the Dakota Plan at the time, a member will receive a notification approximately 60 days prior to the eligibility date regarding the enrollment procedures. To enroll, you must comply with the following requirements:

- The eligible member(s)/dependent(s) must have both parts A and B of Medicare. If the eligible member(s)/dependent(s) continue to be covered by an "active" employer group policy, Medicare Part B may be waived until the contract holder terminates employment.
- The eligible member(s)/dependent(s) must complete the Retiree Group Health Insurance Application as well as a Medicare Blue Rx Application for each person who is Medicare eligible and also include a copy of the Medicare card.

If the above requirements are met and member enrolled prior to July 1, 2011, the following premiums are in effect through June 30, 2013:

	<u>Single</u>	<u>Family</u> *
One Medicare/One Non-Medicare Medicare Eligible (Must have both Medicare A & B)	\$242.08	\$594.48 \$481.36

If the above requirements are met and member enrolled in the plan on or after July 1, 2011 the following premiums are applicable:

	<u>Single</u>	<u>Family</u> *
Premiums through June 30, 2012 One Medicare/One Non-Medicare Medicare Eligible (Must have both Medicare A & B)	\$236.14	\$573.38 \$469.48

If the above requirements are met and member enrolled in the plan on or after July 1, 2012 the following premiums are applicable:

	<u>Single</u>	<u>Family</u> *
Premiums from July 1, 2012 to June 30, 2013 One Medicare/One Non-Medicare Medicare Eligible (Must have both Medicare A & B)	\$248.02	\$615.58 \$493.24

***NOTE:** These rates are subject to Medicare Part D increase at the end each calendar year. If you have more than two people on your health insurance policy, please contact NDPERS for your rate. If member/dependent did not enroll in the plan at the time he/she is eligible, coverage will cease on the first day of the month in which the member or dependent(s) became eligible.

WELLNESS PROGRAMS

Health Club Credit:

Covered members and their eligible spouse can earn up to a \$20 credit monthly for visiting a participating health club a minimum of 12 days a month.

MyHealthCenter:

Covered members and their eligible spouse can earn points to apply toward incentive prizes in this online program. MyHealthCenter provides personal coaching, the QuitNet tobacco cessation program, customized plans for fitness and nutrition, and family tools for kids.

You will receive a wellness packet with your new health ID cards which will include:

- 1) A letter that explains both programs in detail, as well as, the member's enrollment process.
- 2) Health Club Credit Schedule and list of frequently asked questions.
- 3) Login/Know Your Numbers Card.



2012 Summary of Benefits

NDPERS

For plan years beginning in 2012

Introduction to the Summary of Benefits for Group MedicareBlue Rx NDPERS

Plan years beginning in 2012 Nationwide

Thank you for your interest in Group MedicareBlue Rx. This plan is offered by Blue Cross and Blue Shield, a Medicare Prescription Drug Plan that contracts with the federal government. This Summary of Benefits tells you some features of this plan. It doesn't list every drug covered, every limitation, or exclusion. For a complete list of benefits, please call Group MedicareBlue Rx at the number listed at the end of this introduction and ask for the Evidence of Coverage.

Who is eligible to join?

You can join this plan if you are entitled to Medicare Part A and/or enrolled in Medicare Part B and live in the service area. You must also be identified as an eligible participant by your employer.

If you are enrolled in an MA coordinated care (HMO or PPO) plan or an MA private-fee-for-service (PFFS) plan that includes Medicare prescription drugs, you may not enroll in a PDP unless you disenroll from the HMO, PPO or MA PFFS plan.

Enrollees in a PFFS that does not provide Medicare prescription drug coverage, or an MA Medical Savings Account (MSA) plan may enroll in a PDP. Enrollees in an 1876 Cost Plan may enroll in a PDP.

Where can I get my prescriptions?

Group MedicareBlue Rx has formed a contracted network of pharmacies. You must use a network pharmacy to receive plan benefits. The plan will not pay for your prescriptions if you use an out-of-network pharmacy, except in certain cases.

The pharmacies in the network can change at any time. You can ask for a Pharmacy Directory or visit www.YourMedicareSolutions.com or call Group MedicareBlue Rx at the number listed at the end of this introduction.

Does this plan cover Medicare Part B or Part D drugs?

Group MedicareBlue Rx does not cover drugs that are covered under Medicare Part B as prescribed and dispensed. Generally, the plan will only cover drugs, vaccines, biological products and medical supplies that are covered under the Medicare Prescription Drug Benefit (Part D) and that are on the plan's formulary.

Can I get 90-day supplies?

You can get 90-day supplies through the plan's mail order pharmacy or at certain retail pharmacies in the network. Mail order pharmacy services are through PrimeMail offered by Prime Therapeutics.* PrimeMail offers convenient, discreet and secure delivery of prescription medications to your home. To find out more about PrimeMail, visit www.YourMedicareSolutions.com or call Group MedicareBlue Rx at the number listed at the end of this introduction.

*PrimeMail is a mail service pharmacy owned and operated by Prime Therapeutics LLC, an independent company providing pharmacy benefit management services.

A Medicare-approved Part D sponsor

Some network retail pharmacies offer 90-day supplies at the mail order reimbursement rate of the same coinsurance or two times the regular copayment. This is called Preferred Extended Supply. For more information on 90-day supplies, please contact Group MedicareBlue Rx at the number listed at the end of this introduction.

What is a prescription drug formulary?

Group MedicareBlue Rx uses a formulary. A formulary is a list of drugs covered by the plan to meet patient needs. Blue Cross and Blue Shield may periodically add, remove, or make changes to coverage limitations on certain drugs, or change how much you pay for a drug. If a formulary change limits your ability to fill prescriptions, you will be notified before the change is made. You can also view the complete formulary online at www.YourMedicareSolutions.com or call Group MedicareBlue Rx to see if the drugs you take are on the formulary.

If you are currently taking a drug that is not on the formulary or subject to additional requirements or limits, you may be able to get a temporary supply of the drug. You can contact Group MedicareBlue Rx to request an exception or switch to an alternative drug listed on the formulary with your physician's help. Call Group MedicareBlue Rx to see if you can get a temporary supply of the drug or for more details about the plan's drug transition policy.

How can I get extra help with my prescription drug plan costs or get extra help with other Medicare costs?

You may be able to get extra help to pay for your prescription drug premiums and costs as well as get help with other Medicare costs. To see if you qualify for getting extra help, call:

- **1-800-MEDICARE (1-800-633-4227)**. TTY/TDD users should call **1-877-486-2048**, 24 hours a day, seven days a week; and see www.medicare.gov "Programs for People with Limited Income and Resources" in the publication Medicare & You.

- The Social Security Administration at **1-800-772-1213** between 7 a.m. and 7 p.m. Monday through Friday. TTY/TDD users should call **1-800-325-0778**; or
- Your State Medicaid Office.

What are my protections in this plan?

All Medicare Prescription Drug Plans agree to stay in the program for a full year at a time. Each year, the plans decide whether to continue for another year. Even if a Medicare Prescription Drug Plan leaves the program, you will not lose Medicare prescription drug coverage. If a plan decides not to continue, it must send you a letter at least 90 days before your coverage will end. The letter will explain your options for Medicare coverage in your area. Also, your previous employer, benefits administrator or union may determine that you no longer meet the eligibility requirements or they are no longer going to offer this coverage. If your previous employer, benefits administrator or union determines they will no longer offer this coverage to you for any reason, they must provide you with a notice at least 21 days prior to ending your coverage.

As a member of Group MedicareBlue Rx, you have the right to request a coverage determination, which includes the right to request an exception, the right to file an appeal if we deny coverage for a prescription drug, and the right to file a grievance. You have the right to request a coverage determination if you want us to cover a Part D drug that you believe should be covered. An exception is a type of coverage determination. You may ask us for an exception if you believe you need a drug that is not on our list of covered drugs or believe you should get a non-preferred drug at a lower out-of-pocket cost. You can also ask for an exception to cost utilization rules, such as a limit on the quantity of a drug. If you think you need an exception, you should contact us before you try to fill your prescription at a pharmacy. Your doctor must provide a statement to support your exception request. If we deny coverage for your prescription drug(s), you have the right to appeal

and ask us to review our decision. Finally, you have the right to file a grievance if you have any type of problem with us or one of our network pharmacies that does not involve coverage for a prescription drug. If your problem involves quality of care, you also have the right to file a grievance with the Quality Improvement Organization (QIO) for your state. Please refer to the Evidence of Coverage for the QIO contact information or call Group MedicareBlue Rx Customer Service.

What is a Medication Therapy Management (MTM) Program?

A Medication Therapy Management (MTM) program is a free service the plan offers. You may be invited to participate in a program designed for your specific health and pharmacy needs. You may decide not to participate but it is recommended that you take full advantage of this covered service if you are selected. Contact Group MedicareBlue Rx for more details.

What information will I receive once I enroll?

After you enroll, you will receive a member ID card and welcome kit. The welcome kit contains an Evidence of Coverage, a Schedule of Copayments and Limitations, a formulary, a pharmacy directory and information on how to use the mail service pharmacy.

Visit www.YourMedicareSolutions.com or, call:

Current members call: **1-877-838-3827**

TTY hearing impaired users call: **711**

Customer Service Hours:

8 a.m. to 8 p.m., daily, Central and Mountain Times

For more information about Medicare, please call Medicare at:

1-800-MEDICARE (1-800-633-4227).

TTY hearing impaired users call: **1-877-486-2048.**

You can call 24 hours a day, 7 days a week.

Or, visit www.medicare.gov on the Web.

This document may be available in other formats such as Braille, large print or other alternate formats.

This document may be available in a non-English language. For additional information, call customer service at the phone number listed above.

Summary of Benefits

NDPERS

If you have any questions about the plan's benefits or costs, please contact Group MedicareBlue Rx for details.

Benefit category	Original Medicare	Group MedicareBlue Rx
<p>General information</p>	<p>Most drugs are not covered under Original Medicare. You can add prescription drug coverage to Original Medicare by joining a Medicare Prescription Drug Plan, or you can get all your Medicare coverage, including prescription drug coverage, by joining a Medicare Advantage Plan or a Medicare Cost Plan that offers prescription drug coverage.</p>	<p>This plan uses a formulary. We will send a formulary to you, or you can view a formulary on the plan's website at www.YourMedicareSolutions.com.</p> <p>People who have limited incomes, who live in long-term care facilities, or who have access to Indian/Tribal/Urban (Indian Health Service) facilities may have different out-of-pocket drug costs. Contact Group MedicareBlue Rx for details.</p> <p>Total yearly drug costs are the total drug costs paid by both you and the plan.</p> <p>Most people will pay their Part D premium. However, some people will pay a higher premium because of their yearly income (over \$85,000 for singles, \$170,000 for married couples). For more information about Part D premiums based on income, call Medicare at 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You may also call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.</p> <p>The plan may require you to first try one drug to treat your condition before it will cover another drug for that condition. Some drugs have quantity limits. Your provider must get prior authorization from Group MedicareBlue Rx for certain drugs.</p> <p>You must go to certain pharmacies for a very limited number of drugs, due to special handling, provider coordination, or patient education requirements for these drugs that cannot be met by most pharmacies in your network. These drugs are listed on the plan's website, formulary and printed materials, as well as on the Medicare Prescription Drug Plan Finder on Medicare.gov.</p> <p>If the actual cost of a drug is less than the normal cost-sharing amount for that drug, you will pay the actual cost, not the higher cost-sharing amount.</p> <p>If you request a formulary exception for a drug and Group MedicareBlue Rx approves the exception, you will pay Tier 3: Non-Preferred Brand Drugs cost-sharing for that drug.</p>

Benefit Category	Original Medicare	Group MedicareBlue Rx
Deductible		No deductible.
Retail Pharmacy		<p>You pay the following for prescription drugs:</p> <p>Tier 1: Generic Drugs – \$5 copay plus 15% coinsurance for a one-month (31-day) supply of drugs in this tier</p> <p>Tier 2: Preferred Brand Drugs – \$15 copay plus 25% coinsurance for a one-month (31-day) supply of drugs in this tier</p> <p>Tier 3: Non-Preferred Brand Drugs – \$25 copay plus 50% coinsurance for a one-month (31-day) supply of drugs in this tier</p> <p>Tier 4: Specialty Tier Drugs – \$15 copay plus 25% coinsurance for a one-month (31-day) supply of drugs in this tier</p>
Mail Order/Preferred Extended Supply		<p>Tier 1: Generic Drugs – \$5 copay plus 15% coinsurance for a three-month (90-day) supply of drugs in this tier</p> <p>Tier 2: Preferred Brand Drugs – \$15 copay plus 25% coinsurance for a three-month (90-day) supply of drugs in this tier</p> <p>Tier 3: Non-Preferred Brand Drugs – \$25 copay plus 50% coinsurance for a three-month (90-day) supply of drugs in this tier</p> <p>Tier 4: Specialty Tier Drugs – \$15 copay plus 25% coinsurance for a three-month (90-day) supply of drugs in this tier</p>

Benefit category	Original Medicare	Group MedicareBlue Rx
Long-Term Care Pharmacy		<p>Tier 1: Generic Drugs – \$5 copay plus 15% coinsurance for a one-month (31-day) supply of drugs in this tier</p> <p>Tier 2: Preferred Brand Drugs – \$15 copay plus 25% coinsurance for a one-month (31-day) supply of drugs in this tier</p> <p>Tier 3: Non-Preferred Brand Drugs – \$25 copay plus 50% coinsurance for a one-month (31-day) supply of drugs in this tier</p> <p>Tier 4: Specialty Tier Drugs – \$15 copay plus 25% coinsurance for a one-month (31-day) supply of drugs in this tier</p>
Catastrophic Coverage		<p>After your yearly out-of-pocket drug costs reach \$4,700, you pay the greater of:</p> <ul style="list-style-type: none"> – 5% coinsurance, or – \$2.60 copay for generic (including brand drugs treated as generic) and \$6.50 copay for all other drugs.
Out-of-Network		<p>Plan drugs may be covered in special circumstances, for instance, illness while traveling outside of the plan’s service area where there is no network pharmacy. You may have to pay more than your normal cost-sharing amount if you get your drugs at an out-of-network pharmacy. In addition, you will likely have to pay the pharmacy’s full charge for the drug and submit documentation to receive reimbursement from Group MedicareBlue Rx. Please contact Group MedicareBlue Rx for details.</p>
Supplemental Drugs		<p>Group MedicareBlue Rx provides coverage for a number of drugs that are excluded from the Medicare Part D program. You will pay a 25% coinsurance for these drugs. Because they are excluded from the Part D program, they will not count toward your annual out-of-pocket maximum. Please contact Group MedicareBlue Rx for details.</p>

Do you have a question or need more information?

Please call Customer Service:

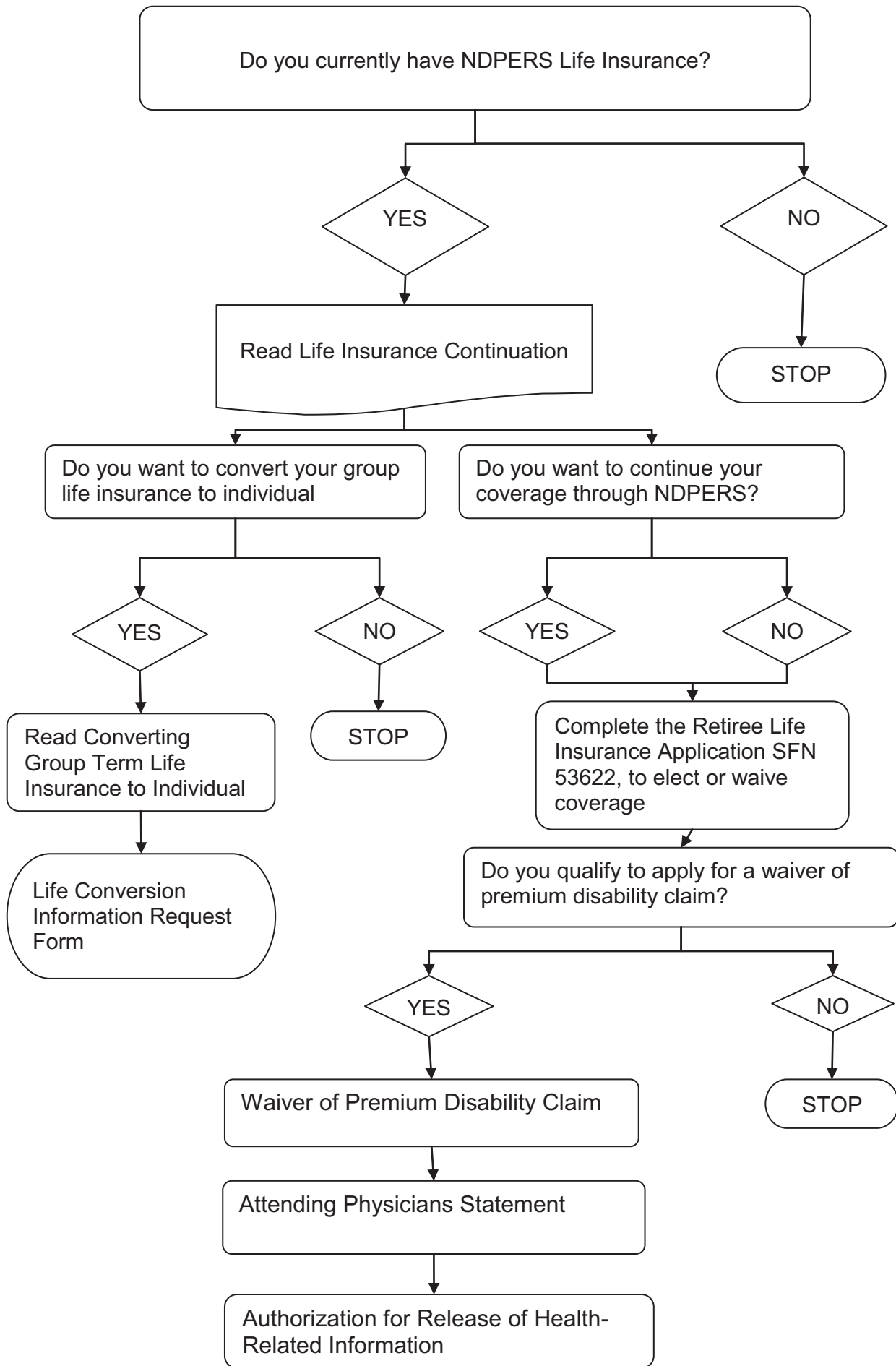
Group MedicareBlue Rx: **1-877-838-3827** TTY hearing impaired users call: **711**

Assistance is available 8 a.m. to 8 p.m., daily, Central and Mountain Times

Or, visit our website at www.YourMedicareSolutions.com

Coverage is available to members of an employer or union group and separately issued by one of the following plans: Wellmark Blue Cross and Blue Shield of Iowa,* Blue Cross and Blue Shield of Minnesota,* Blue Cross and Blue Shield of Montana,* Blue Cross and Blue Shield of Nebraska,* Blue Cross Blue Shield of North Dakota,* Wellmark Blue Cross and Blue Shield of South Dakota,* and Blue Cross Blue Shield of Wyoming.*

*Independent licensees of the Blue Cross and Blue Shield Association



LIFE INSURANCE CONTINUATION



Effective July 1, 2011

If you are participating in the NDPERS group life insurance plan as an active employee, you will have the option to continue your employee supplemental, dependent supplemental, and spouse supplemental life insurance coverage to age 65. This election must be made within 31 days of date of retirement by completing a Retiree Life Insurance Application SFN 53622. If you do not apply to continue coverage during this time limit, you will have forfeited your right to enroll in the future.

You may either maintain the same level(s) of coverage you had as an active employee or elect to decrease or discontinue your level(s) of coverage. You cannot increase any coverage levels, apply for coverage you are not participating in at the time of retirement, nor are you eligible for the annual enrollment.

Life insurance premiums may be paid on the same basis as the health premium; by deduction from the pension check, deduction from a bank account, or by individual billing. However, if you are also participating in the health plan, the life premium must be paid in the same manner as that selected for the health premium. Premiums can not be withheld from a retirement benefit as a pre-tax deduction.

The employee supplemental, dependent life, and spouse supplemental insurance will terminate at age 65. You are eligible to continue the basic coverage for life (cost = \$4.32). However, to continue any other levels of coverage, you will be given the opportunity to convert to an individual life policy. You or your insured dependent may convert this insurance by applying and paying the first premium for an individual policy within 31 days after any part of your or your insured dependent's insurance stops. ING or the Policyholder must be notified by completing a Life Conversion Information Request Form.

Refer to your Life Insurance Plan Handbook for further details on the Life Insurance benefits.

LIFE INSURANCE WAIVER OF PREMIUM-DISABILITY RETIREMENT ONLY

To be eligible for the waiver of premium, you must:

1. be participating in NDPERS life insurance and
2. be under age 60, and
3. apply for a waiver of premium within one year from the date total disability begins.

To apply for a waiver, you and your employer must complete and file a ING Group Life Claim for Total Disability Form. Your physician must complete an ING Group Life Benefit Attending Physician Statement Form. The completed forms must be returned to NDPERS who will forward them to the Life Insurance Company. You will be notified in writing whether or not the waiver has been approved.

If approved, the premium is waived for the amount of life insurance you had on the day total disability began and your coverage will continue until age 65. Any premiums you paid will be reimbursed to you from the effective date of the waiver.

If the waiver is denied you will be notified of your options:

1. If you are currently receiving a benefit you may continue the life insurance at your own expense;

If you are not receiving a benefit you will be given the opportunity to convert to an individual life policy.

Retiree Supplemental Life and Accidental Death and Dismemberment Insurance
 Monthly Premium Amounts - Underwritten by ING
 Rates Effective July 1, 2011
 \$1,300 Basic = \$4.32

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$20,000</u>	<u>\$25,000</u>	<u>\$30,000</u>	<u>\$35,000</u>	<u>\$40,000</u>	<u>\$45,000</u>	<u>\$50,000</u>
40 to 44	\$4.65	\$5.10	\$5.55	\$6.00	\$6.45	\$6.90	\$7.35	\$7.80	\$8.25	\$8.70
45 to 49	\$4.73	\$5.28	\$5.83	\$6.38	\$6.93	\$7.48	\$8.03	\$8.58	\$9.13	\$9.68
50 to 54	\$4.95	\$5.80	\$6.65	\$7.50	\$8.35	\$9.20	\$10.05	\$10.90	\$11.75	\$12.60
55 to 59	\$5.58	\$7.28	\$8.98	\$10.68	\$12.38	\$14.08	\$15.78	\$17.48	\$19.18	\$20.88
60 to 64	\$6.24	\$8.84	\$11.44	\$14.04	\$16.64	\$19.24	\$21.84	\$24.44	\$27.04	\$29.64

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$55,000</u>	<u>\$60,000</u>	<u>\$65,000</u>	<u>\$70,000</u>	<u>\$75,000</u>	<u>\$80,000</u>	<u>\$85,000</u>	<u>\$90,000</u>	<u>\$95,000</u>	<u>\$100,000</u>
40 to 44	\$9.15	\$9.60	\$10.05	\$10.50	\$10.95	\$11.40	\$11.85	\$12.30	\$12.75	\$13.20
45 to 49	\$10.23	\$10.78	\$11.33	\$11.88	\$12.43	\$12.98	\$13.53	\$14.08	\$14.63	\$15.18
50 to 54	\$13.45	\$14.30	\$15.15	\$16.00	\$16.85	\$17.70	\$18.55	\$19.40	\$20.25	\$21.10
55 to 59	\$22.58	\$24.28	\$25.98	\$27.68	\$29.38	\$31.08	\$32.78	\$34.48	\$36.18	\$37.88
60 to 64	\$32.24	\$34.84	\$37.44	\$40.04	\$42.64	\$45.24	\$47.84	\$50.44	\$53.04	\$55.64

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$105,000</u>	<u>\$110,000</u>	<u>\$115,000</u>	<u>\$120,000</u>	<u>\$125,000</u>	<u>\$130,000</u>	<u>\$135,000</u>	<u>\$140,000</u>	<u>\$145,000</u>	<u>\$150,000</u>
40 to 44	\$13.65	\$14.10	\$14.55	\$15.00	\$15.45	\$15.90	\$16.35	\$16.80	\$17.25	\$17.70
45 to 49	\$15.73	\$16.28	\$16.83	\$17.38	\$17.93	\$18.48	\$19.03	\$19.58	\$20.13	\$20.68
50 to 54	\$21.95	\$22.80	\$23.65	\$24.50	\$25.35	\$26.20	\$27.05	\$27.90	\$28.75	\$29.60
55 to 59	\$39.58	\$41.28	\$42.98	\$44.68	\$46.38	\$48.08	\$49.78	\$51.48	\$53.18	\$54.88
60 to 64	\$58.24	\$60.84	\$63.44	\$66.04	\$68.64	\$71.24	\$73.84	\$76.44	\$79.04	\$81.64

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$155,000</u>	<u>\$160,000</u>	<u>\$165,000</u>	<u>\$170,000</u>	<u>\$175,000</u>	<u>\$180,000</u>	<u>\$185,000</u>	<u>\$190,000</u>	<u>\$195,000</u>	<u>\$200,000</u>
40 to 44	\$18.15	\$18.60	\$19.05	\$19.50	\$19.95	\$20.40	\$20.85	\$21.30	\$21.75	\$22.20
45 to 49	\$21.23	\$21.78	\$22.33	\$22.88	\$23.43	\$23.98	\$24.53	\$25.08	\$25.63	\$26.18
50 to 54	\$30.45	\$31.30	\$32.15	\$33.00	\$33.85	\$34.70	\$35.55	\$36.40	\$37.25	\$38.10
55 to 59	\$56.58	\$58.28	\$59.98	\$61.68	\$63.38	\$65.08	\$66.78	\$68.48	\$70.18	\$71.88
60 to 64	\$84.24	\$86.84	\$89.44	\$92.04	\$94.64	\$97.24	\$99.84	\$102.44	\$105.04	\$107.64

Dependent Supplemental Life Insurance Premiums
 Monthly Premium Amounts
 Rates Effective July 1, 2011

Employee Age	Total Coverage	
	\$2,000	\$5,000
40 to 44	\$0.20	\$0.50
45 to 49	\$0.20	\$0.50
50 to 54	\$0.20	\$0.50
55 to 59	\$0.20	\$0.50
60 to 64	\$0.20	\$0.50

Spouse Supplemental Life Insurance
 Monthly Premium Amounts
 Rates Effective July 1, 2011

<u>Employee's Age</u>	Spouse Total Coverage									
	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$20,000</u>	<u>\$25,000</u>	<u>\$30,000</u>	<u>\$35,000</u>	<u>\$40,000</u>	<u>\$45,000</u>	<u>\$50,000</u>
40 to 44	\$0.45	\$0.90	\$1.35	\$1.80	\$2.25	\$2.70	\$3.15	\$3.60	\$4.05	\$4.50
45 to 49	\$0.55	\$1.10	\$1.65	\$2.20	\$2.75	\$3.30	\$3.85	\$4.40	\$4.95	\$5.50
50 to 54	\$0.85	\$1.70	\$2.55	\$3.40	\$4.25	\$5.10	\$5.95	\$6.80	\$7.65	\$8.50
55 to 59	\$1.70	\$3.40	\$5.10	\$6.80	\$8.50	\$10.20	\$11.90	\$13.60	\$15.30	\$17.00
60 to 64	\$2.60	\$5.20	\$7.80	\$10.40	\$13.00	\$15.60	\$18.20	\$20.80	\$23.40	\$26.00

<u>Employee's Age</u>	Spouse Total Coverage									
	<u>\$55,000</u>	<u>\$60,000</u>	<u>\$65,000</u>	<u>\$70,000</u>	<u>\$75,000</u>	<u>\$80,000</u>	<u>\$85,000</u>	<u>\$90,000</u>	<u>\$95,000</u>	<u>\$100,000</u>
40 to 44	\$4.95	\$5.40	\$5.85	\$6.30	\$6.75	\$7.20	\$7.65	\$8.10	\$8.55	\$9.00
45 to 49	\$6.05	\$6.60	\$7.15	\$7.70	\$8.25	\$8.80	\$9.35	\$9.90	\$10.45	\$11.00
50 to 54	\$9.35	\$10.20	\$11.05	\$11.90	\$12.75	\$13.60	\$14.45	\$15.30	\$16.15	\$17.00
55 to 59	\$18.70	\$20.40	\$22.10	\$23.80	\$25.50	\$27.20	\$28.90	\$30.60	\$32.30	\$34.00
60 to 64	\$28.60	\$31.20	\$33.80	\$36.40	\$39.00	\$41.60	\$44.20	\$46.80	\$49.40	\$52.00

CONVERTING GROUP TERM LIFE INSURANCE TO INDIVIDUAL INSURANCE:

You or your insured dependent may purchase any individual nonparticipating policy offered by the ING, except term insurance. The new policy must provide for a level amount of insurance and have premiums at least equal to those of the ING's whole life plan with the lowest premium.

Conversion of Your Group Term Life Insurance Coverage

Protect your family.
Protect your home.
Protect your children's education.
Settle final expenses.

Why should I convert my life insurance coverage now?

As the average cost of college tuition increases and funeral expenses continue to rise, this is a good time to review your life insurance needs – for you and for those you love.

Don't let the excuse that life insurance is too expensive stop you from converting your coverage. Not having enough insurance protection could be more costly to your family, and the assets you have worked so hard to protect.

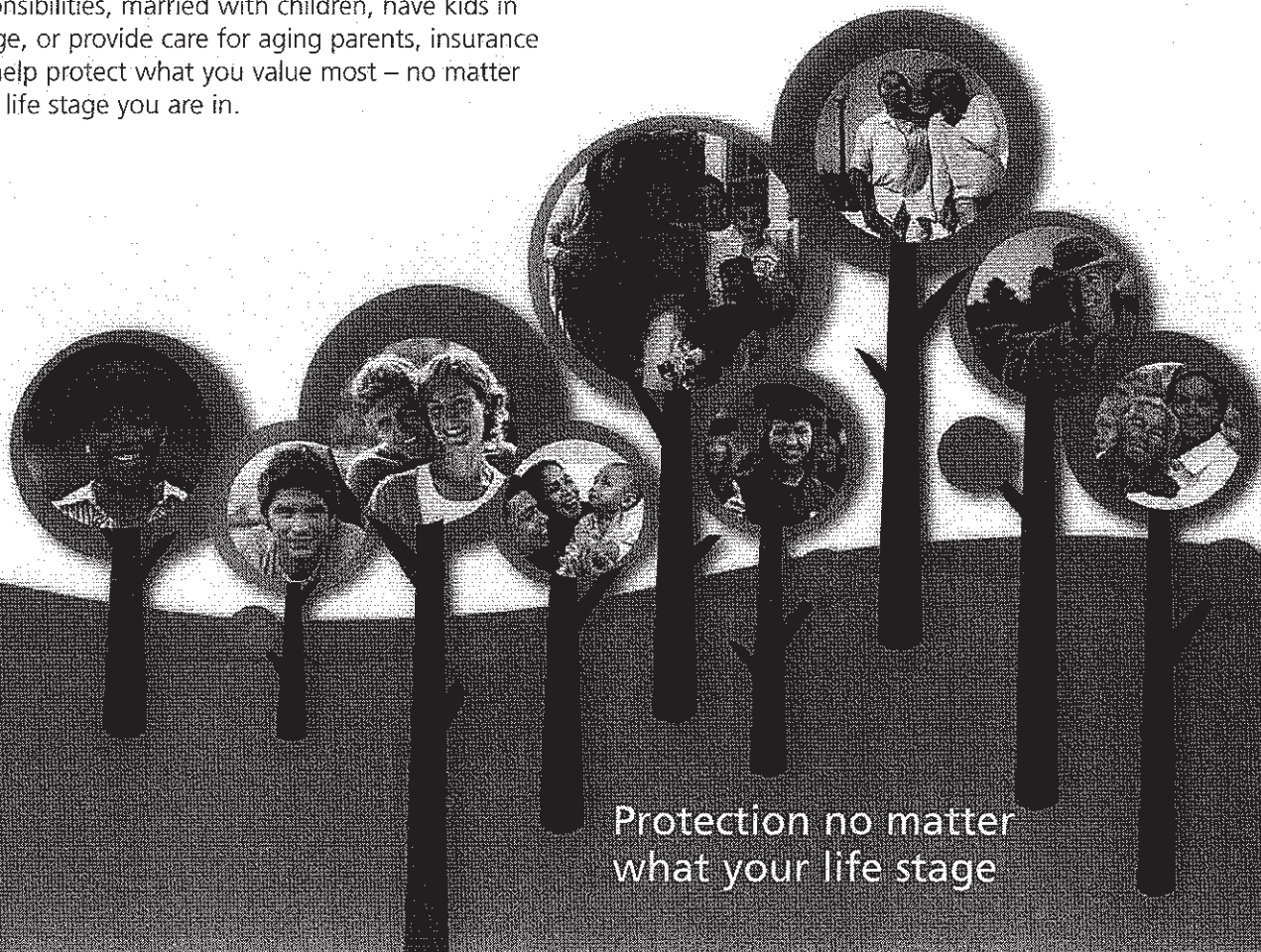
Life insurance can play a central role in a complete financial plan. Whether you are single with financial responsibilities, married with children, have kids in college, or provide care for aging parents, insurance can help protect what you value most – no matter what life stage you are in.

ING Employee Benefits is dedicated to providing the best possible benefits solutions, and can help protect your financial assets through the conversion of your group life plan coverage.

Your Current Term Insurance Coverage

Term insurance provides protection for a specific period of time and generally pays a benefit only if you die during the specified "term." Term periods are renewed annually and your rates change when entering a new age band.

LEARN MORE about converting your current term insurance coverage on the back of this page.



Protection no matter
what your life stage

EMPLOYEE BENEFITS



Your future. Made easier.SM

Conversion can help with life's unexpected costs.

Did you know?...

Funerals and burials can be among the most expensive purchases.

- > The average funeral in the United States costs \$6,500, according to the National Funeral Directors Association.
- > And, according to the AARP, the true sum can easily reach \$10,000 once a burial plot, flowers and other costs are included.

Information from msn.com article, September 26, 2008.

Funds needed for college continue to increase.

- > Private four-year **\$23,712** (an increase of 6.3 percent in one year)
Public four-year **\$6,185** (an increase of 6.6 percent in one year)
- > The average surcharge for full-time out-of-state students at public four-year institutions is **\$10,455**.

Cost and aid figures are from the *College Board's Trends in College Pricing 2007*, *Trends in Student Aid 2007*, and *Education Pays 2007*.

Upsurge in the number of caregivers for aging parents

A recent study by the National Alliance for Caregiving and AARP found that there are more than 33 million caregivers in the United States who care for an individual who is 50 years old or older.

AARP.com, November 5, 2007.

What kind of conversion insurance plan is this?

It is referred to as an individual "non-participating" whole life insurance policy.*

Group Life Insurance policies contain a conversion privilege allowing insured employees, members and covered dependents to convert their group life insurance to a non-participating individual life insurance policy, without proof of good health, when coverage terminates or reduces under the group policy. Additional benefits such as the Waiver of Premium Disability Benefit, Accidental Death and Dismemberment or Accelerated Benefits will not be converted.

You must apply and pay the first premium for a converted policy within a limited time period following the date any part of your group life insurance stops. A complete description of the conversion privilege is provided in your group certificate.

What Are the Advantages of Converting Group Term Life?

Whole Life policies have a guaranteed cash value. They also lock in premium payments when they are issued, so you'll pay the same rate for life – no more worrying about increases in your premium.

The Whole Life insurance policy being offered to you for conversion – at a fixed level premium – is payable to age 121, and includes the potential for cash value accumulations. The premium you will pay is based on the rate associated with how old you are at the time of conversion.

How do I convert my coverage?

Simply send in your Conversion Request Form to request an application. You will receive one application for each proposed insured.

What is the time period for conversion?

You must apply and pay for the first premium within 31 days following the date any part of your group life insurance stops. You may convert any amount between \$1,000 and the amount of group life insurance coverage that stops.



Request an application today! The offer to convert your policy will expire in

Return your Conversion Request Form to request an application and take advantage of a fixed whole life insurance rate for life. Please refer to your Conversion Request Form for a complete conversion date.

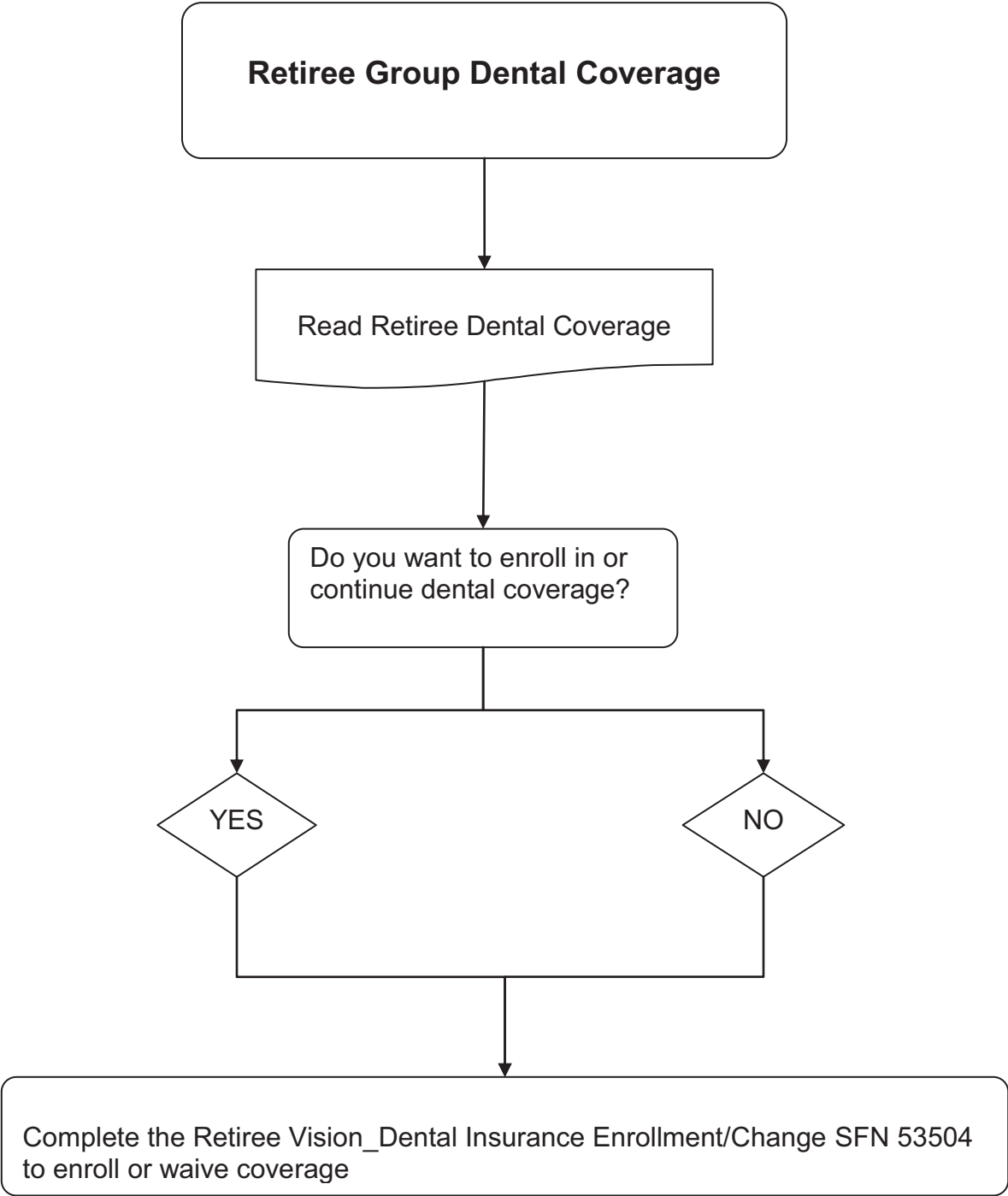
* Minnesota employees may have the option of electing Minnesota Life Continuation in place of this conversion; contact your employer for more information.

www.ing-usa.com

ReliaStar Life Insurance Company, a member of ING. Administrative Office: 20 Washington Avenue South, Minneapolis, MN 55401
Home Office: Minneapolis, MN 55401. Products and services offered through the ING family of companies. © 2009 ING North America Insurance Corporation



WWW.ING-USA.COM





RETIREE DENTAL COVERAGE



The group dental plan is available to retired employees and surviving spouses that are receiving a retirement benefit from North Dakota Public Employees Retirement System (NDPERS), TIAA-CREF, ND Teachers Fund For Retirement (TFFR), or Job Service Retirement plan.

Retirees or surviving spouse may elect to enroll in the dental plan within 31 days of a “qualifying event.” The “qualifying events” are as follows:

ELIGIBILITY

To be eligible to join the Dental Plan:

A member must be receiving a “retirement allowance” from:

- North Dakota Public Employees Retirement System (NDPERS)
 - ◆ Defined Benefit Plan
 - ◆ Defined Contribution Plan
- North Dakota Highway Patrol Retirement System (NDHPRS)
- Job Service Retirement Plan
- Teacher’s Fund for Retirement (TFFR)
- Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF) (North Dakota University System only)

A surviving spouse must be:

- Receiving a beneficiary benefit from the aforementioned retirement plans, or
- On the Dental Plan as a covered dependent at the time of member’s death and there is no lapse in coverage.

A non-spouse beneficiary is not eligible to continue on the group dental plan.

PREMIUM PAYMENT POLICY

Retirement Plan	Payment Method
NDPERS Defined Benefit ¹	Benefit Check Bank Account
NDPERS Defined Contribution ³	Bank Account
NDHPRS ¹	Benefit Check Bank Account
Job Service ¹	Benefit Check Bank Account
TFFR ²	Benefit Check Bank Account
TIAA-CREF ³	Bank Account
Approved Employer Sponsored ³	Bank Account

1. If retirement allowance is large enough to deduct the entire monthly premium, the premium will automatically be withheld from the benefit check. If retirement allowance is not large enough, premium must be withheld from a bank account. Complete an Authorization for Automatic Premium Deduction SFN 50134. It is the policy of NDPERS that a member's net annuity payment can not be less than \$50.00.
2. If TFFR retirement allowance is large enough to deduct the entire monthly premium, an election to have premiums withheld from a benefit check must be made. Complete a Payroll Deduction Authorization (TFFR) SFN 19182. If retirement allowance is not large enough, premium must be withheld from a bank account. Complete an Authorization for Automatic Premium Deduction SFN 50134.
3. If retirement allowance is issued from the NDPERS Defined Contribution plan, TIAA-CREF, or a Board approved employer sponsored retirement plan, premiums must be withheld from a bank account. Complete an Authorization for Automatic Premium Deduction SFN 50134.

CANCELLATION POLICY

To cancel NDPERS dental coverage, a written request must be submitted. The request must provide the contract holder's name, social security number and effective date. NDPERS must receive a cancellation request by the 15th of the month prior to the effective date. Cancellations will only be done at the end of the month. We cannot cancel a policy for a partial month or do a retroactive cancellation of a policy.

PLAN HIGHLIGHTS

The dental services covered by this insurance are divided into four main categories shown below. This dental summary of benefits is intended to describe only a general outline of the plan of benefits and does not represent the actual terms and conditions of the Policy.

<p><i>Dental plan annual maximum benefit per person: \$1,000</i></p> <p><i>Orthodontia lifetime maximum benefit per person: \$1,500</i></p> <p><i>The deductible includes total expenditures per person for all basic and major treatment combined.</i></p>		
Services	Deductible	Coinsurance
<i>Preventive and Diagnostic Care:</i> oral exam, cleaning, bitewing X-rays, fluoride application, sealants, full-mouth X-rays, panoramic X-rays, emergency care to relieve pain, histopathologic exams.	None	100%
<i>Basic Restorative Care:</i> fillings, oral surgery, surgical extraction of impacted teeth, anesthetics, major & minor periodontics, root canal/therapy, relines, rebases, and adjustments, repairs to bridges, crowns & inlays, and repairs to dentures.	\$50 Per person, per year	80%
<i>Major Restorative Care:</i> crowns, bridges, dentures.	\$50 Per person, per year	50%
<i>Orthodontia:</i> Coverage for eligible children and adults.	None	50%

All coverage is subject to reasonable and customary fee guidelines. CIGNA uses the 90th percentile of fee data from an independent contractor to determine reasonable and customary fees. Dental charges in excess of the reasonable and customary fees are the participant's responsibility.

PREMIUM INFORMATION

You can purchase dental coverage for yourself and your eligible dependents by choosing from any one of the following coverage categories. Premium rates are effective until December 31, 2012.

Monthly Premium

Retiree only	\$ 41.14
Retiree & spouse	\$ 79.42
Retiree & child(ren)	\$ 92.18
Family (retiree, spouse & children)	\$131.26

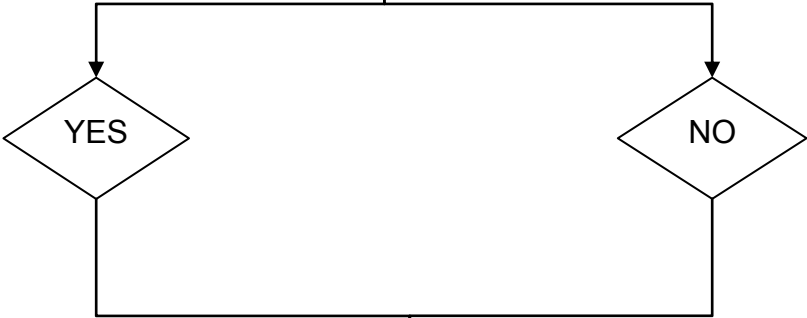
COVERAGE QUESTIONS?

For additional information concerning coverage call **1-800-244-6224**. Reference policy #3328472.

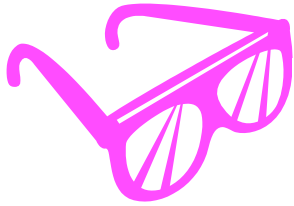
Retiree Group Vision Coverage

Read Retiree Vision Coverage

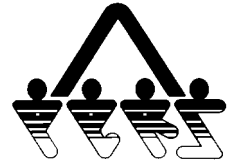
Do you want to enroll in or continue vision coverage?



Complete the Retiree Vision_Dental Insurance Enrollment/Change SFN 53505 to enroll or waive coverage



RETIREE VISION COVERAGE



The group vision plan is available to retired employees that are receiving a retirement benefit from North Dakota Public Employees Retirement System (NDPERS), TIAA-CREF, ND Teachers Fund for Retirement (TFFR), or the Job Service Retirement Plan.

Retirees may elect to enroll in the vision plan within 31 days of a “qualifying event.” The “qualifying events” are as follows:

ELIGIBILITY

To be eligible to join the Vision Plan:

A member must be receiving a “retirement allowance” from:

- North Dakota Public Employees Retirement System (NDPERS)
 - ◆ Defined Benefit Plan
 - ◆ Defined Contribution Plan
- North Dakota Highway Patrol Retirement System (NDHPRS)
- Job Service Retirement Plan
- Teacher’s Fund for Retirement (TFFR)
- Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF) (North Dakota University System only)

A surviving spouse must be:

- Receiving a beneficiary benefit from the aforementioned retirement plans, or
- On the Vision Plan as a covered dependent at the time of member’s death and there is no lapse in coverage.

A non-spouse beneficiary is not eligible to continue on the group vision plan.

ENROLLMENT

A member or surviving spouse who is receiving a qualified retirement allowance must apply within 31 days from any one of the following “qualifying events”:

1. Date of retirement, defined as either:

- The last day of active employment if member does not defer his/her retirement benefit or take a lump-sum refund of his/her retirement account, or
 - Date of first retirement check if member deferred his/her retirement benefit.
2. Members 65th birthday or eligibility for Medicare:
 3. Members spouse 65th birthday or eligibility for Medicare:
 4. The loss of coverage in a vision plan sponsored or provided by member's employer or member's spouse's employer, if covered through spouse's employer group plan. This includes loss of coverage 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.

If a member or surviving spouse does not enroll within 31 days of any one of the above qualifying events, he/she will have forfeited his/her rights to enroll in the Plan in the future.

COVERAGE EFFECTIVE DATE

If a member is enrolled in the Vision Plan as an active employee, coverage will become effective on the first of the month following the last day of the month for which premiums were paid. If a member was not enrolled in the Vision Plan at the time of retirement, coverage will become effective on the first day of the month following one of the "qualifying events" listed above.

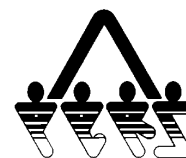
PREMIUM PAYMENT POLICY

Retirement Plan	Payment Method
NDPERS Defined Benefit ¹	Benefit Check Bank Account
NDPERS Defined Contribution ³	Bank Account
NDHPRS ¹	Benefit Check Bank Account
Job Service ¹	Benefit Check Bank Account
TFFR ²	Benefit Check Bank Account
TIAA-CREF ³	Bank Account
Approved Employer Sponsored ³	Bank Account

1. If retirement allowance is large enough to deduct the entire monthly premium, the premium will automatically be withheld from the benefit check. If retirement allowance is not large enough, premium must be withheld from a bank account. Complete an Authorization for Automatic Premium Deduction SFN 50134. It is the policy of NDPERS that a member's net annuity payment can not be less than \$50.00.
2. If TFFR retirement allowance is large enough to deduct the entire monthly premium, an election to have premiums withheld from a benefit check must be made. Complete a Payroll Deduction Authorization (313) SFN 19182. If retirement allowance is not large enough, premium must be withheld from a bank account. Complete an Authorization for Automatic Premium Deduction SFN 50134.
3. If retirement allowance is issued from the NDPERS Defined Contribution plan, TIAA-CREF, or a Board approved employer sponsored retirement plan, premiums must be withheld from a bank account. Complete an Authorization for Automatic Premium Deduction SFN 50134.

CANCELLATION POLICY

To cancel NDPERS vision coverage, a written request must be submitted. The request must provide the contract holder's name, social security number and effective date. NDPERS must receive a cancellation request by the 15th of the month prior to the effective date. Cancellations will only be done at the end of the month. We cannot cancel a policy for a partial month or do a retroactive cancellation of a policy.



Presenting the Superior Vision Plan Prepared for
North Dakota PERS

Outline of Benefits

Co-payments: **\$0 Comprehensive Eye Exam**
\$35 Materials
\$35 Contact Lens Fitting

In-network co-pays are paid directly to the provider.
Materials co-pay applies to lenses and/or frames, not contact lenses.

	<u>In-Network¹</u>	<u>Out-of-Network¹</u>
Comprehensive Eye Exam:		
Ophthalmologist (MD)	Covered in Full	Up to \$45
Optometrist (OD)	Covered in Full	Up to \$45
Standard Lenses (Per Pair):		
Single Vision	Covered in Full	Up to \$35
Bifocal	Covered in Full	Up to \$50
Trifocal	Covered in Full	Up to \$70
Lenticular	Covered in Full	Up to \$70
Progressives	Covered to providers retail trifocal amount	Up to \$70
Contact Lenses (Per Pair):²		
Medically Necessary Elective ³	Covered in Full Up to \$100	Up to \$210 Up to \$100
Contact Lens Fitting⁴		
Standard	Covered in Full	Not Covered
Specialty	Up to \$50	Not Covered
Frames-Standard³	Up to \$75	Up to \$40

¹ All in-network and out-of-network allowances are at the retail value.
² Contact lenses are in lieu of eyeglass lenses and frames benefit.
³ The insured is responsible for paying any charges in excess of this allowance.
⁴ Standard contact lens fitting applies to an existing contact lens user who wears disposable, daily wear, or extended wear lenses only. The specialty contact lens fitting applies to new contact lens wearers and/or a member who wears toric, gas permeable, or multi-focal lenses.

Plan Frequency

Comprehensive Exam	1 per Calendar Year
Contact Lens Fitting	1 per Calendar Year
Lenses	1 Pair per Calendar Year
Frames	1 per Calendar Year
Contact Lenses	1 Allowance per Calendar Year

Monthly Rates:

Employee Only	\$4.92
Employee and Spouse	\$9.84
Employee and Child(ren)	\$8.96
Employee and Family	\$13.88

For assistance with using your plan, please contact Customer Service at (800) 507-3800.

Materials Discount SVP8-20

These discounts apply to upgrades on the covered frame and lenses only. For discounts on additional pairs, please refer to the Discounts on Additional Purchases.

Frames 20% off the difference between the covered frame allowance and the retail price of the selected frame.
Note: Discounts do not apply when prohibited by the manufacturer.

Add-ons to the covered pair of lenses

Lens Options and Upgrades	Member pays 20% off retail up to:
Scratch coat (factory)	\$13 (single vision & standard lined multifocal lenses)
Ultraviolet coat	\$15 (single vision & standard lined multifocal lenses)
Standard anti-reflective coat	\$50 (single vision & standard lined multifocal lenses)
High Index 1.6	\$55 (single vision lenses only)
Polycarbonate	\$40 (single vision lenses only)
Standard photochromic	\$80 (single vision lenses only)
Plastic tints solid or gradient	\$25 (any type lenses)
Glass coloring	\$35 (any type lenses)
	Member pays:
Power over 4.00 Sphere, 2.00D Cylinder & 5.00D Prism	20% discount off retail
Cosmetic finishing, beveling, edging & mounting	20% discount off retail
All other lens options / upgrades	20% discount off retail

Higher end or brand name lens upgrades are at an additional expense to you. These upgrades will be available at a 20% discount off retail.

Progressive Power Lens Benefit (no-line): The member pays the difference between the provider's price for Standard Trifocal lenses and the price of the progressive power lenses selected, less 20%.

Disclaimer: All final determinations of benefits, administrative duties, and definitions are governed by the Certificate of Insurance Coverage for your vision plan.

Materials Discounts on Additional Purchases

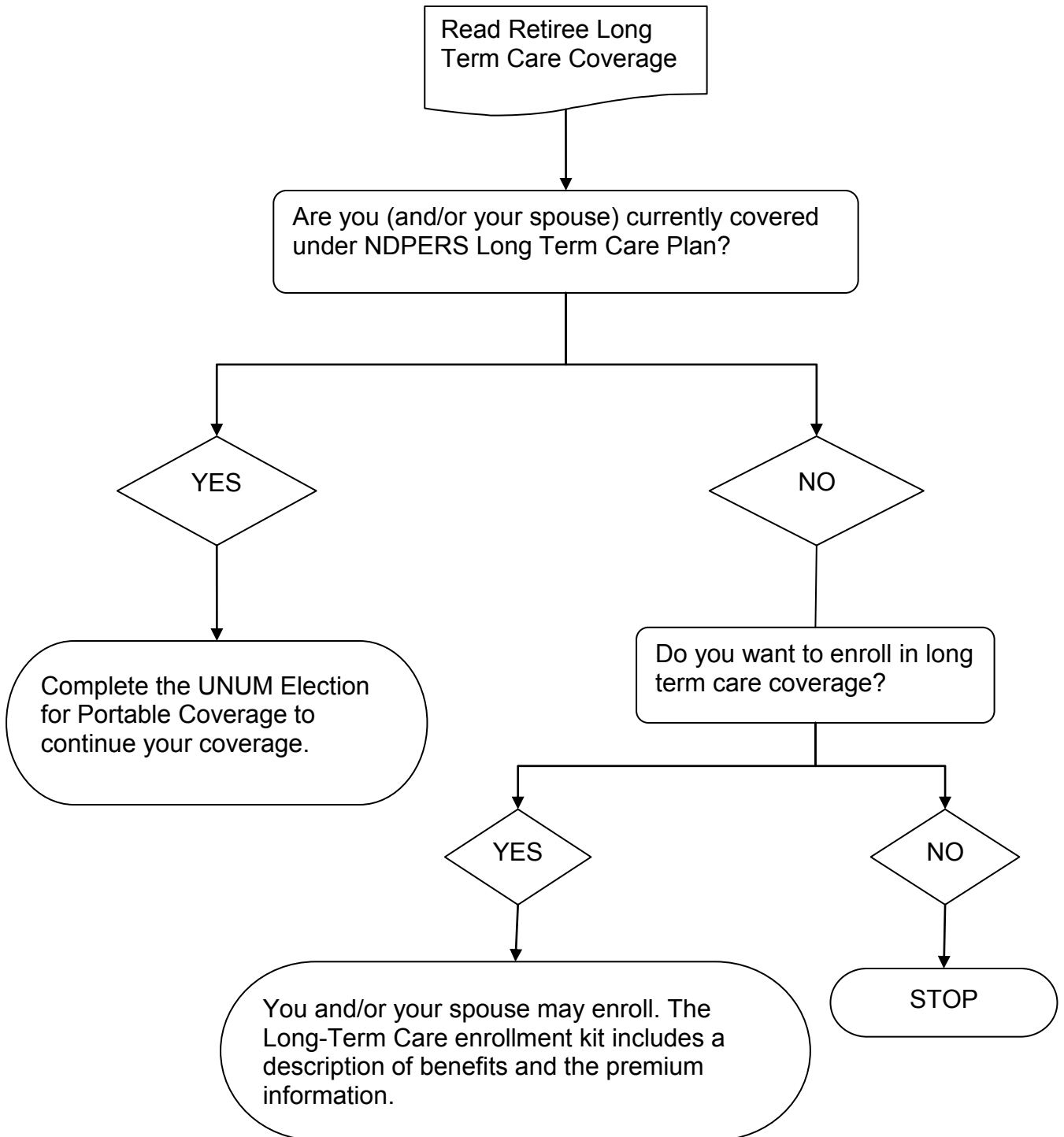
Prescription eyeglass lenses	30% off retail	All other prescription materials	20% off retail
Add-on charges to basic lenses	20% off retail	Eyeglass frames	30% off retail
Contact lenses, standard hard or soft	20% off retail	Everyday "frame and lens" package pricing"	20% off retail
Disposable contact lenses	10% off retail		

Discounts are provided by Superior Vision contracted providers identified in the provider directory.

Refractive Surgery Discounts

Superior Vision Services has a nationwide network of refractive surgeons. These providers offer Superior Vision Plan members a discounted rate off the usual and customary prices for LASIK surgery. These discounts vary depending on the provider but are the best possible discounts available to Superior Vision.

LONG TERM CARE COVERAGE



RETIREE LONG TERM CARE COVERAGE



NEW COVERAGE

The Long Term Care plan is available to retired employees that are receiving a retirement benefit from North Dakota Public Employees Retirement System (NDPERS), TIAA-CREF, ND Teachers Fund For Retirement (TFFR), or the Job Service Retirement Plan.

You and/or your spouse may enroll at any time and must be medically underwritten. Coverage is effective the first day of the month following approval by UNUM. The Long-Term Care enrollment kit includes a description of the benefits and the premium information.

Long Term Care (LTC) insurance pays benefits based on your ability to function independently as defined by six Activities of Daily Living (ADLs). The ADLs used to measure your ability to function independently are bathing, dressing, toileting, transferring, continence, and eating. If you lose the functional capacity or require standby assistance to perform any two of the six ADLs, UNUM considers you to have lost the ability. The plan also pays benefits for long-term care needs that result from cognitive impairment that results from advanced age, Alzheimer's disease, or similar forms of irreversible dementia.

The plan offers additional optional features that give you the freedom to design your LTC plan. The "Paid-Up" feature provides protection should you stop paying premiums for any reason. The "Inflation Protection" feature protects your LTC benefit from the impact of inflation. Your premium amount will be based on your age at the time you apply for coverage, the level of coverage you select, and your lifetime maximum benefit amount.

TERMINATION OF COVERAGE

Upon termination of employment your NDPERS long term care coverage will end on the last day of the month for which premiums were paid you or your spouse may elect portable coverage. This means that the coverage you have under this plan can continue on a direct billed basis, by paying the premiums directly to UNUM.

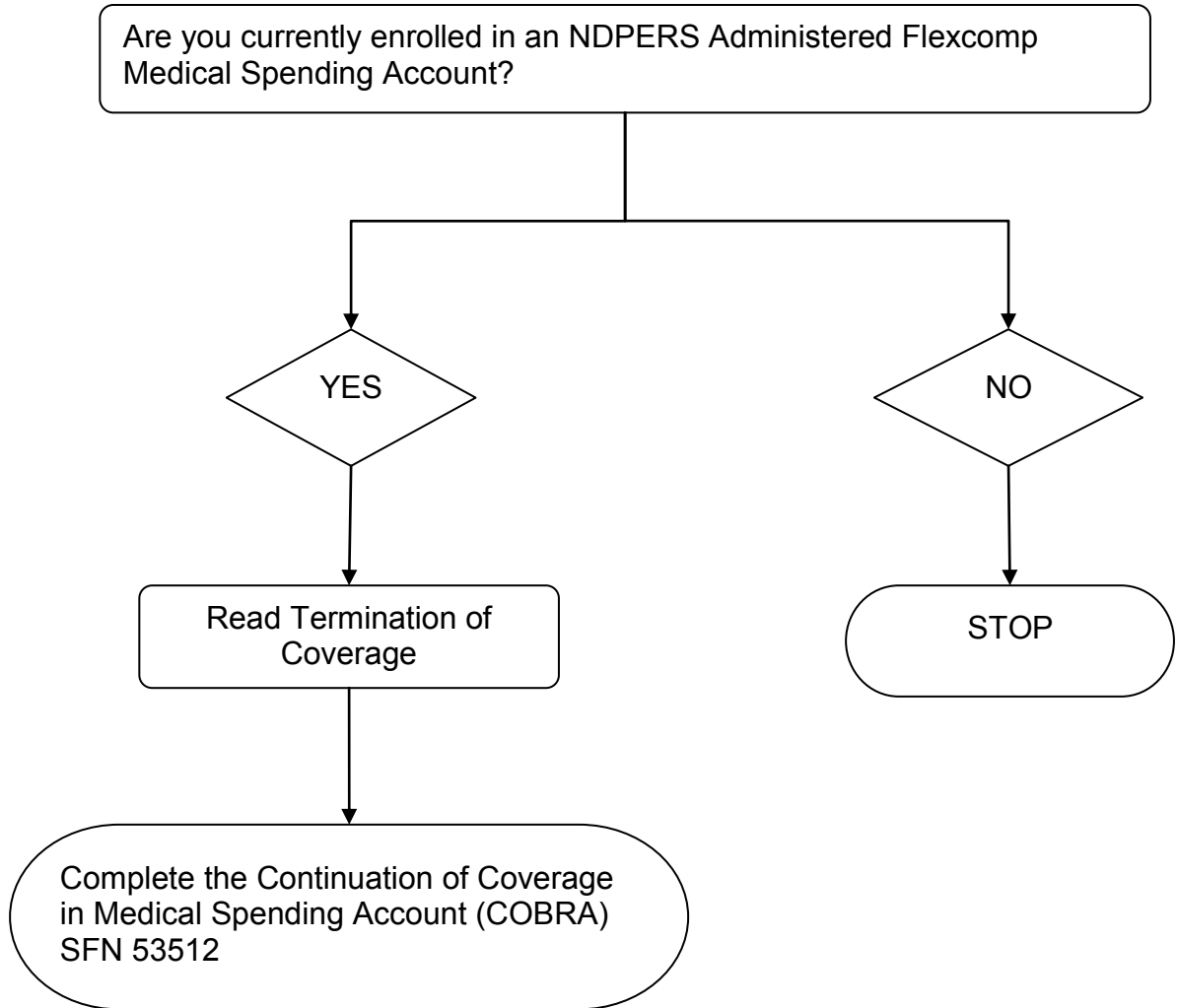
To apply for portable coverage you must complete and submit to UNUM the Election for Portable Coverage within 31 days of the date your coverage will end.

Please refer to your "Certificate of Insurance" for details.

COVERAGE QUESTIONS?

Please contact UNUM, plan administrator, at 1-800-227-4165

NDPERS ADMINISTERED FLEXCOMP PLAN



NDPERS FLEXCOMP PLAN



The NDPERS FlexComp Plan is available to eligible employees of the State of North Dakota, participating District Health Units and members of the Legislative Assembly. Employees of the university system and political subdivisions are excluded from participation in the plan.

TERMINATION OF COVERAGE

MEDICAL SPENDING ACCOUNT

If you retire or terminate employment during the plan year, you will be offered COBRA continuation coverage through the end of the plan year on December 31. You will have sixty (60) days from the date the notice of your right to continue coverage is provided you in which to elect continuation coverage and complete the Continuation of Coverage in Medical Spending Account (COBRA) SFN 53512. Unless you elect COBRA, your coverage will end on the last day of the month of your separation from service.

Employees who elect COBRA continuation coverage, are permitted to pre-tax their COBRA premiums and pre-pay the premium through the end of the current plan year from their final paychecks.

COBRA payments may also be paid with after-tax dollars by personal check or money order throughout the plan year. If you elect to pay for COBRA continuation coverage with after-tax dollars throughout the plan year, your premium will be the amount currently being payroll deducted plus a 2% administrative charge. COBRA continuation coverage will be extended to the end of the current plan year but may terminate sooner if the premiums are not paid within 30 days of their due date which is the 1st of every month.

If you have paid your premium through the end of the year on December 31 and have a balance in your account, you have the option to have eligible expenses incurred during the “grace period” from January 1 through March 15 of the new plan year, reimbursed from the balance.

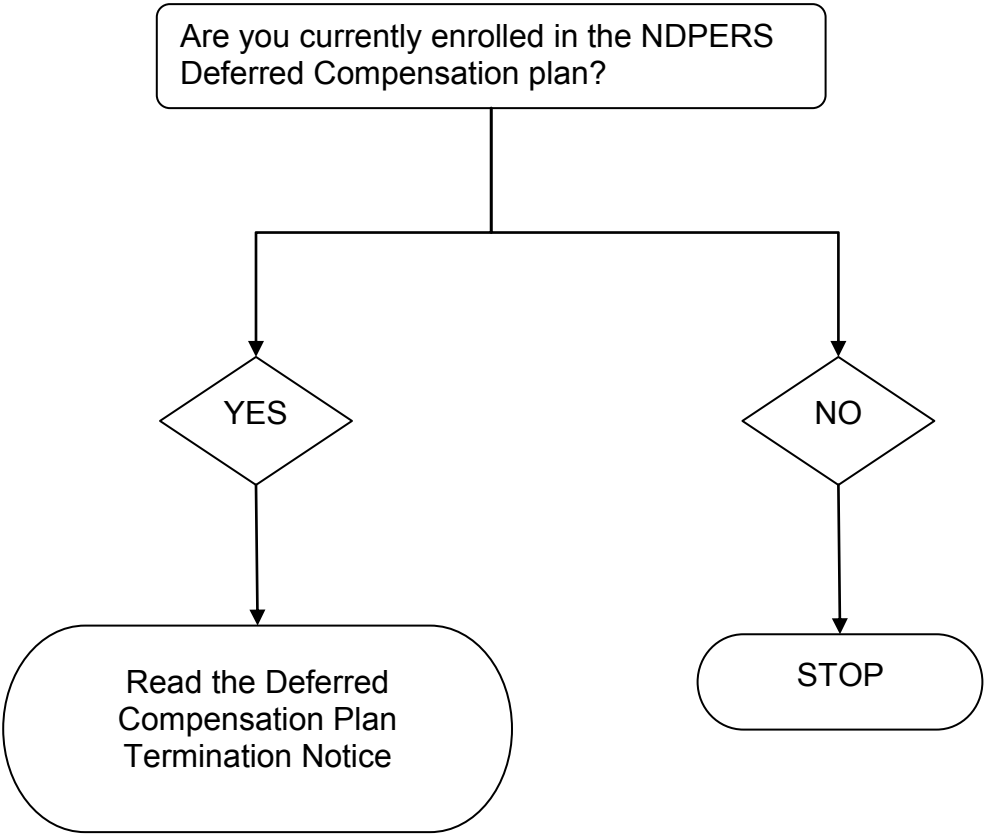
If participation terminated due to a separation of service and you return to state employment within 30 days in the same plan year, your election will be reinstated as it was immediately prior to the separation of service. If you return to state employment after 30 days in the same plan year, you can not participate for the remainder of the plan year.

DEPENDANT CARE ACCOUNT

If you terminate employment, your contributions will cease and payroll deductions will stop the end of the month of your separation from service. You may continue to file claims for qualifying expenses incurred during the plan year until you have been reimbursed the remaining balance in your account.

The final day for accepting claims for the plan year from either your Medical Spending or Dependent Care Reimbursement account for services received while you were a participant is four months after the plan year ends on December 31 or April 30.

DEFERRED COMPENSATION PLAN TERMINATION NOTICE



457 DEFERRED COMPENSATION PLAN



Lump sum payments for accumulated annual leave, sick leave, or back pay may be deferred on a pretax basis to your deferred compensation plan account. These deferrals are treated as part of your annual deferrals, and are subject to the IRS 457 Plan limits in effect for the year in which the deferrals are made. Lump sum deferrals are subject to FICA taxes before deferral.

You must elect to defer sick leave, annual leave and back pay payments while actively employed and in the month prior to the month of termination by completing the “457 Deferred Compensation Plan Enrollment/Change Form SFN 3803”. The regulations do not allow deferrals for severance or buyout pay or bonuses.

You may not begin to receive distributions from a deferred compensation account until you have been off the payroll of a covered employer for one month. You may elect to begin distribution immediately after you have satisfied the 30 day period of separation from service, regardless of your age, or you may defer payments to a future date.

If you elect a lump sum distribution of your plan account, you will be subject to a 20% Federal income tax withholding requirement. The Provider Company will send you a 1099R statement the year in which you receive a distribution from your account. There is no IRS 10% penalty or requirement for age 59 ½.

You also have the option to do a direct rollover to an eligible 401(a), 401(k), 457(b), 403(b), IRA or another qualified plan that accepts eligible rollover distributions. If you do a direct rollover, taxes are not due until you begin receiving a distribution from your account.

Once you have begun distribution, you have the option to suspend or change the amount of the distribution, so long as the minimum required distribution at age 70 ½ is distributed.

Please consult with your investment Provider representative for assistance in selecting a payment option or if you have any questions regarding your tax liability or withdrawal penalties.