

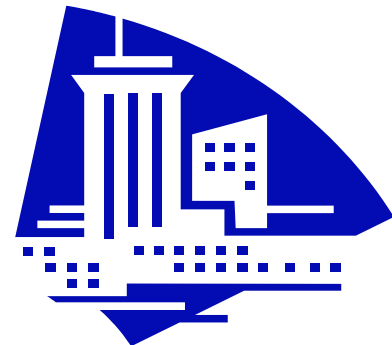
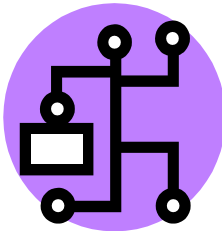


NOTICE OF TRANSFER KIT

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

NDPERS • PO Box 1657 • Bismarck • North Dakota 58502-1657
(701) 328- 3900 • 1-800-803-7377 • Fax 701-328-3920
www.nd.gov/ndpers

NOTE: PLEASE DO NOT DUPLEX WHEN PRINTING THIS KIT



This publication contains information, forms, and instructions necessary for an employee to transfer current benefits to his/her new employer or to apply for continuation of benefits if coverage does not transfer. This publication is to be completed by BOTH the Employers 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.



NAVIGATING THE NOTICE OF TRANSFER KIT



COMPLETE FORMS IN BLUE OR BLACK INK

EMPLOYER Responsibility

The “Notice of Transfer SFN 53706” must be completed by your current and new employer and must accompany a finished transfer kit.

Your transfer kit will not be processed without this form.

The Participating Employer Listing should be consulted to determine if the member is transferring employment to another NDPERS participating employer.

Transfer Policy

- ✓ Retirement service record will transfer.
- ✓ Employees can not change their level of health insurance coverage.
- ✓ Employees can not change their level of life insurance coverage.
- ✓ If enrolled in the dental, vision or long term care plans, no change in level of insurance coverage is allowed.
- ✓ If enrolled in the NDPERS Administered FlexComp plan, no change in deduction is allowed unless there is an IRS Qualified Change of Status as a result of the transfer.
- ✓ If enrolled in the deferred compensation plan, the amount authorized for deduction by the previous employer will automatically transfer to the new employer. The employee may change the deduction amount by completing a new participation agreement.

In recognition of the fact that the current employer may not be aware of the circumstances regarding a departing employee’s employment plans and subsequently a new employer will not receive any transfer information, NDPERS has developed a series of scenarios along with the required administrative procedures to follow depending on the particular situation. These procedures are designed to ensure transfers are processed consistently based on “what the employer knows at the time of separation of employment.” Please refer to the Employer Guide for details.

EMPLOYEE Responsibility

1. Group Retirement Plan

Transfer of Coverage

The benefits described in this section only pertain to members of NDPERS Defined Benefit Plan or Defined Contribution Plan. Read the “Group Retirement Plan” sheet carefully before proceeding.

- ✓ If you transfer employment from one participating employer to another participating employer without terminating eligible employment, NDPERS will record unused sick leave of a participating member if the new employer certifies that it will not transfer that leave. The certification must include documentation from the previous employer detailing the number of hours of sick leave. NDPERS must receive the certification within sixty days after the member leaves employment with the former employer. Complete the Transfer of Unused Sick Leave Verification SFN 53404.

Termination of Coverage

- ✓ Complete either a “Refund/Rollover Kit”, a “Deferred Retirement Kit”, or a “Retirement Kit”.

2. Group Health Insurance

The benefits described in this section only pertain to members of NDPERS. Read the “Dakota Plan, Dakota Retiree Plan & Dakota Health Plan Features” sheets carefully before proceeding.

Transfer of Coverage

- ✓ You cannot increase your level of health insurance coverage.

Termination/Decrease Level of Coverage

- ✓ Complete the “Continuation of Group Insurance Coverage (COBRA) SFN 14120” if you are continuing OR waiving continuation of your current coverage.

3. Group Life Insurance

The benefits described in this section **only** pertain to members of NDPERS. Read the “Converting Group Term Life Insurance to Individual Insurance” information carefully before proceeding.

Transfer of Coverage

- ✓ You cannot change your level of life insurance coverage.

Termination/Decrease of Coverage

- ✓ Complete the “Notice of Group Life Conversion Privilege form” and the “Application for Conversion of Group Life Insurance form” if you wish to obtain cost information to convert your supplemental and dependent term life insurance to an individual policy. Complete within 31 days from last day of employment.
- ✓ Complete the “Group Life Insurance Enrollment/Change SFN 53803” if you are continuing but at a reduced level of coverage.

4. Group Dental Insurance

The benefits described in this section only pertain to members of NDPERS. Read the “Dental Coverage” sheet carefully before proceeding.

Transfer of Coverage

- ✓ You cannot increase your level of dental insurance coverage.

Termination/Decrease Level of Coverage

- ✓ Complete the “Continuation of Group Insurance Coverage (COBRA) SFN 14120” if you are continuing OR waiving continuation of your current coverage.

5. Group Vision Insurance

The benefits described in this section only pertain to members of NDPERS. Read the “Vision Coverage” sheet carefully before proceeding.

Transfer of Coverage

- ✓ You cannot increase your level of vision insurance coverage.

Termination/Decrease of Coverage

- ✓ Complete the “Continuation of Group Insurance Coverage (COBRA) SFN 14120” if you are continuing OR waiving continuation of your current coverage.

Federal COBRA Law: The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) requires that employers provide employees and their dependents who lose their eligibility to participate in a group health, dental, and vision insurance plans an opportunity to continue comparable coverage at their own expense.

6. Group Long Term Care

The benefits described in this section only pertain to members of NDPERS. Read the “Long Term Care Coverage” sheet carefully before proceeding.

Transfer of Coverage

- ✓ You cannot change your level of long term care insurance coverage.

Termination of Coverage

- ✓ Complete the “UNUM Election 230-89” if you are continuing your coverage. Complete within 31 days from last day of employment.

7. Automatic Premium Deduction

It is NDPERS policy that any continuation of premiums for health, vision, or dental due to termination of coverage be deducted from a Bank Account. Complete the “Authorization for Automatic Premium Deduction SFN 50134”.

8. NDPERS Administered FlexComp Plan

The benefits described in this section only pertain to participants of NDPERS Administered FlexComp Plan. Read the “Transfer of Coverage” sheet carefully before proceeding.

Transfer of Coverage

- ✓ No change in your deductions is allowed unless there is a qualified IRS Change in Status Event as a result of the transfer.

Termination of Coverage

- ✓ Complete the "Continuation of Coverage in a Medical Spending Account (COBRA) SFN 53512" if you participate in the NDPERS Administered FlexComp Plan and are transferring to an employer group not on the State of North Dakota FlexComp Plan.

Federal COBRA Law:

Under the provisions of the Internal Revenue Service (IRS) COBRA regulations you have the opportunity to extend your participation in the NDPERS Medical Spending Account to the end of the current plan year on December 31.

9. Deferred Compensation Plan

The benefits described in this section only pertain to members of NDPERS 457 Deferred Compensation Plan. Read the "The Deferred Compensation Plan" sheet carefully before proceeding.

Transfer of Coverage

- ✓ If enrolled in the deferred compensation plan, the amount authorized for deduction by the previous employer will automatically transfer to the new employer. You may change the deduction amount by completing a new "457 Deferred Compensation Plan Enrollment/Change SFN 3803". A transfer is not a distributable event under the 457 regulations.

Termination of Coverage

- ✓ Upon termination of employment, your North Dakota Section 457 Deferred Compensation Plan becomes available for distribution after a 30 day period of separation from covered employment.

10. Employee Assistance Program.

Transfer of Coverage

- ✓ Transfers automatically

Termination of Coverage

- ✓ Cancels automatically

CHECKLIST

(Please complete forms in black or blue ink.)



	FORM NAME	State Form Number
<input type="checkbox"/>	NOTICE OF TRANSFER	53706
<input type="checkbox"/>	TRANSFER OF UNUSED SICK LEAVE VERIFICATION	53404
<input type="checkbox"/>	CONTINUATION OF GROUP INSURANCE COVERAGE (COBRA)	14120
<input type="checkbox"/>	HEALTH/DENTAL/VISION INSURANCE APPLICATION	58792
<input type="checkbox"/>	ING APPLICATION FOR CONVERSION OF GROUP LIFE INSURANCE	
<input type="checkbox"/>	LIFE INSURANCE ENROLLMENT/CHANGE	53803
<input type="checkbox"/>	LIFE INSURANCE DESIGNATION OF BENEFICIARY	58355
<input type="checkbox"/>	AUTHORIZATION FOR AUTOMATIC PREMIUM DEDUCTION	50134
<input type="checkbox"/>	ELECTION FOR PORTABLE COVERAGE-LONG TERM CARE 03/08	
<input type="checkbox"/>	CONTINUATION OF COVERAGE IN MEDICAL SPENDING ACCOUNT (COBRA)	53512
<input type="checkbox"/>	457 DEFERRED COMPENSATION PLAN ENROLLMENT/CHANGE	3803
<input type="checkbox"/>	457 DEFERRED COMPENSATION PLAN EXPEDITED ENROLLMENT/WAIVER	54362

GROUP RETIREMENT PLAN



Effective July 1, 2011 – June 30, 2013

DEFINED BENEFIT PLAN:

TRANSFER OF EMPLOYMENT

Your member account balance and service credits with NDPERS are “portable” if you move from one participating employer to another. Even though you may have had several different participating employers, all service credit and employee contributions are maintained by NDPERS.

If you transfer employment from one participating employer to another participating employer without terminating eligible employment, NDPERS will record unused sick leave of a participating member if the new employer certifies that it will not transfer that leave. The certification must include documentation from the previous employer detailing the number of hours of sick leave. NDPERS must receive the certification within sixty days after the member leaves employment with the former employer. Complete the Transfer of Unused Sick Leave Verification SFN 53404. You and your employer must complete a NDPERS “Notice of Transfer Kit SFN 53728”.

TERMINATION OF COVERAGE

To be eligible for benefits listed below, 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.

Member Account Balance

The member account balance consists of the monthly employee contributions, the vested portion of your employer contributions, any purchase payments and interest. This interest is compounded monthly up to the time you receive a refund/rollover of your account or begin receiving a monthly benefit. The interest paid on your account is based on a rate established by the NDPERS Board and builds on a tax deferred basis. If you take a refund or rollover, your retirement funds will not be available until you have been terminated for approximately 60-90 days, subject to tax notification requirements. See the “Special Tax Notice Regarding Plan Payments” section of this kit.

Option 1

You can choose to have your member account balance paid directly to you. If you choose this option, only 80 percent of the taxable amount of your member account balance is payable to you because NDPERS is required to withhold 20 percent of the payment for federal tax purposes. In addition, if you are under age 59 1/2, you may be subject to an additional 10 percent penalty for early withdrawal. If you elect this option, then you will need to complete a “Refund/Rollover Kit”.

Option 2

You can choose to have all or a portion of your member account balance directly rolled over into an IRA or another employer plan. If you have all or a portion of the amount rolled over, any taxable amount not rolled over will automatically be mailed to you and subject to the taxes indicated in “Option 1”. The portion rolled over is not taxed until you take it out of the IRA or other employer plan. (NOTE: Be sure to check to see if the other employer plan will accept a rollover from a 401(a) plan and request a letter of acceptance be forwarded to NDPERS from the named financial institution). If any portion of your rollover includes non-taxable income, then

the letter of acceptance is required before your request will be processed. If you elect this option, then you will need to complete a "Refund/Rollover Kit".

Option 3

Whether vested or not, you can leave your member account balance intact with NDPERS and take a refund or rollover at a later date. If you elect to leave your member account balance intact with NDPERS, then you must complete a "NDPERS Deferred Retirement Kit".

Option 4 *[This option is only available for vested members]*

To be vested in a defined benefit program means that you have become legally entitled to a monthly benefit from NDPERS when you reach retirement age and terminate employment. Under NDPERS you become vested at the earlier of:

- Achieving 36 months (3 years) of service credit, or
- Attaining 65 years of age while employed.

You can elect a Deferred Vested Benefit. Under this option, you leave your account with NDPERS and elect to receive a monthly benefit at a later date. The earliest age a member can begin to receive a monthly benefit is age 55 or Rule of 85, whichever happens first. Under the Deferred Vested Benefit Option, monthly benefits must begin no later than age 65 or the Rule of 85, whichever happens first. Interest continues to compound on your Member Account Balance until you begin receiving a monthly benefit. If you choose this option you will need to complete a "NDPERS Deferred Retirement Kit".

Option 5

You are eligible to receive NDPERS retirement benefits upon termination of employment if:

- ✓ you are age 55 or older and have 3 years of eligible service credit; or
- ✓ you meet the Rule of 85; or
- ✓ you have attained age 65 while actively employed with a NDPERS participating agency.

Eligible service credit may include dual membership service.

See the NDPERS Group Retirement Plan handbook for specific information on early retirement reductions, the Rule of 85, eligible service credit, and dual membership service.

You and your employer must complete a "NDPERS Retirement Kit"

If you are not vested, your member account balance is less than \$1000 and you do not indicate you wish to leave your account intact, you may be issued a refund automatically upon termination.

CONVERTING UNUSED SICK LEAVE:

TRANSFER OF EMPLOYMENT

If you transfer employment from one participating employer to another participating employer without terminating eligible employment, NDPERS will record unused sick leave of a participating member if the new employer certifies that it will not transfer that leave. The certification must include documentation from the previous employer detailing the number of hours of sick leave. NDPERS must receive the certification within sixty days after the member leaves employment with the former employer.

You, your current employer, and your new employer must complete a "Transfer of Unused Sick Leave Verification SFN 53404".

TERMINATION OF EMPLOYMENT

At termination, you may purchase all or part of your sick leave for retirement service credit. One month of service credit may be converted for each 173.3 hours of unused sick leave.

The cost to purchase sick leave is determined by taking the required contribution rate* of your Final Average Salary times the number of months being converted. The final payment amount will be calculated by NDPERS, after your termination. Payment can be made either on an after-tax basis through personal check or pre-tax basis through direct rollover/transfer. To elect to convert your sick leave, the Conversion of Unused Sick Leave Application – Defined Benefit SFN 58358 must be completed. Please review the terms on the conversion application carefully. If you are to begin receiving your retirement benefit payment the month following your final employment date or pay date, the sick leave payment will be requested 15 days after the last date of service pay.

***Required Contribution Rates:**

Main System = 11.26%

Law Enforcement with Prior Service = 14.45%

Law Enforcement without Prior Service = 12.57%

National Guard System = 11.64%

Highway Patrol System = 30.14%

DEFINED CONTRIBUTION PLAN:

TRANSFER OF EMPLOYMENT

You shall remain a participant in the Plan regardless of whether you return to classified service or become employed by a political subdivision that participates in NDPERS. However, this rule does not apply to participants who are reemployed with the State as a judge of the supreme or district courts, as a highway patrolman, as a teacher, or as an employee of the board of higher education who becomes covered under the TIAA-CREF retirement plan.

You and your employer must complete a “NDPERS Transfer Kit”.

TERMINATION OF EMPLOYMENT

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 an IRA or another eligible employer plan. If you choose this option you will need to complete a “NDPERS Refund/Rollover Kit” and a “TIAA-CREF Distribution Form”. You may request the TIAA-CREF Distribution Form from NDPERS.

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 and you must receive a payment at least annually. If you choose this option you will need to complete a “NDPERS Retirement Kit” and a “TIAA-CREF Distribution Form”. You may request the TIAA-CREF Distribution Form from 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 may be subject to a 10% penalty at the time you file your income tax return for the year 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 another eligible employer 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 NDPERS 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 the NDPERS with complete information to facilitate your direct rollover distribution.

b.) Rollover to Another Eligible Employer Plan –

You should check with your 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 employer's qualified plan. After authorizing your distribution, NDPERS will forward the form to the Trustee. A check will be issued by the Trustee Company payable to the trustee of your 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 another 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, your new eligible employer Plan, or to a 403(a) annuity. 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 that the vested account balance remain in the Plan within 120 days after termination.

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	\$472.36	\$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	\$492.58	\$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, 2011. 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.

<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.

MEMBER REBATE ACCOUNTS

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

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>
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.

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.

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](#).

If you are an active state employee covered on the High Deductible Health Plan (HDHP) at the time you retire, 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.

If you are enrolled in the Dakota Plan as an active employee, you will need to stay in the Dakota Plan. If electing COBRA, you will have an opportunity to enroll in the HDHP Plan.

Once retired, 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 is lower than the PPO/Basic COBRA rates. The premiums for HDHP COBRA are:

Single: \$379.56

Family: \$914.20

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:

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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.



Want to QUIT?

If YOU are a smoker or tobacco user and WANT to quit, THIS program is FOR YOU.

The North Dakota Public Employees Retirement System recently received a grant to help state employees and their dependents age 18 and older quit smoking or chewing tobacco. The grant will help pay for participating in one of more than 20 approved smoking cessation programs. Most of these programs are available through public health departments across the state of North Dakota. This project is administered by Blue Cross Blue Shield of North Dakota.

Who is eligible?

All current state employees and their dependents age 18 and older, have NDPERS health coverage, who smoke or chew tobacco and want to quit are eligible to participate. County, city and other members of the NDPERS group are not eligible through this project; however, smoking cessation funds may be available at the local level.

What will be provided?

An initial assessment will determine how ready you are to quit, your smoking or chewing triggers and what type of nicotine replacement therapy, such as patches or gum, and/or prescription medication you may need. If prescription medication is recommended, you will need to visit your doctor.

In addition, individual, group or telephone counseling will be provided. Your program provider will call you on a quarterly basis to monitor your progress the first year after you quit.

How long do the programs take?

Most of the approved programs are eight weeks.

How do I get started?

You may start anytime during the enrollment period: July 1, 2011 to April 30, 2013.

Grant money will reimburse the tobacco cessation participant for taking a class up to \$200 if a fee is charged after you complete the eight-week program. This covers the initial assessment, counseling and follow-up. If you decide to try the North Dakota Quitline, the program will reimburse you for the office visit, if you need to make one, and your prescription and over-the-counter medications.

The program will pay 100 percent of your out-of-pocket expenses for your office visit and prescription and over-the-counter medication up to \$500, for a total benefit of \$700 (see chart below). The program will end April 30, 2013.

Tobacco Cessation Counseling:	\$200.00 (If a fee is charged)
Office Visit, RX and over the counter medications:	100% up to \$500.00
Total	\$700.00

The program provider may charge additional fees for counseling services. Ask your program provider for details prior to enrolling.

Who do I contact to enroll or if I have questions?

Contact BCBSND at 1-800-223-1704 or (701) 282-1400 if calling from the Fargo area.

How do I enroll?

Find a provider in your area by visiting

<https://www.bcbsnd.com/ehealth/ndpersquit/providers.html>. When you make your initial visit to the cessation program in your area, please contact BCBSND with your enrollment information at the phone number listed above. Once eligibility is verified, you will then receive a smoking cessation program identification card to use when you visit your doctor and when you buy medications. **Be sure to show this identification card to your health care professional.**

- Your doctor should submit the office visit claim to the address shown on the back of the identification card.
- Prescription and over-the-counter medications will require payment at the pharmacy. Keep your receipts and send them to BCBSND for reimbursement of your claims.

If you choose to enroll in the Quitline cessation program, please call BCBSND at the phone number listed above. Eligibility for the program will be verified and a smoking cessation identification card will be sent to you. **Use the identification card when you purchase medications.**

Prescription and over-the-counter medications will require payment at the pharmacy. Keep your receipts and send them to BCBSND at the address shown on the back of the identification card for reimbursement of your claims.

LIFE INSURANCE CONTINUATION



TRANSFER OF COVERAGE

You cannot increase your current level of life insurance coverage. You may decrease coverage at any time.

TERMINATION OF COVERAGE

If you participate in the NDPERS group life insurance plan as an active employee, you or your insured dependent may convert this insurance to an individual life insurance policy if you are no longer actively at work.

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 an "Application for Conversion of Group Life" and "Notice of Conversion".

Type of Converted Policy

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

Refer to your Certificate of Insurance for further details on the Life Insurance benefits.

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.

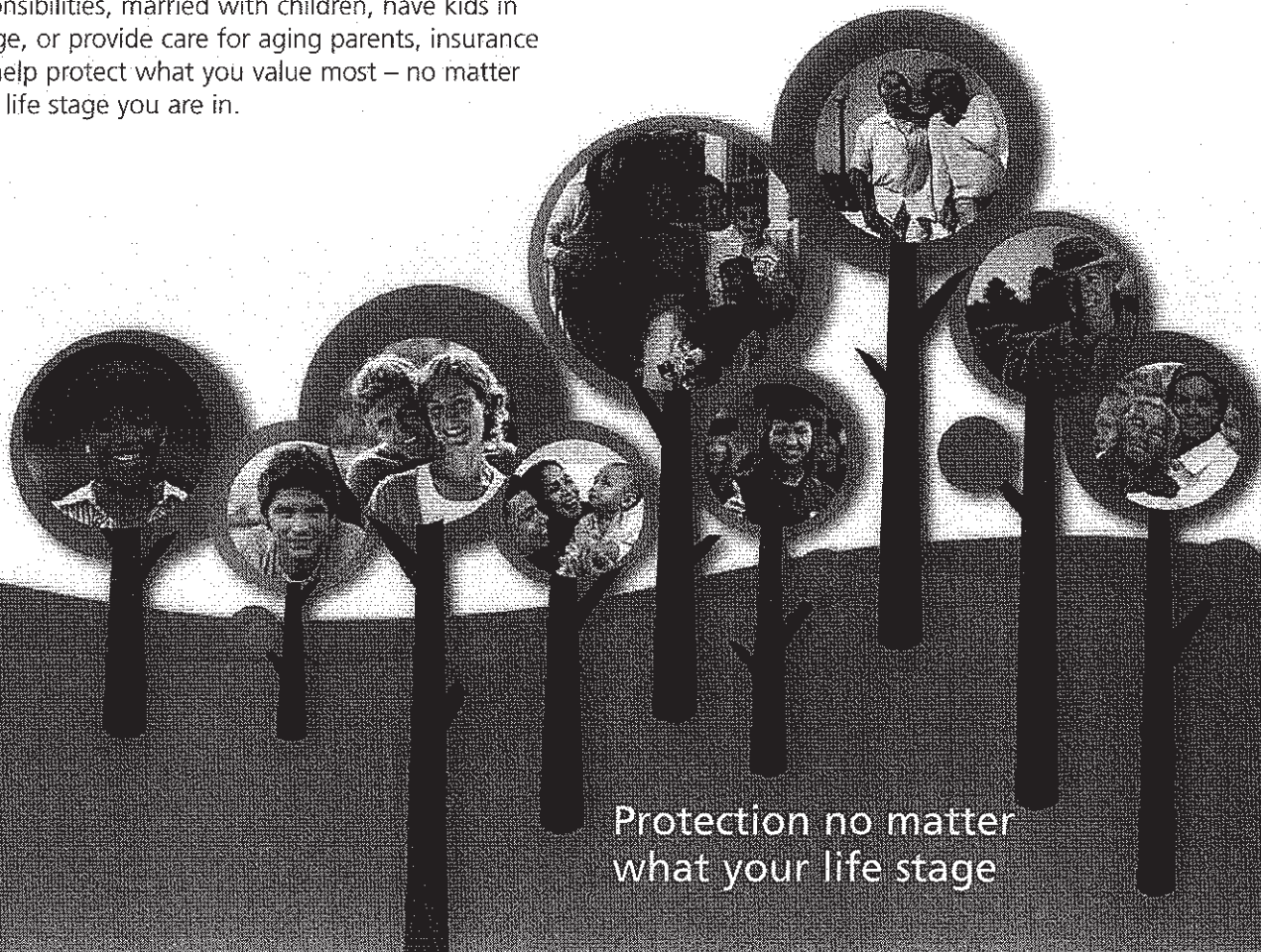
Life insurance can play a central role in a complete financial plan. Whether you are single with financial responsibilities, married with children, have kids in college, or provide care for aging parents, insurance can help protect what you value most – no matter what life stage you are in.

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



DENTAL COVERAGE



Underwritten by CIGNA HealthCare

TRANSFER OF COVERAGE

Only employees of the State of North Dakota and the University System are eligible to participate in this plan as an active employee. You cannot increase your current level of coverage. You can decrease or cancel coverage at anytime.

COBRA COVERAGE

If the **new** employer does not provide dental insurance your NDPERS dental coverage will end upon your of separation from employment. You and your covered dependents may apply for COBRA coverage within 60 days of your separation of employment if:

- ✓ If you, as an active employee, and your covered dependents were enrolled in the NDPERS dental plan.

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 dental plan

The following premiums are in effect through December 31, 2012:

Individual Only	\$ 41.14
Individual and Spouse	\$ 79.42
Individual and Child(ren)	\$ 92.18
Family	\$131.26

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.

CONTINUATION OF NDPERS DENTAL COVERAGE AFTER COBRA

Upon the completion of COBRA, to be eligible to continue the dental 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).

Dental 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.

PLAN HIGHLIGHTS

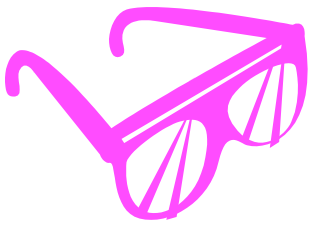
The dental services covered by this insurance are divided into four main categories shown below. This dental summary of benefits is intended to describe only a general outline of the plan of benefits and does not represent the actual terms and conditions of the Policy.

<p>Dental plan annual maximum benefit per person: \$1,000 Orthodontia lifetime maximum benefit per person: \$1,500 The deductible includes total expenditures per person for all basic and major treatment combined.</p>		
Services	Deductible	Coinsurance
<u>Preventive and Diagnostic Care</u> : 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%
<u>Basic Restorative Care</u> : 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%
<u>Major Restorative Care</u> : crowns, bridges, dentures.	\$50 Per person, per year	50%
<u>Orthodontia</u> : 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.

COVERAGE QUESTIONS?

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



VISION COVERAGE

TRANSFER OF COVERAGE

Only employees of the State of North Dakota and the University System are eligible to participate in this plan as an active employee. You cannot increase your current level of coverage in the Superior Vision insurance. You can decrease or cancel coverage at anytime.

COBRA COVERAGE

If the new employer does not provide vision insurance your NDPERS vision coverage will end upon your of separation from employment. You and your covered dependents may apply for COBRA coverage within 60 days of your separation of employment if:

- ✓ If you, as an active employee, and your covered dependents were enrolled in the NDPERS vision plan

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 vision plan

The following premiums are in effect through December 31, 2012:

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

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.

CONTINUATION OF NDPERS VISION COVERAGE AFTER COBRA

Upon the completion of COBRA, to be eligible to continue the vision 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).

Vision 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.

COVERAGE QUESTIONS

For additional information concerning coverage call 1-(800) 507-3800.



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

TRANSFER OF COVERAGE

Only employees of the State of North Dakota and the University System are eligible to participate in the plan as active employees. If you are enrolled in the UNUM Long -Term Care, no change in level of insurance coverage is allowed at the time of transfer. Increased coverage is based on UNUM's approval. Request to increase coverage may be filed with UNUM at anytime. You may decrease coverage at any time.

TERMINATION OF COVERAGE

If you and your spouse participate in the UNUM Long-Term Care plan, you both may elect portable coverage. This means that the same coverage you had under this plan can continue on a direct billing basis.

Any election for portable coverage must be made within 31 days of the date the group coverage would otherwise end by completing the UNUM's Election for Portable Coverage.

Any premium that applies must be paid directly to Unum by you and your spouse for any portable coverage to be continued.

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

COVERAGE QUESTIONS?

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

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.

TRANSFER OF COVERAGE

If you are employed with an employer participating in the NDPERS FlexComp Plan and take a job with another employer who is also participating in the NDPERS FlexComp Plan your coverage will transfer to your new employer.

MEDICAL SPENDING REIMBURSEMENT ACCOUNT

If you transfer to an employer group not on the NDPERS FlexComp Plan, 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 to 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 the COBRA premiums and pre-pay the premium through the end of the plan year from their final pay checks with the eligible employer participating in the NDPERS FlexComp Plan. 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 fee. 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 that balance.

If participation terminated due to a transfer to another employer group not on the NDPERS FlexComp Plan 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 termination of coverage. 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.

DEPENDENT CARE ACCOUNT

If you transfer to another employer group not on the NDPERS FlexComp Plan, your contributions will cease and payroll deductions will stop the end of the month in which you terminate. 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.

457 DEFERRED COMPENSATION PLAN



TRANSFER OF COVERAGE

If you are enrolled in the NDPERS 457 Deferred Compensation Plan, the amount authorized for deduction by the previous employer will automatically transfer to the new employer. You may change the deduction amount by completing a new SFN 3803 – 457 Deferred Compensation Plan Enrollment/Change Form.

If the transfer of employment is to an employer not participating in the NDPERS deferred compensation plan, the employee will have terminated participation in the PERS plan. Terminating employees may not begin to receive distributions from a deferred compensation account until they have been off the payroll of a covered employer for one month. At that time, you may elect to begin distribution immediately, regardless of your age, or you may defer payments to a future date.

If you elect a lump sum distribution of your deferred compensation 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 distribution from your account. There is no IRS 10% penalty for withdrawal prior to 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 from your account. If you elect a direct rollover, taxes will not be withheld and are not payable until you receive a distribution from the 457 account.

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.