



REFUND/ROLLOVER KIT
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
(Rev. 01-2012)

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NOTE: PLEASE DO NOT DUPLEX WHEN PRINTING THIS KIT



This publication contains information, forms, and instructions necessary for a terminating employee to apply for a refund/rollover of retirement account balance and continuation of insurances administered by NDPERS under either the Defined Benefit or the Defined Contribution Plans. 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 legislature, by the Board of the North Dakota Public Employees Retirement (NDPERS), and its agents.

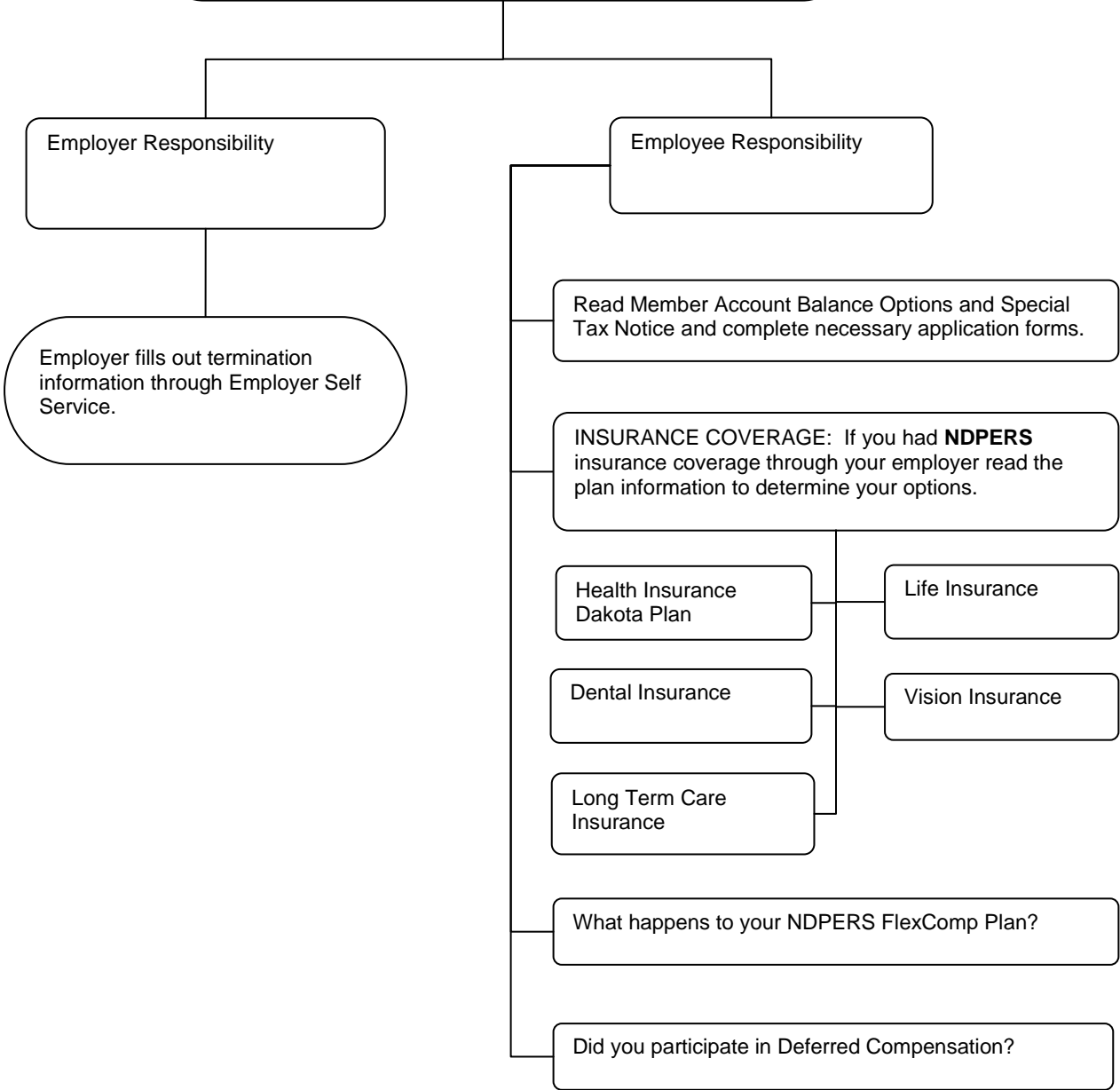




REFUND/ROLLOVER KIT
Defined Benefit and Defined Contribution Members

Use this kit if you want to:

1. receive a refund of your member account balance paid directly to you, or
2. roll over all or part of your member account balance to an IRA or another employer plan.



CHECKLIST

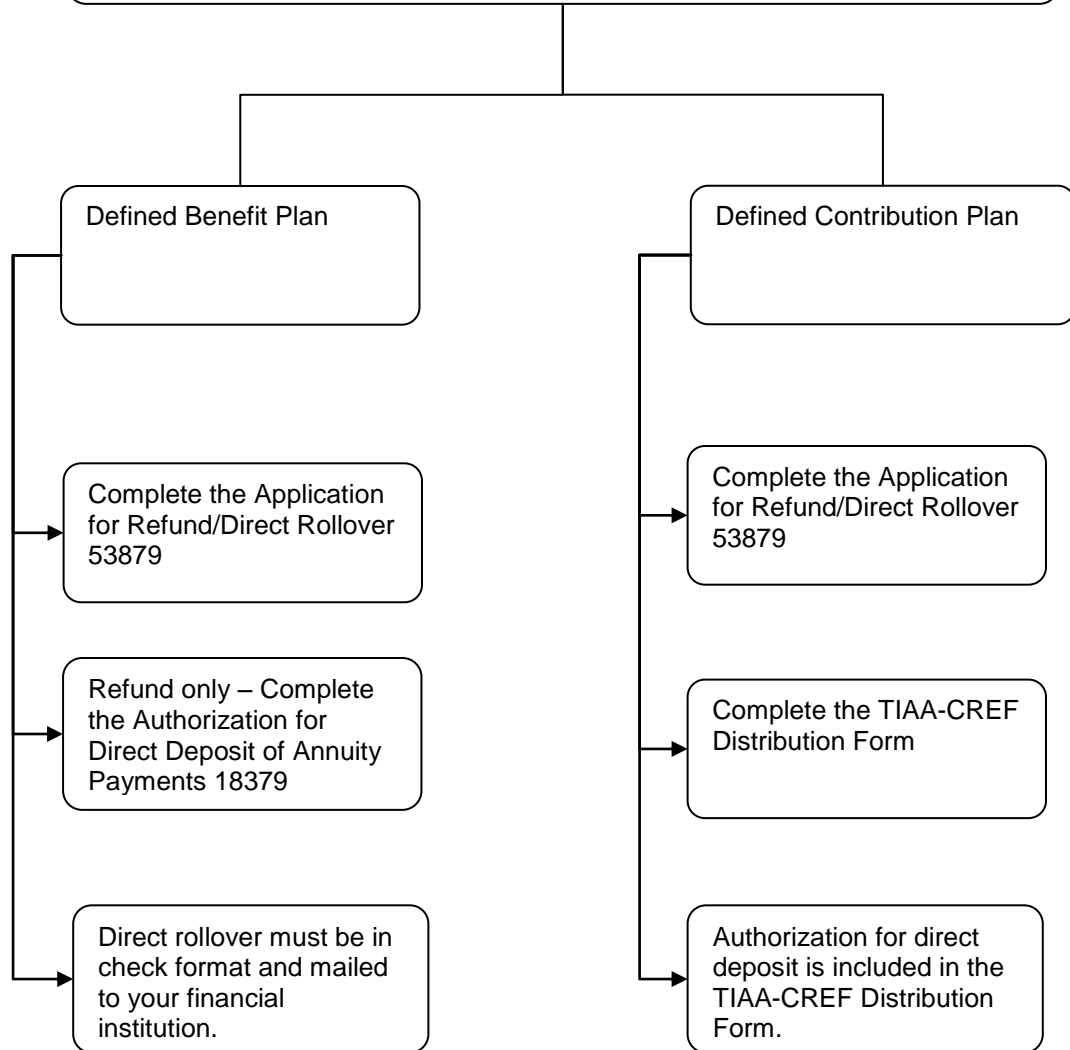
(Please complete the forms in either blue or black ink.)



	FORM NAME	SFN #
<input type="checkbox"/>	APPLICATION FOR REFUND OR DIRECT ROLLOVER	53879
<input type="checkbox"/>	AUTHORIZATION FOR DIRECT DEPOSIT FOR ANNUITY PAYMENTS	18379
<input type="checkbox"/>	CONTINUATION OF GROUP INSURANCE COVERAGE (COBRA)	14120
<input type="checkbox"/>	APPLICATION FOR CONVERSION OF GROUP LIFE INSURANCE	
<input type="checkbox"/>	AUTHORIZATION FOR AUTOMATIC PREMIUM DEDUCTION	50134
<input type="checkbox"/>	UNUM ELECTION FOR PORTABLE COVERAGE	230-89
<input type="checkbox"/>	CONTINUATION OF COVERAGE IN MEDICAL SPENDING ACCOUNT (COBRA)	53512

APPLY FOR REFUND/ROLLOVER

How to apply for a Refund or Rollover of your NDPERS
Defined Benefit or Defined Contribution Plans



MEMBER ACCOUNT BALANCE OPTIONS



Effective July 1, 2009 through June 30, 2011

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.

DEFINED BENEFIT PLAN:

MEMBER ACCOUNT BALANCE

The member account balance consists of the monthly employee contributions, the vested portion of your employer contributions, 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 "Special Tax Notice Regarding Plan Payments".

MEMBER ACCOUNT OPTIONS

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 income 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 choose this option, a "Refund/Rollover Kit" is required.

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 choose this option, a "Refund/Rollover Kit" is required.

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 upon termination from employment and reaching retirement age. 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 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 occurs first. Under the Deferred Vested Benefit Option, monthly benefits must begin no later than age 65 or the Rule of 85, whichever occurs 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 \$1,000 and you do not indicate you wish to leave your account intact, you may be issued a refund automatically upon termination.

DEFINED CONTRIBUTION PLAN:

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”.

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”. The TIAA-CREF Distribution Form is obtained 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. You must take a distribution at least annually. If you choose this option you will need to complete a “NDPERS Retirement Kit” and a “TIAA-CREF Distribution Form”. The TIAA-CREF Distribution Form is available 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’s 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 traditional IRA. After authorizing your distribution, 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 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 the “Special Tax Notice Regarding Plan Payments” section of this kit.

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 another 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 that the vested account balance remain in the Plan within 120 days after termination.

DEFINED BENEFIT & DEFINED CONTRIBUTION:

ADMINISTRATIVE REQUIREMENTS FOR REFUNDS/ROLLOVERS

Upon termination of employment, you and your employer must complete a “NDPERS Refund/Rollover Kit”. Defined Contribution Plan members must also complete a “TIAA-CREF Distribution Form”. You may obtain the TIAA-CREF Distribution Form from NDPERS.

DEFINED BENEFIT PLAN: Refunds and direct rollovers will not be issued until you have been off your employer's payroll system for approximately 60 to 90 days, subject to Federal and North Dakota State laws.

DEFINED CONTRIBUTION PLAN: Refunds and direct rollovers will not be issued until you have been off your employer's payroll system for approximately 45 to 60 days, subject to Federal and North Dakota State laws.

By receiving a refund/rollover distribution of your member account balance you forfeit all service credit to the date of the distribution, as well as:

- Retirement Benefits
- Disability Benefits
- Non-Vested Employer Contributions
- Retiree Health Credit
- Dakota Plan Health Insurance Coverage*
- Dental Insurance Coverage*
- Vision Insurance Coverage*

Should you become re-employed with a participating employer before 31 days have expired, no refund or direct rollover will be issued and your retirement account will pick up where it left off with your previous employer, any NDPERS benefits available through your new employer will be reinstated at the same coverage levels as you had with your previous employer.

* If you are participating in any of these benefits at termination, COBRA continuation is available for 18 months following loss of coverage as an active employee.

Consult with your tax advisor for further details.

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.

If you are not a plan participant

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. If 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. 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.

If you are a nonresident alien

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.

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 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 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

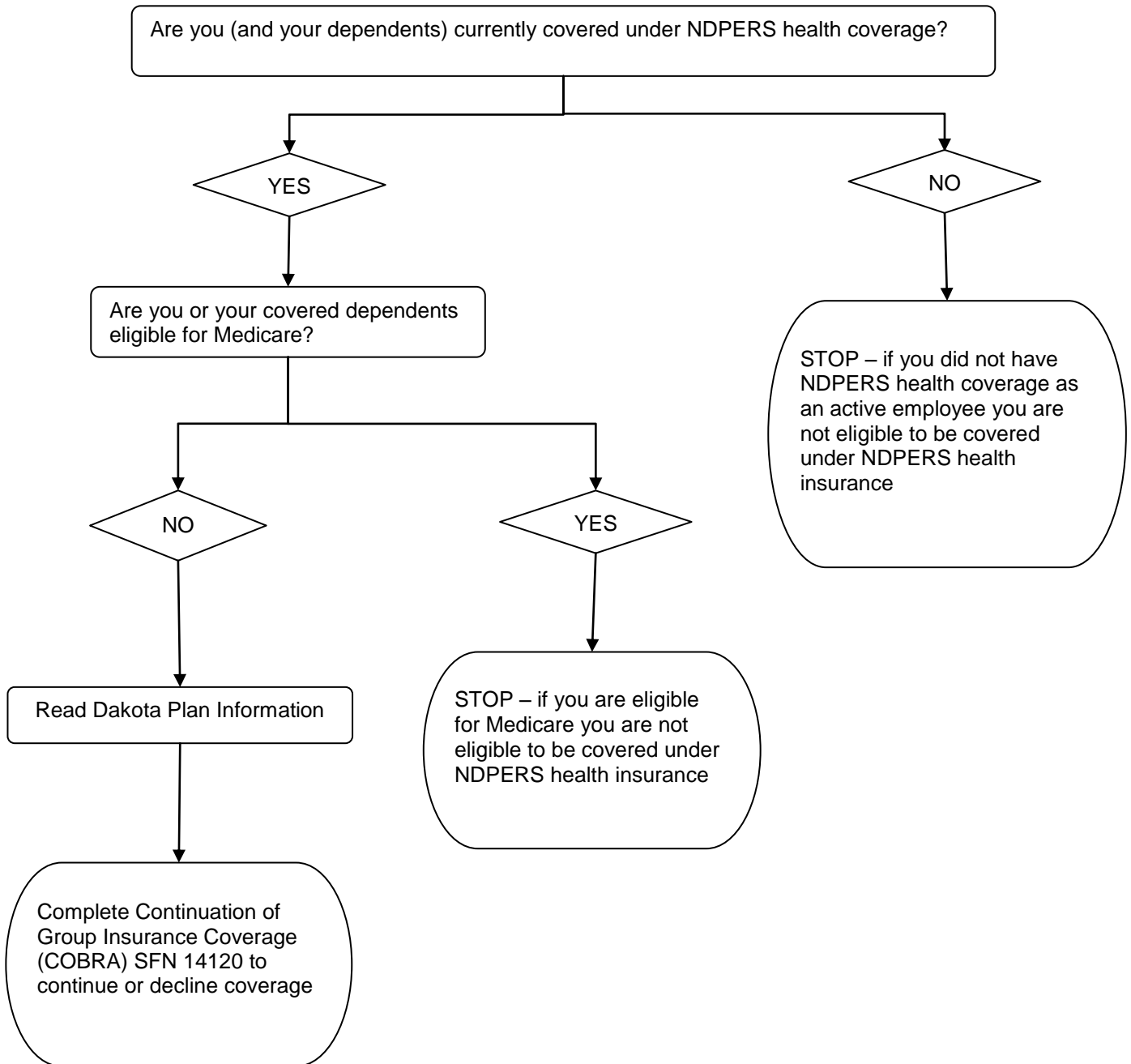
If you elect continuation coverage, you will receive the same level of benefits under the plan as similarly situated active employees. Plan benefits may be modified or amended during the period of continuation coverage that may result in a change of premiums in accordance with federal COBRA regulation. 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.

NDPERS HEALTH INSURANCE

For Refunds Rollovers and Deferred Retirement Accounts



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.

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:

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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.

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> <u>(Self</u> <u>Referral or</u> <u>Out-of-</u> <u>State)</u>	<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.

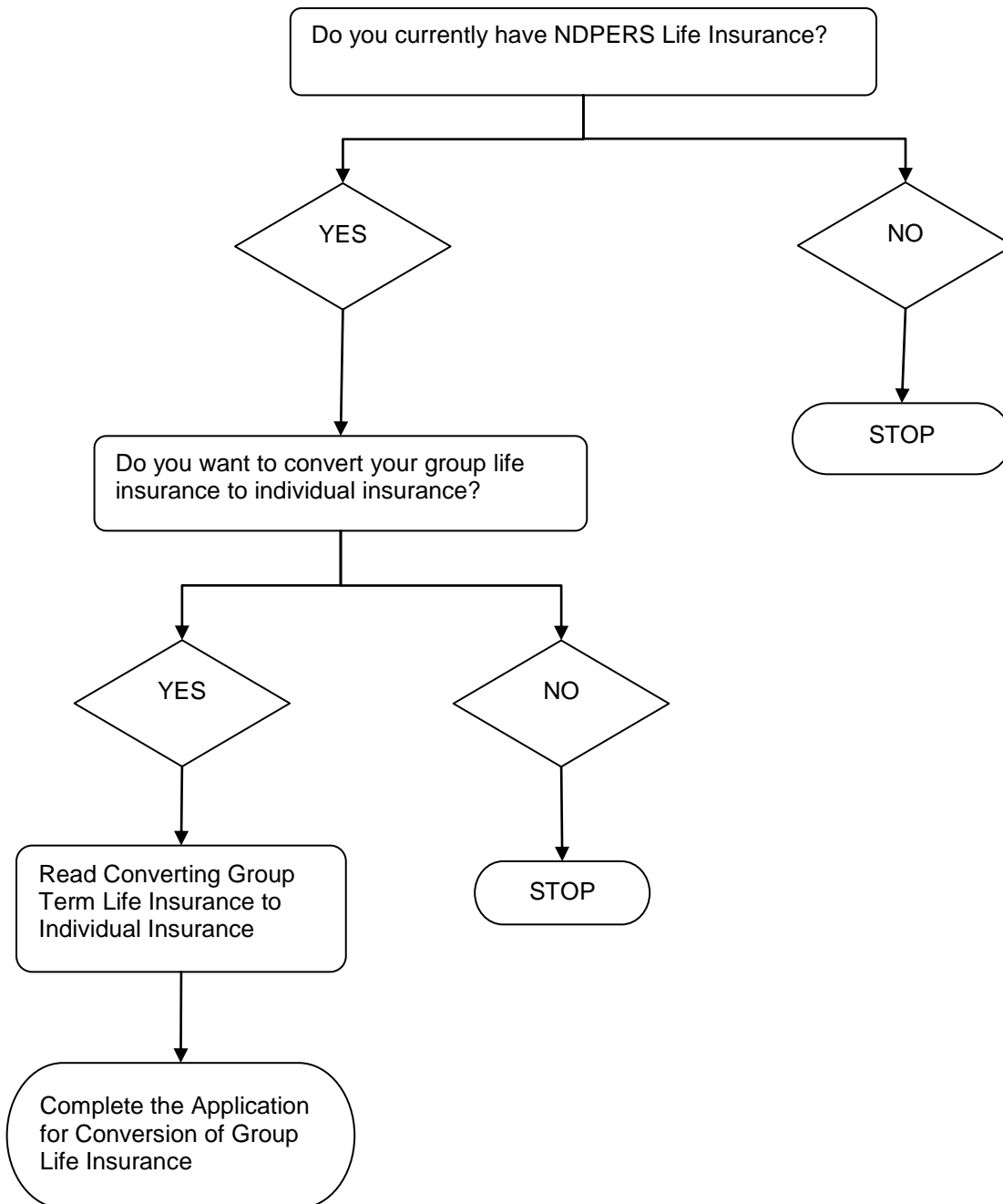
MEMBER REBATE ACCOUNTS

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 not available on the [NDPERS website](#).

LIFE INSURANCE CONTINUATION For Refunds Rollovers and Deferred Retirement Accounts



LIFE INSURANCE CONTINUATION

CONVERSION RIGHTS

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 Insurance Form 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 the ING's whole life plan with the lowest premium.

Please visit the Prudential website at link below or contact Prudential at 1-877-889-2070

http://www.prudential.com/media/managed/BlackBrochure_noFL.pdf

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.

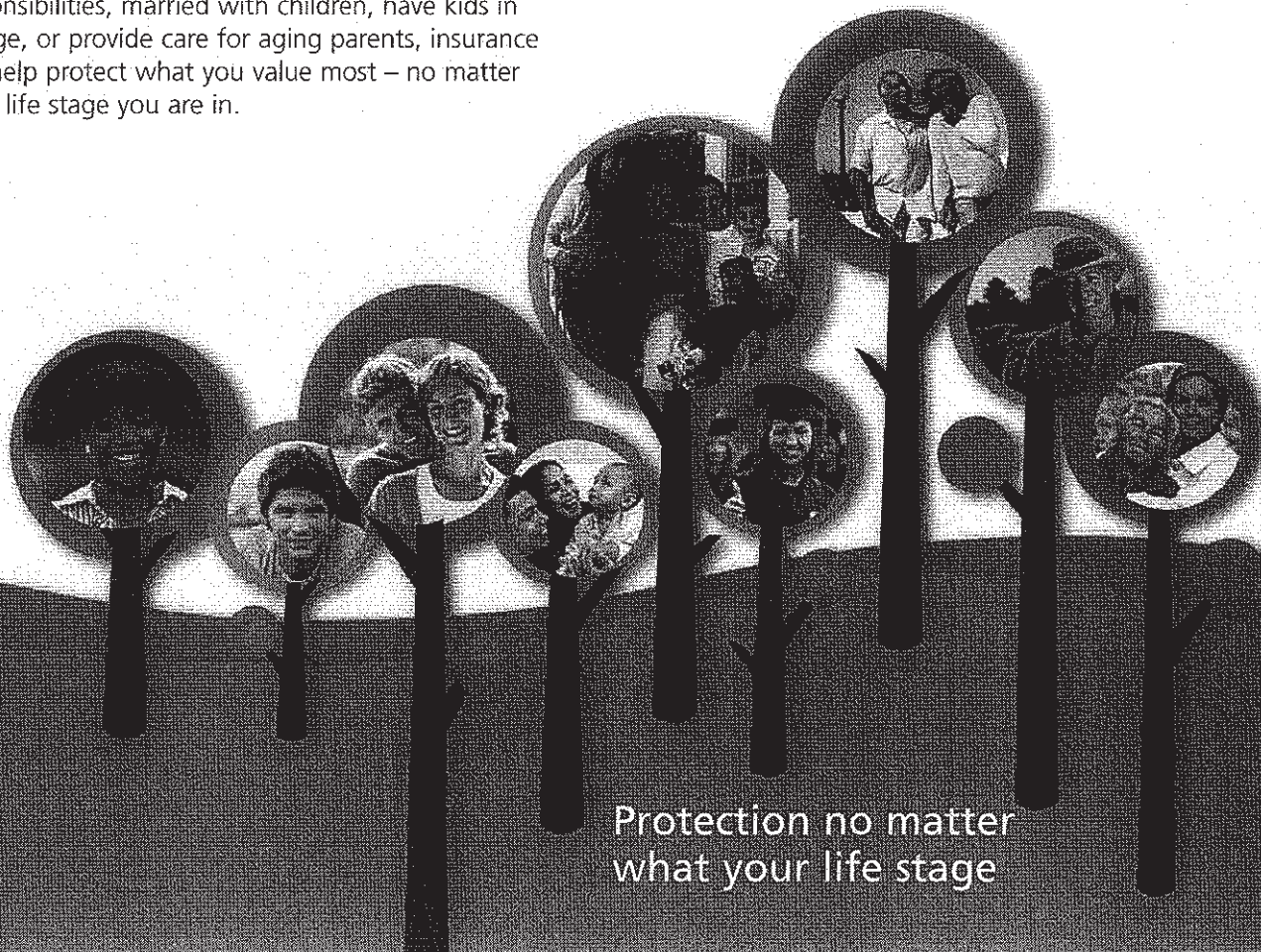
Life insurance can play a central role in a complete financial plan. Whether you are single with financial responsibilities, married with children, have kids in college, or provide care for aging parents, insurance can help protect what you value most – no matter what life stage you are in.

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

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WWW.ING-USA.COM

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	
	<u>\$2,000</u>	<u>\$5,000</u>
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

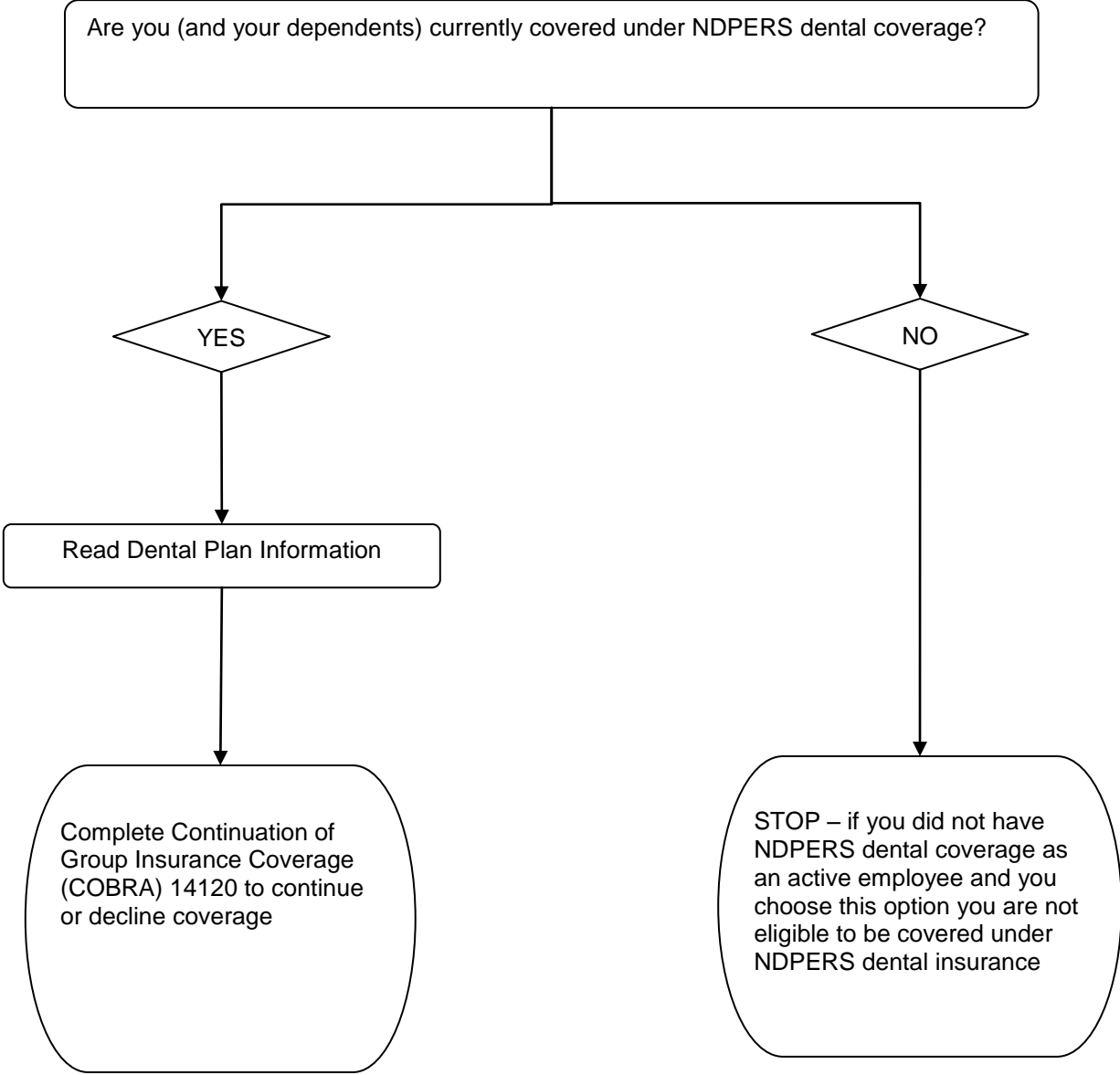
Spouse Supplemental Life Insurance
 Monthly Premium Amounts
 Rates Effective July 1, 2011

<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

DENTAL INSURANCE

For Refund, Rollover and Deferred Retirement Accounts





DENTAL COVERAGE



This is information regarding your eligibility for the NDPERS group dental plan underwritten by CIGNA

TERMINATION OF COVERAGE

If you defer your retirement benefit or take a lump sum distribution of your retirement account your coverage will end upon your date of separation from employment.

COBRA COVERAGE

Upon termination of employment your NDPERS dental coverage will end on the last day of the month for which premiums were paid. 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 on the day before your last day of coverage.

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 COBRA 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

You must include a check payable to NDPERS for the first month's premium. Applications received after the 60 day COBRA enrollment period will not be accepted and you will have forfeited your right to continuation coverage.

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 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 are 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.

CANCELLATION POLICY

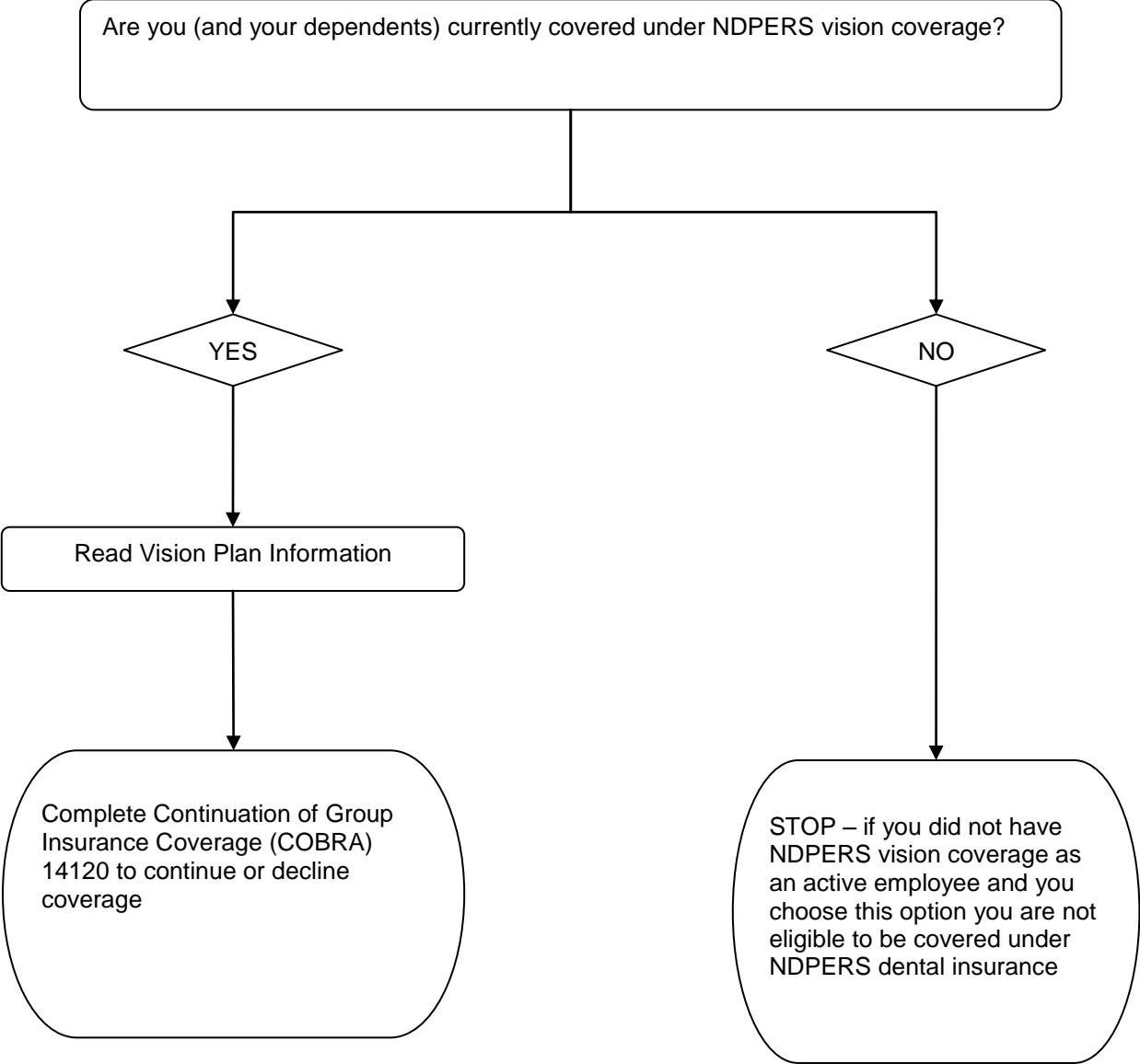
To cancel NDPERS dental coverage, a written request must be submitted. The request must provide the contract holders name, social security number and effective date. NDPERS must receive a cancellation request by the 15th of the month prior to the effective date. Cancellations will only be done at the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

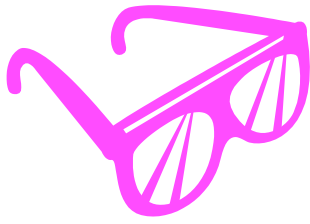
COVERAGE QUESTIONS?

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

VISION INSURANCE

For Refund, Rollover and Deferred Retirement Accounts





VISION COVERAGE



TERMINATION OF COVERAGE

If you defer your retirement benefit or take a lump sum distribution of your retirement account your coverage will end upon your date of separation from employment.

COBRA COVERAGE

Your NDPERS vision coverage will end upon your date 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, and

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 COBRA 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.

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 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 Employee 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)
- Teacher’s Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREFF) (North Dakota University System only).

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

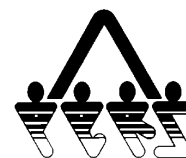
If you defer your retirement benefit or take a lump sum distribution of your retirement account, upon completion of COBRA, your coverage will end.

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.

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		

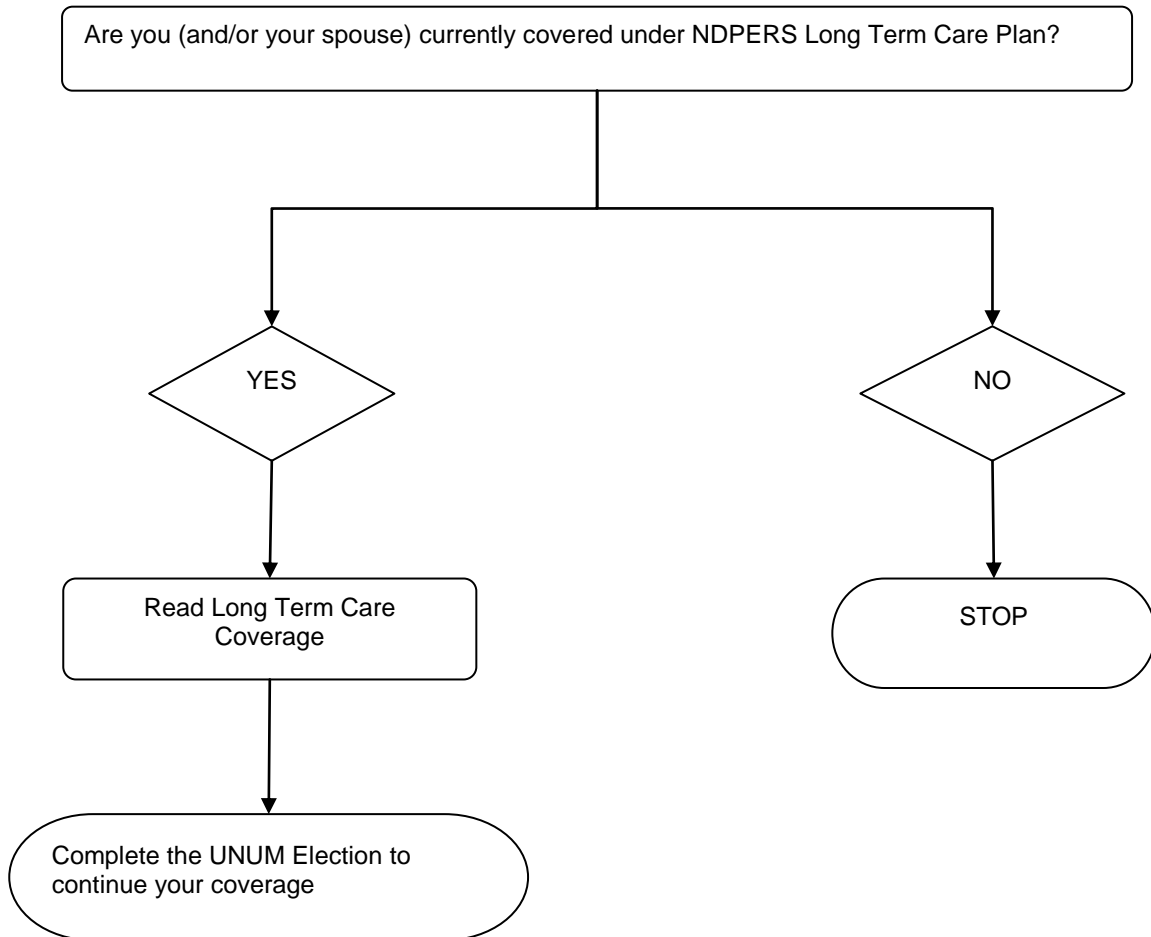
Discounts are provided by Superior Vision contracted providers identified in the provider directory.

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



LONG TERM CARE COVERAGE



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.

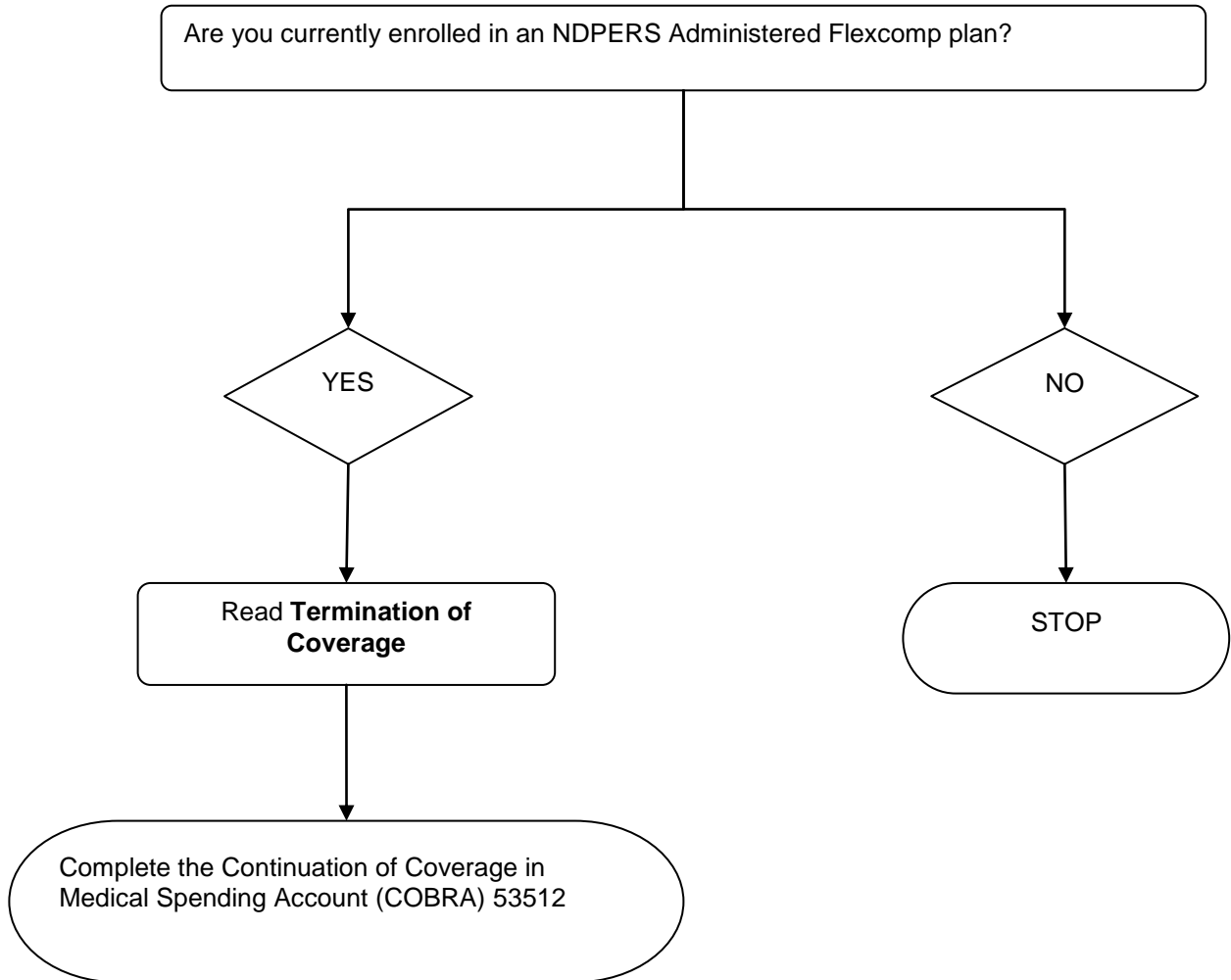
Any premium that applies must be paid directly to Unum by you and your spouse for any portable coverage to be continued.

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

COVERAGE QUESTIONS?

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

NDPERS 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.

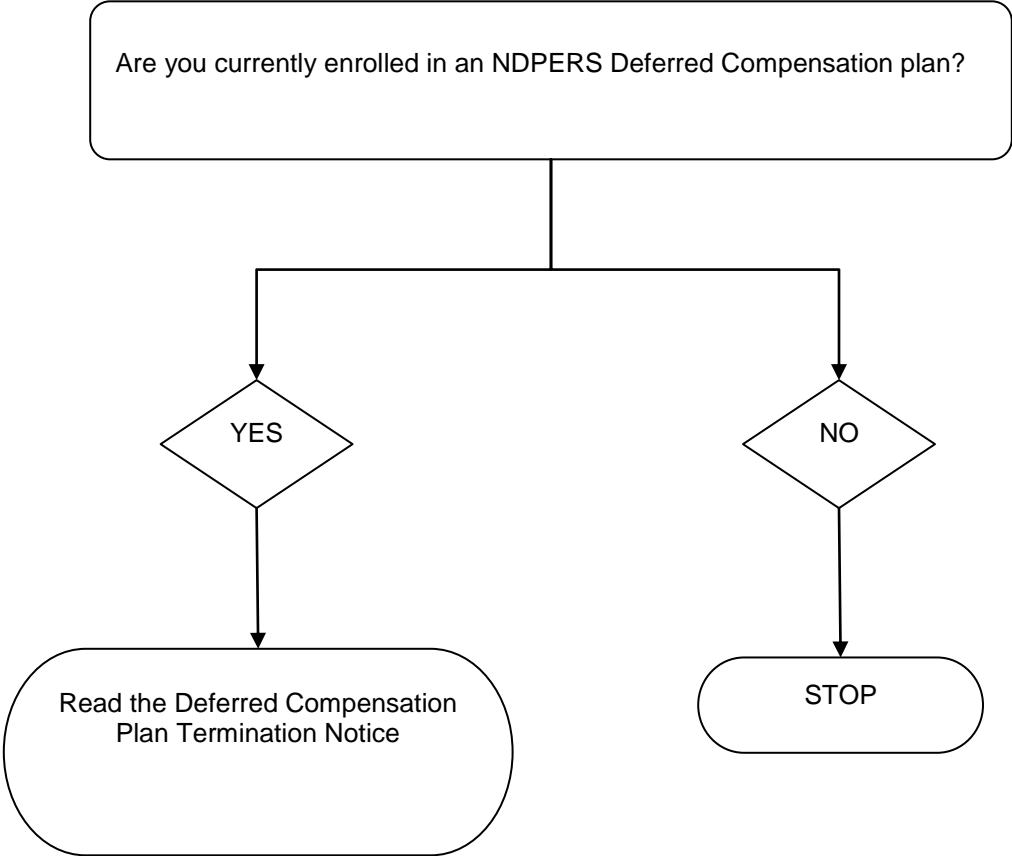
If participation terminated due to a separation of service and you return to state employment within 30 days in the same plan year, your election will be reinstated as it was immediately prior to the separation of service. If you return to state employment after 30 days in the same plan year, you can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

DEPENDENT 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 FOR REFUND, ROLLOVER AND DEFERRED RETIREMENT ACCOUNTS



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.