



**North Dakota  
Public Employees Retirement System**  
400 East Broadway, Suite 505 • Box 1657  
Bismarck, North Dakota 58502-1657

**Sparb Collins**  
Executive Director  
(701) 328-3900  
1-800-803-7377

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FAX: (701) 328-3920 • EMAIL: [NDPERS-info@nd.gov](mailto:NDPERS-info@nd.gov) • [www.nd.gov/ndpers](http://www.nd.gov/ndpers)

# Memorandum

**2010 - 4**

**TO:** NDPERS Deferred Compensation Plan Participating Employers

**FROM:** Sharon Schiermeister  
PERSLink Project Manager

**DATE:** **June 29, 2010**

**SUBJECT: Monthly Deferred Compensation Contribution Reporting Process**

NDPERS is excited to provide you with an update on our business system replacement project, which will lead to improvements in the monthly Deferred Compensation contribution reporting process. This reporting process is for contributions made to the Deferred Compensation Plan administered by NDPERS and also reporting of contributions made to an approved employer sponsored 457(b) or 403(b) plan.

## **Overview**

In October 2007, NDPERS began its work on replacing our current business system with a new system – PERSLink – “Your Online guide to Benefits Administered by NDPERS”. Our new system will include functionality for each of the plans administered by NDPERS and will include Web-enabled self-service functionality for members, retirees, beneficiaries and employers. The new system is scheduled for implementation October 4, 2010.

If you have access to a personal computer with access to the Internet, you will be able to access PERSLink and interact with NDPERS as follows:

1. Report employment status changes on-line – Hires, Leave of Absence, Terminations
2. Reporting of deferred compensation contributions – upload files with information from your payroll system, or enter on-line
3. Authorize ACH payments for deferred compensation contributions
4. Look-up employee demographic and benefit enrollment information

Because the way you will be doing business with NDPERS will be changing, training sessions will be provided in August and September. More information on training will be sent out when the training plan is finalized.

### **Deferred Compensation Contribution Reporting Process**

Currently, there are two ways that employers are reporting deferred compensation contribution information to NDPERS each month: Transmittal of Deduction form or a file uploaded to the NDPERS secure FTP site.

PERSLink has been designed to allow employers to report deferred compensation contribution information by logging into PERSLink Employer Self Service and either uploading a file that contains the required information or updating contribution information on-line. PERSLink will validate the contribution amounts based on the enrollment information currently on file with NDPERS and will calculate the total amount due. A remittance advice can be printed to send in with your check, or you can initiate an ACH transaction that will debit your bank account for the authorized payment amount. PERSLink will also perform various validations that will alert you if an employee's employment status may need to be changed or if the amount being reported has not been authorized, for example.

### **New File Layout for Deferred Compensation Contribution Reporting**

Attached is the file layout for reporting deferred compensation contribution information for PERSLink. The file layout is different than what NDPERS currently accepts, **so if you are currently submitting an electronic file, you will need to take action to create your file using the new format once PERSLink is deployed. The format used today will not be able to be processed in PERSLink.**

If you currently use the NDPERS generated Transmittal of Deduction form and do not have the option of creating a file to be uploaded, you will be able to log into PERSLink Employer Self Service and enter the deferred compensation information on-line.

### **Action required**

- 1. Start working on creating files using the new file layout. The new file layout will be required for payroll reports received after September 21, 2010.**
- 2. Notify Ron Gilliam at 328-3916 when you have a file that is ready to be tested**
- 3. Look for future notices from NDPERS on training, setting up bank information for ACH payments, and getting set up for Employer Self Service.**

If you have questions, please call Jim Smrcka at 328-3945 or Sharon Schiermeister at 328-3902.

Attachments: Deferred Compensation Contribution File Layout

## NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM DEFERRED COMPENSATION FILE LAYOUT

### 1 File:

Deferred Compensation File: To submit deferred compensation deductions for all employees participating in the North Dakota 457 Deferred Compensation Plan administered by NDPERS, or participating in an approved employer sponsored supplemental Section 457 or 403(b) plan.

### 2 Purpose:

Deferred Compensation deductions must be reported for all employees participating in the North Dakota 457 Deferred Compensation Plan and for employees who participate in a supplemental IRC Section 457 or 403(b) plan that has been approved by the NDPERS Board. The file must be submitted by the employer after every payroll period. The employer must send deductions for the North Dakota 457 Deferred Compensation Plan directly to NDPERS. Deductions for the approved 457 or 403(b) plans are reported to NDPERS, but payments are made directly to the vendors for these plans. Files for pay periods that end between the 1<sup>st</sup> and 15<sup>th</sup> of the month are due in the NDPERS office by the 20<sup>th</sup> of that month. Files for pay periods that end between the 16<sup>th</sup> and 31<sup>st</sup> of the month, and files that are for monthly pay periods, are due in the NDPERS office by the 10<sup>th</sup> of the month. Files can also be used to report any adjustments to deductions.

The new format of the file is useful to achieve the following:

- Prevents invalid or duplicate data from posting to the member's account
- Compares a member's current deduction amounts to amounts that have been authorized by the employee and identifying, by employer, instances where the information submitted violates NDPERS business rules (e.g., deductions are not as defined in the enrollment, provider information does not match to that in the enrollment, etc.)
- Provides an audit trail of any adjustments in deductions made to a member's account
- Provide front-end validations on SSN's, agency numbers, duplicate names, blank fields, negative numbers, dates, etc
- Provide front-end validations to determine whether reporting dates have already been posted on a member level, and if so, alert user to investigate
- Provide real-time processing of employer reports

### 3 File Description and Layout:

#### 3.1.1 File Naming Standard:

DeferredComp\_ORG\_CODE\_ID\_PayPeriodEndDate.txt

- ORG Code ID: Numerical identifier assigned by NDPERS to each organization that will be used in PERSLink. (Your **NEW** Org Code ID for PERSLink can be found on the NDPERS Website under Employer Services, by clicking on Program Administration, then clicking on the PERSLink Icon)
- PayPeriodEndDate: Last day of the pay period for the current payroll

#### 3.1.2 Frequency:

Each pay period of the employer. Weekly, Bi-Weekly, Semi-Monthly, and Monthly

### 3.1.3 Field Delimiter: ~ (Tilde)

### 3.1.4 File Layout:

Header Record Layout:

FIELD DESCRIPTION	NUMBER OF CHAR	DATA TYPE	DEFAULT	USE/BENEFIT
File Record Type		Char(1)	'1'	Type of the record in the file 1: Header Record 2: Detail Record
Count		Integer		Count of total detail records under that header
Org Code ID		Char(6)		Organization code assigned to employers by NDPERS
Type		Char(1)	'1' / '2'	Type of the report 1: Regular 2: Adjustment
Total Wages		Decimal(13,2)	0.00	BLANK. Not used currently.
Total Contribution		Decimal(13,2)		Sum of total deduction amounts per employer
Pay Period Start Date		Char(8)		Reporting Payroll Period Start Date In MMDDYYYY format
Pay Period End Date		Char(8)		Reporting Payroll Period End Date In MMDDYYYY format

Detail Record Layout:

FIELD DESCRIPTION	NUMBER OF CHAR	DATA TYPE	DEFAULT	USE/BENEFIT
File Record Type		Char(1)	'2'	Type of the record in the file 1: Header Record 2: Detail Record
ORG Code ID		Char(6)		Organization code assigned to employers by NDPERS
SSN		Char(9)		SSN of the employee
Last Name		Char(50)		Last Name of the employee
First Name		Char(50)		First Name of the employee
Pay_Begin_Date		Char(8)		Reporting Payroll period Start Date In MMDDYYYY format
Pay_End_Date		Char(8)		Reporting Payroll period End Date In MMDDYYYY format
Pay_Check_Date		Char(8)		Date of pay check for that pay period in MMDDYYYY format

Record Type		Char(1)	'1' / '2' / '4'	<p>Type of the record</p> <p>1: Regular: Deferred Comp deductions for the current reporting period for the detail record. Pay period start date and pay period end date on the header record and Pay_Begin_Date and Pay_End_Date on the detail record should match.</p> <p>2: Positive Adjustment: Positive adjustments to the deduction detail record as reported by employer. Pay_Begin_Date and Pay_End_Date on the detail record should be for a previous pay period.</p> <p>4: Negative Adjustment: Negative adjustments to the deduction detail record as reported by employer. Pay_Begin_Date and Pay_End_Date on the detail record should be for a previous pay period.</p>
Plan		Char(4)		<p>Plan in which the employee is enrolled</p> <p>DECM: State of North Dakota Deferred Compensation Plan</p> <p>ODCM: Other 457/403(b) Plan approved by NDPERS</p>
Contribution Amount (1)		Decimal(13,2)		<p>Deduction amount deducted from employee's pay check for each provider. This is validated against the enrollment on file with NDPERS.</p>

Provider (1)		Char(6)		<p>Provider for which the contribution was deducted. This field will have the Org Code ID assigned by NDPERS for the Provider</p> <p>700002 - Bank Of North Dakota  700003 - Hartford Life  700004 - Jackson National Life  700005 – Commonwealth Annuity &amp; Life  700006 - Lincoln National  700007 - Nationwide Life  700008 - NDPERS Companion Plan  700009 - Symetra Life Insurance Company  700010 - Aig Valic  700011 - Waddell &amp; Reed  700012 - Other 457 Plan  700013 - Other 403(B) Plan  700014 - Axa Equitable Life Ins Co  700015 - Ing Investment Services  700016 - American Trust Center  700037 – Kansas City Life Insurance Company Of America</p>
Contribution Amount (2)		Decimal(13,2)		<p>Deduction amount deducted from employee's pay check for each provider when an employee is having deductions going to 2 different providers. This is validated against the enrollment on file with NDPERS.</p>
Provider (2)		Char(6)		<p>Provider for which the contribution was deducted. This field will have the Org Code ID assigned by NDPERS for the Provider</p>
Contribution Amount (3)		Decimal(13,2)		<p>Deduction amount deducted from employee's pay check for each provider when an employee is having deductions going to 3 different providers. This is validated against the enrollment on file with NDPERS.</p>
Provider (3)		Char(6)		<p>Provider for which the contribution was deducted. This field will have the Org Code ID assigned by NDPERS for the Provider</p>
Contribution Amount (4)		Decimal(13,2)		<p>Deduction amount deducted from employee's pay check for each provider when an employee is having deductions going to 4 different providers. This is validated against the enrollment on file with NDPERS.</p>
Provider (4)		Char(6)		<p>Provider for which the contribution was deducted. This field will have the Org Code ID assigned by NDPERS for the Provider</p>

Contribution Amount (5)		Decimal(13,2)		Deduction amount deducted from employee's pay check for each provider when an employee is having deductions going to 5 different providers. This is validated against the enrollment on file with NDPERS.
Provider (5)		Char(6)		Provider for which the contribution was deducted. This field will have the Org Code ID assigned by NDPERS for the Provider
Contribution Amount (6)		Decimal(13,2)		Deduction amount deducted from employee's pay check for each provider when an employee is having deductions going to 6 different providers. This is validated against the enrollment on file with NDPERS.
Provider (6)		Char(6)		Provider for which the contribution was deducted. This field will have the Org Code ID assigned by NDPERS for the Provider
Contribution Amount (7)		Decimal(13,2)		Deduction amount deducted from employee's pay check for each provider when an employee is having deductions going to 7 different providers. This is validated against the enrollment on file with NDPERS.
Provider (7)		Char(6)		Provider for which the contribution was deducted. This field will have the Org Code ID assigned by NDPERS for the Provider

### 3.1.5 Example:

#### Regular File:

```

1~100~019200~1~0.00~12254.12~10012008~10142008
2~019200~999999999~ABCDEFGH~IJKLMNOPQRST~10012008~10142008~10152008~1~DECM~100.12~50
0124~10.00~500125~0.00~0.00~0.00~0.00~0.00~0.00~0.00~0.00~0.00~
2~019200~999999998~ABCDEFGH~IJKLMNOPQRST~10012008~10142008~10152008~1~DECM~200.12~50
0124~20.00~500125~0.00~0.00~0.00~0.00~0.00~0.00~0.00~0.00~
2~019200~999999997~ABCDEFGH~IJKLMNOPQRST~10012008~10142008~10152008~1~DECM~300.12~50
0124~30.00~500125~330.00~500127~0.00~0.00~0.00~0.00~0.00~0.00~

```

#### Adjustment File:

```

1~100~019200~2~0.00~12254.12~10012008~10142008
2~019200~999999999~ABCDEFGH~IJKLMNOPQRST~09012008~09142008~10152008~2~DECM~100.12~50
0124~10.00~500125~0.00~0.00~0.00~0.00~0.00~0.00~0.00~0.00~
2~019200~999999998~ABCDEFGH~IJKLMNOPQRST~09012008~09142008~10152008~2~DECM~200.12~50
0124~20.00~500125~0.00~0.00~0.00~0.00~0.00~0.00~0.00~0.00~

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## 4 Alternate to Files / Descriptions:

- 1) HTTP Web Upload: Employer can upload the file after logging into employer 'Self Service Portal'

- 2) Entering the data: Employer can enter individual records after logging into employer 'Self Service Portal'. This method is well suited for employers with a fewer number of employees and does not need a system development effort on employer side.