



PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll Officers

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NDPERS
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Events & Mailings

EPO Open Enrollment

This year's [EPO open enrollment](#) will begin on May 1 and go through June 15. Enrollment information will be mailed the week of April 26th to NDPERS members that reside within a 50 mile radius of an EPO network. NDPERS will not be conducting enrollment meetings this year. The enrollment information we are sending to members will be posted on the NDPERS website by April 26th. If an employee misplaces their enrollment information, they will have to download it from the NDPERS website as we are not printing additional information packets.

Please use the following procedures:

An [Employee Selection Form](#) indicating the subscriber's EPO affiliation choice must be completed and returned to the payroll office. Payroll must forward the form to the NDPERS office. This form must also be completed if a subscriber wants to cancel EPO participation. **DO NOT SEND THE EPO SELECTION FORM TO BCBS, they must be sent to the NDPERS office.**

An [Out-of-Area Waiver Form](#) should be completed by the contract holder for any child(ren) covered under the health policy that reside outside of the EPO provider area. Please read the [Out-of-Area Waiver Form](#) guidelines.

Keep in mind that if an employee is currently enrolled in the EPO plan and wishes to continue their participation with their current EPO provider they do not need to do anything.

Walking Works™

Blue Cross Blue Shield has a walking program available to participating employers called Walking Works™.

This program stresses the importance of walking at least 10,000 steps a day to maintain a basic level of fitness. The program is available free of charge to employers that participate with BCBS. It is not available on an individual basis. The program has two parts and includes the following:

- A presentation by a BCBS representative who gives a benefits overview of your health insurance plan,
- A presentation explaining the Walking Works™ program, the value of physical activity, goal setting, and how to incorporate this activity in your daily life. Each attendee at the meeting will receive an activity log and pedometer.

The program kick-off for participating employers in the NDPERS group health plan is **May 1, 2004**. If you would like to take advantage of this service for your agency/department, please contact Rhonda Peterson with BCBS at 701-282-1180 for further details.



NDPERS Has New Services Available On-Line

NDPERS is excited to announce that we now have available to our members the ability to access their individual retirement accounts. A member may view their retirement account balance, annual statements, and access the tools needed to compute retirement and disability benefits.

Prior to accessing NDPERS Online Services, a member must have a North Dakota Logon ID and an NDPERS Access Code. The North Dakota Logon ID will allow members to access various State of North Dakota online services. The NDPERS Access Code along with the North Dakota Logon ID will allow members to access information regarding their NDPERS retirement account. **Registration is a ONE-TIME PROCESS to ensure the security and privacy of NDPERS member information.** If a member already has registered and obtained their NDPERS Access Code along with the North Dakota Logon ID, they do not need to register again.

To register for NDPERS Online Services, a member needs go to [Register for Log on ID under Online Services](#). If a member needs assistance, they can contact NDPERS at ndpers-info@state.nd.us.

If a member is already registered and wishes to access their individual retirement account, they need to go to [Log on under Online Services](#). If a member has forgotten their Logon ID or Password, they need to follow the on-screen instructions.

PLEASE BE ON THE LOOK OUT---In the near future, NDPERS will be mailing out a guide on the NDPERS On-line Services.

Important Updates

USERRA: Returning Reservists

Many of our employees that were called into active duty during the past few years are returning to covered employment and are therefore covered under the provisions found in the Uniformed Services Employment and Re-employment Rights Act (USERRA). If you have an employee returning to employment from active duty, please provide them with the following information:

A returning reservist may be entitled to have their credit while on active duty recognized by NDPERS for vesting and benefit eligibility purposes in the NDPERS Defined Benefit or Defined Contribution plans. A reservist should make application to NDPERS by submitting a written request for the

above along with a photocopy of their DD214 form.

In addition, a returning reservist may be entitled to purchase the months while they were on active duty for the purpose of benefit calculation at NDPERS. For information on this, the reservist and their employer should complete a [Purchase Agreement for USERRA Covered Military Active Duty SFN 17758](#).

To notify NDPERS of the reservist's return, the employer should complete the Notice of Return from Leave of Absence section of the [Notice of Status or Employment Change \(SFN 53611\)](#).

If you have any questions regarding these provisions, please contact Rebecca at (701) 328-3911.

Pre-tax Payroll Deductions to be Accepted for Purchase of Service Credit

NDPERS has received a positive letter of determination from the IRS regarding our request to allow individuals purchasing service credit in the Defined Benefit Retirement Plan to make monthly payroll deductions on a pre-tax basis. NDPERS is currently in the process of modifying our system and forms to allow this option and hopes to have it ready for implementation on May 1, 2004.

The option will automatically be available for all state agency employees who elect to purchase service. Employees of participating political subdivisions will only have this option if their employer elects to sign an employer agreement making this available to their employees. Political subdivisions participating in the defined benefit plan were mailed a [memorandum outlining this option along with an employer agreement](#) on March 5, 2004. If you are one of these political subdivisions and have questions on the [memorandum and agreement](#), or if you did not receive a copy, please contact Rebecca at (701) 328-3911.

Due to IRS requirements, individuals who elect to purchase service credit and elect to pay for it through pre-tax monthly payroll deductions will be required to sign an irrevocable salary reduction agreement. The agreement specifies the terms, which include the requirement that the contract be for an

exact period of time and for an exact dollar amount. This monthly payroll deduction can not be changed at anytime during the contract. It can only be stopped when the contract is paid in full, or due to termination, retirement, disability or death of the member. In addition, supplemental after-tax payments CANNOT be applied to the contract.

If an individual elects to enter into this type of payment option and is employed with an employer that has made this option available, NDPERS will forward a copy of the irrevocable salary reduction agreement to the employer as notification to begin the deduction. DO NOT begin this type of deduction until you receive this notification from NDPERS.

For state agencies using the PeopleSoft payroll system, a new general deduction (S00733) for pretax purchase payments will be available for the April paid May 2004 payroll.

If you have any questions, please contact Rebecca at (701) 328-3911 or Raleigh at (701) 328-3914.

Deferred Compensation Plan Distributions

Participants of a 457 deferred compensation plan are only allowed to take distribution of their 457 funds under the following circumstances according to Internal Revenue Code 457 regulations:

- 1) Separation of employment.
- 2) Eligibility for an approved unforeseeable financial hardship.
- 3) Eligibility for a de minimus distribution.

Separation of Employment includes retirement, disability retirement, resignation, death or discharge.

Financial Hardship is defined by the IRC 457 regulations as an unforeseeable emergency resulting from a sudden and unexpected illness or accident occurring to you or one of your dependents, loss of your property due to casualty or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond your control.

It is required that an employee participating under the NDPERS Deferred Compensation 457 Plan make application for an unforeseeable emergency distribution by completing

the PERS Financial Hardship Application form SFN 16662 and submitting it to the PERS office a minimum of 20 days prior to a regularly scheduled NDPERS board meeting. The NDPERS board must approve all financial hardship applications.

Deminimus Distribution allows an active employee to make application for distribution without separation of employment. You may apply for a deminimus distribution if:

- a) the total value of your accounts with all providers is less than \$5,000,
- b) you have not made any deferrals to the plan in the preceding 24 months,
- c) you have not previously received a deminimus distribution in the past from the plan.

View [Deferred Compensation Plan](#) for more information on the deferred compensation distribution requirements or to obtain the applicable PERS application forms.

Vision Plan – “Why aren’t my claims being paid?”

Sound familiar? The NDPERS office has been receiving phone calls concerning the Ameritas Vision Plan limitations of covered expenses. We’re asking you to share the following information with your employees who participate in the Ameritas Vision Plan. **The following is a forthcoming revision in the Vision Plan Handbook.**

“Covered expenses will not include and no benefits will be payable for expenses incurred for:

- Vision examinations more than once in any 12 month period, **based on date of service.**
- Prescribed lenses more than once in any 12 month period, **based on date of service.**
- Frames more than once in any 12 month period, **based on date of service.**
- Contact lenses more than once in any 12 month period, **based on date of service.** When chosen, contract lenses shall be in lieu of any other lens or frame benefit during the 12

month period, **based on date of service.** When lenses and frames are chosen, expenses for contract lenses are not covered expenses during the 12 month period, **based on date of service.**”

Example: An individual received a vision exam on May 20, 2003. They schedule a vision exam for April 28, 2004. The claim will not be covered! The date of service in 2004 must be May 20th or later in order to receive coverage for services.

ReliaStar Dental Insurance – Update for State Agency Payroll Departments ONLY

In the course of reviewing the Dental Plan handbook, ReliaStar discovered they had not adequately provided each employee with a copy of ReliaStar’s [ING Employee Benefits Privacy Notice](#). In order to correct the situation ReliaStar will be updating the Dental Plan handbook which will be posted to the NDPERS website. Current participants of the dental plan were mailed the [ING Employee Benefits Privacy Notice](#); therefore, they will NOT be receiving new handbooks. Current participants are encouraged to view the handbook on the website.

For any new participants, payroll must download a copy of the ReliaStar [ING Employee Benefits Privacy Notice](#) and provide it to them along with their dental ID card.

When ordering dental ID cards from NDPERS, employers will automatically receive an equal amount of privacy notices.

Plan Handbook Requests

The NDPERS office continues to receive requests from employers to provide a supply of handbooks for the health, dental and vision plans. Please be advised that NDPERS no longer has a printed supply of the handbooks. As noted at the May 2003 payroll conference, handbooks are only available on the NDPERS website.

We realize the concern of the cost to print the handbooks. Therefore, we encourage members to “view” the handbooks online when the need arises as this is the most updated version of our publications.

In an attempt to make your job easier

when educating a new employer about NDPERS benefits, we have developed two [NDPERS Benefits Brochures](#). These brochures outline all of the benefits available through NDPERS and provide a brief overview of the plan coverage. Keep in mind that not all the benefit plans listed may be available to your employees, so please clarify with them which plans your agency/department participate in to avoid any confusion. We hope this new tool will be beneficial to you when explaining our benefit plans to your employees.

NEW Kits & Forms Available:

The following four kits are available on the web:

1. [Retirement Kit SFN 53757 Rev. Date 03/04](#)
2. [Notice of Transfer Kit SFN 53728 Rev. Date 07/03](#)
3. [Refund/Rollover Kit SFN 53725 Rev. Date 03/04](#)
4. [Notice of Deferred Retirement Kit SFN 53724 Rev. Date 03/04](#)

Listed below are the forms that are included in each kit. NDPERS will no longer be accepting forms with an earlier revision date than listed below. So please dispose of all forms and kits with an earlier revision date than listed. Also, please do not print large supplies of the kits and forms. There will be administrative rule changes this year and legislative changes next year and we will update the kits and forms as they occur.

Retirement Kit SFN 53753 Rev. Date 03-04

- **NOTICE OF STATUS OR EMPLOYMENT CHANGE SFN 53603 Rev. Date 03-04**
- **APPLICATION FOR RETIREMENT BENEFITS SFN 2562 Rev. Date 03-04**
- **DESIGNATION OF BENEFICIARY FOR THE GROUP RETIREMENT PLAN SFN 2560 Rev. Date 03-04**
- **AUTHORIZATION FOR DIRECT DEPOSIT FOR ANNUITY PAYMENT SFN 18379 Rev. Date 03-04**
- **FORM W-4P (SUBSTITUTE) TAX WITHHOLDING CERTIFICATE SFN 51506 Rev. Date 03-04**
- **CONTINUATION OF GROUP HEALTH INSURANCE COVERAGE (COBRA) SFN 53799 Rev. Date 03-04**
- **RETIREE GROUP HEALTH INSURANCE APPLICATION SFN 16277 Rev. Date 03-04**

- **RETIREE LIFE INSURANCE APPLICATION** SFN 53622 Rev. Date 03-04
- **RETIREE CONTINUATION OF GROUP DENTAL COVERAGE (COBRA)** SFN 53800 Rev. Date 03-04
- **RETIREE DENTAL INSURANCE ENROLLMENT/CHANGE** SFN 53504 Rev. Date 03-04
- **RETIREE CONTINUATION OF GROUP VISION INSURANCE COVERAGE (COBRA)** SFN 53801 Rev. Date 03-04
- **RETIREE VISION INSURANCE ENROLLMENT/CHANGE** SFN 53505 Rev. Date 03-04
- **AUTHORIZATION FOR AUTOMATIC PREMIUM DEDUCTION** SFN 50134 Rev. Date 03-04
- **CONTINUATION OF COVERAGE IN MEDICAL SPENDING ACCOUNT (COBRA)** SFN 53512 Rev. Date 03-04

Notice of Transfer Kit SFN 53728 Rev. Date 07/03

- **NOTICE OF TRANSFER** SFN 53706 Rev. Date 08/03
- **TRANSFER OF UNUSED SICK LEAVE VERIFICATION** SFN 53404 Rev. Date 08/03
- **CONTINUATION OF GROUP HEALTH INSURANCE COVERAGE (COBRA)** SFN 14120 Rev. Date 08/03
- **CONTINUATION OF GROUP DENTAL COVERAGE (COBRA)** SFN 53535 Rev. Date 08/03
- **CONTINUATION OF GROUP VISION COVERAGE (COBRA)** SFN 53505 Rev. Date 08/03
- **AUTHORIZATION FOR AUTOMATIC PREMIUM DEDUCTION** SFN 50134 Rev. Date 08/03
- **CONTINUATION OF COVERAGE IN MEDICAL SPENDING ACCOUNT (COBRA)** SFN 53512 Rev. Date 08/03

Refund/Rollover Kit SFN 53725 Rev. Date 03/04

- **NOTICE OF STATUS OR EMPLOYMENT CHANGE** SFN 53611 Rev. Date 03/04
- **APPLICATION FOR REFUND OR DIRECT ROLLOVER** SFN 53879 Rev. Date 03/04
- **AUTHORIZATION FOR DIRECT DEPOSIT FOR REFUNDS** SFN 53802 Rev. Date 03/04
- **CONTINUATION OF GROUP HEALTH INSURANCE COVERAGE (COBRA)** SFN 14120 Rev. Date 03/04
- **CONTINUATION OF GROUP DENTAL COVERAGE (COBRA)** SFN 53535 Rev. Date 03/04

- **CONTINUATION OF GROUP VISION COVERAGE (COBRA)** SFN 53536 Rev. Date 03/04
- **AUTHORIZATION FOR AUTOMATIC PREMIUM DEDUCTION** SFN 50134 Rev. Date 03/04
- **CONTINUATION OF COVERAGE IN MEDICAL SPENDING ACCOUNT (COBRA)** SFN 53512 Rev. Date 03/04

Notice of Deferred Retirement Kit SFN 53724 Rev. Date 03/04

- **NOTICE OF STATUS OR EMPLOYMENT CHANGE** SFN 53611 Rev. Date 03/04
- **APPLICATION FOR RETIREMENT BENEFITS** SFN 2562 Rev. Date 03/04
- **CONTINUATION OF GROUP HEALTH INSURANCE COVERAGE (COBRA)** SFN 14120 Rev. Date 03/04
- **CONTINUATION OF GROUP DENTAL COVERAGE (COBRA)** SFN 53535 Rev. Date 03/04
- **CONTINUATION OF GROUP VISION COVERAGE (COBRA)** SFN 53536 Rev. Date 03/04
- **AUTHORIZATION FOR AUTOMATIC PREMIUM DEDUCTION** SFN 50134 Rev. Date 03/04
- **CONTINUATION OF COVERAGE IN MEDICAL SPENDING ACCOUNT (COBRA)** SFN 53512 Rev. Date 03/04

Also due to the new kits, the following forms will no longer be available or accepted for processing:

- **SFN 17032 Notice of Termination and Application for Refund, Direct Rollover or Later Withdrawal (Legal Form)**
- **SFN 17032 Attachment for Direct Deposit for Refunds**
- **SFN 52253 Retirement Benefits and Insurance Application for Alternate Retirement Systems**

We appreciate your efforts to submit accurate data to the PERS office. However, when laws and rules change, your meticulous information will need to be resubmitted on the current form.

If you have any questions or concerns please contact our office via e-mail or phone.

Odds & Ends

Had a Change in Your Agency Email Address, Mailing Address, Phone Number or Fax Number?

If you are the contact person for your agency regarding PERS benefits, please be sure to send notice to PERS if your email address, mailing address, phone or fax number changes. The notice can be sent to the attention of Rebecca Fricke. Payroll/Personnel contact information is maintained on a database and is used by PERS staff to contact you. If you have any questions, please call Rebecca at (701) 328-3911.

Board Meeting Highlights

Complete [meeting minutes](#) are available.

December 19, 2003

- Approved programming necessary for the Law Enforcement Retirement Plan.
- Discussed issue of obtaining prescriptions from Canada.
- Approved extending the 10-K-A-Day program for the Wellness Benefit.
- Were presented with an overview of the Smoking Cessation Program.
- Discussed the EPO plan and issues regarding continuing provider participation.

January 29, 2004

- Were presented with information from BCBS regarding PERS plan utilization for group health insurance.
- Were presented with information from Dr. Dwelle, State Health Officer, regarding having a Wellness/Disease Management strategy.
- Reviewed proposals from the Employee Benefits Committee regarding future plan enhancements.
- Were notified of the receipt of a positive IRS Letter of Determination regarding the Defined Benefit Plan.
- Approved a procedure regarding refunding employer contributions made in error.
- Approved proposed administrative rules with the exception of one definition, Retirement Allowance.

February 12, 2004

- Were presented with a Provider Assessment of the proposals for the 457 & 401(a) defined contribution plans by Deloitte Touche.

February 19, 2004

- Reviewed an administrative issue regarding the Law Enforcement Plan and dual membership.
- Reviewed proposed legislation for the next Legislative Session.
- Developed policy regarding the administration of the pre-tax purchase payment provisions for the Defined Benefit Plan.
- Were provided with information regarding the 2004 FlexComp Annual Enrollment.

Look forward to receiving via email your next edition of the PERSonnel Updates @ July 15, 2004.

This newsletter is intended to provide general information and may not be considered to be a legal interpretation of law. Statements contained in this newsletter do not supersede the North Dakota Century Code or Administrative Code or restrict the authority granted to the Retirement Board. This information is subject both to changes made by the legislature and rules and regulations established by the Board of the North Dakota Public Employees Retirement System.

NDPERS Benefits Brochures

Choose the appropriate brochure for your agency.

NDPERS Benefits Brochure for **STATE AGENCY EMPLOYEES**

NDPERS Benefits Brochure for **POLITICAL SUBDIVISION
EMPLOYEES**