



PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll Officers

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Events & Mailings

2008 Comprehensive Annual Financial Report

NDPERS prepares a [Comprehensive Annual Financial Report](#) as of June 30 of each year. This [report](#) contains detailed financial, investment, actuarial and statistical information for the plans administered by NDPERS. You can view, download or print the [report](#). If you have any questions on the report, contact Sharon Schiermeister at (701) 328-3902.

2009 Pre-Retirement Program (PREP) Schedule

NDPERS has tentatively scheduled the following PREP sessions for 2009:

Bismarck in May
Fargo in October

Additional information will be sent via email and this newsletter as it becomes available. We will also post information on our website as the scheduled dates get closer.

457 Deferred Compensation Plan Contribution Limits Increase for 2009

The annual deferral limits established by the Internal Revenue Code for the NDPERS 457 deferred compensation plan will increase January 1, 2009 to a maximum limit of \$16,500 for calendar year 2009. The contribution amount for participants age 50 or older will increase to \$5,500. The total annual maximum for participants age 50+ for 2009 is \$22,000. Any employee who attains age 50 in 2009 is eligible to begin the 50+ additional catch-up-limit in January.

The annual limits for participants enrolled in the deferred compensation

plan regular 3 year catch-up option will also increase for 200 to \$33,000. Employees who wish to enroll in the "normal" 3 year catch-up must submit the 457 Catch-Up Worksheet for PERS certification.

Employees who wish to increase their deferred compensation plan contribution must complete the 457 Deferred Compensation Plan Enrollment/Change form, SFN 3803, the month prior to the change in contribution. All forms may be obtained on the PERS web site at www.nd.gov/ndpers.

457 Plan Investment Options & Plan Representatives

NDPERS offers employees information on the 457 Deferred Compensation Plan Provider Companies, investment funds, fund rate of return, fees and Provider Representatives online.

Each year, participating NDPERS 457 Provider Companies, in good standing, provide NDPERS with information on the investment funds offered by each individual provider. This information is then compiled into a booklet titled "[The Summary of Invest Options 2008-2009](#)"

The second half of the Summary booklet provides the name, business address and telephone number of the individual representatives. The representatives are listed under each Provider Company name and are listed by North Dakota city of residence.

Important Updates

Employer Based Wellness Program Update:

The [2008 NDPERS Wellness Forum](#) was held on Wednesday, November

19, for employer wellness coordinators. The [forum](#) has been archived and posted for viewing. If you were unable to attend the [forum](#) or have not yet viewed it, please do so. The slides from the presentations are also available. The [forum](#) provides information about the current wellness year reporting requirements and timelines, the application process and timelines for the new plan year which begins July 1, 2009 and various resources available.

Deadlines for Program:

The [Employer Based Wellness Program Year-End Program/Activity Confirmation SFN 58437](#) should be completed to report back to NDPERS regarding your wellness activities upon completion of all activities. The current wellness plan year is from July 1, 2008 to June 30, 2009. [Coordinators should submit this form for the current year by May 31, 2009.](#)

A fillable version of this [form](#) is available.

The [Employer Based Wellness Program Discount Application SFN 58436](#) is available for employers to complete and submit to notify NDPERS of their activities for the new plan year July 1, 2009 to June 30, 2010. [Coordinators need to submit this application to NDPERS for review by February 28, 2009.](#) NDPERS will notify coordinators in April if their application is approved for the premium discount effective July 1, 2009. Employers requesting funding will be notified if their funding request was approved in June. This [form](#) is also available in a fillable format.

Employers that participate in the NDPERS group health insurance plan who do not have an approved wellness discount application will be billed for the full premium (without the 1% discount) effective July 1, 2009.

Please review the [forum](#), specifically the Administrative Issues segment, to obtain additional information about these processes & timelines. If you have any questions, please contact Rebecca Fricke at rfricke@nd.gov or (701) 328-3978.

Benefit Education Opportunities Available through NDPERS

On our web site you can view: 2007 PREP; Benefit Explanations of the Defined Benefit Plan and the Deferred Compensation Plan.

As an Employer you may request on-site presentation. On-site presentations include Pre-Retirement Education (PREP); Portability Enhancement Provision (PEP) and On-site Benefit Counseling (OBCS).

For small groups meetings may be conducted over the internet or by conference call.

For complete details see NDPERS Meeting Requests under the Program Administration section of our website.

Reminder on Mandatory Participation Requirements for NDPERS Defined Benefit Retirement Plan

Occasionally NDPERS receives calls from employers asking for clarification about the Mandatory Participation Requirements for employees in the NDPERS Defined Benefit Retirement Plan. As a reminder, the following are the mandatory participation requirements:

Mandatory Participation Requirements
If you work a minimum of 20 hours per week for 20 weeks of the year, are at least eighteen years of age, filling a permanent position that is regularly funded and not of limited duration, and are not a non-classified state employee, you must participate in the defined benefit plan unless you waived participation in writing when your employer joined NDPERS. **(Mandatory Participation Requirements for the Law Enforcement Retirement Plan is a minimum of 32 hours per week for 20 weeks of the year.)**

If you meet the above requirements and are a non-classified state employee, you must elect to participate in either the defined benefit plan or the defined contribution plan.

You should be enrolled the first month of eligible employment, even when hired subject to a probationary period. There is no maximum age limit applicable for enrollment purposes.

Participation Requirements for State Elected and Appointed Officials
State officials elected on or after December 31, 1999, who meet the mandatory participation requirements may enroll or waive participation in the defined benefit plan within the first 6 months of their term. If the state official elects to join NDPERS they must be a participating member of the defined benefit plan unless an election is made within six months to join the defined contribution plan.

State appointed officials initially appointed on or after July 1, 1979 must be participating members of the defined benefit plan. The state appointed official must be a participating member of the defined benefit plan unless an election is made within six months to join the defined contribution plan.

Participation Requirements for Other [Non-State] Elected Officials
Elected officials of participating counties, at their individual option, may enroll or waive participation in the defined benefit plan within the first 6 months of their term. All other elected officials who meet the above mandatory participation requirements must be enrolled in defined benefit plan within the first 6 months of their term.

Participation Requirements for Other [Non-State] Appointed Officials
Officials of all other participating employers appointed on or after August 1, 1999, who meet the above mandatory participation requirements must be enrolled in the defined benefit plan effective with the first month of taking office.

Please be sure to periodically review your employee listing to make sure that they still meet these mandatory participation requirements.

Also, if you have newly elected, re-elected or appointed officials at your agency who have started a new term, please make sure you carefully review the above provisions to determine if participation is required or optional and review the requirements with these officials.

Part-time/Temporary Employees & Benefits Available

This is a reminder regarding the benefit options available to part-time/temporary employees.

Defined Benefit Plan:

Employees that are at least eighteen years old, and not covered under the mandatory participation requirements, may elect to participate in the NDPERS Defined Benefit Retirement Plan within the first 180 days of employment, or within 180 days of changing to part-time or temporary employment. The employee is required to contribute the entire 9.12% of salary to the plan. The law expressly prohibits the employer from paying any portion of an optional participant's contribution. A member may not participate as both a permanent and a part-time/temporary member. Permanent employment takes precedence.

Group Health Insurance:

Effective August 1, 2007, part-time/temporary employees must work a minimum of 20 hours a week 20 weeks a year to be eligible to participate in the group health insurance plan. Prior to this date, an employer was prohibited from paying any portion of a part-time/temporary employee's insurance premium. Effective August 1, 2007, this restriction was eliminated. The premium rate for part-time/temporary employees of state agencies is the established rate for part-time/temporary/LOA. The premium rates for part-time/temporary employees of political subdivisions are the same rates that apply to permanent employees. If the employer elects to pay for a temporary/part-time employee's health insurance premium, the minimum contribution must be no less than 50% of the Single Rate.

Enrollment must occur within 31 days of employment as a part-time/temporary employee. Otherwise, they can apply during the annual open enrollment; however, waiting periods may apply.

Group Life Insurance:

Part-time/temporary employee can elect to participate in the NDPERS Group Life Insurance Plan. Participation is at their expense and all applications for coverage must be medically underwritten. Application must occur within 31 days of employment. Otherwise, they can apply during the annual enrollment. The effective date of coverage is the first of the month following the date of approval by the insurance carrier.

Please make sure that you review these benefit options with any employee that is newly hired or who has recently changed to part-time/temporary employment. If you have questions, please contact the NDPERS office.

New Year's Resolution – Remove Ineligible Dependents

Here's a New Year's Resolution I bet your employee's haven't thought of. Employees whose children no longer meet the eligibility guidelines as a dependent for coverage on their health, life, dental, or vision insurance plans must be removed. The most common oversight occurs with the life insurance plan. Once the member realizes they are still paying premiums, they assume NDPERS will refund their overpayment which may or may not be reimbursable. This is also true of the health, dental and vision insurance.

NDPERS does notify a health insurance contract holder when their dependent(s) is reaching age 23 or 26. But in the event the dependent is:

- no longer financially dependent
- loses full-time student status
- gets married
- becomes eligible for health insurance through another employer group

It is the responsibility of the employee to notify the carrier by completing an application requesting to remove the dependent from coverage.

Reminders on Enrollment for Insurance Plans and Dental and Vision Insurance COBRA

When a new member is electing their benefits and declines the vision and/or dental, it is not necessary for you to send in the declined paperwork to NDPERS. You must keep that for their personnel files. It is not necessary for NDPERS to know if they declined the benefit of the vision or dental plans that was offered to them.

NDPERS is also receiving Dental and Vision COBRA applications in our office for individuals that are not currently enrolled in Dental or Vision Insurance. Terminating employees should only be allowed to sign up for Dental or Vision COBRA ONLY if they

had been enrolled while they were an active employee. Terminating employees who were not enrolled in Dental or Vision Insurance as an active employee DO NOT need to complete COBRA Dental or Vision applications OR Dental and Vision Enrollment/Change forms.

Benefits & Return to Work

To be eligible for (1.) refund/rollover, (2.) retirement, or (3.) disability benefits, a member must terminate employment or terminate membership. "Termination of employment" means a severance of employment by not being on the payroll of a covered employer for a minimum of one month (31 days). This period is determined by counting 31 days from your final regular payroll payment to the date you begin actual employment (first day of work) with a new NDPERS participating employer.

Approved leave of absence does not constitute termination of employment. "Termination of participation" means termination of eligibility to participate in the retirement plan.

1. Refunds/Rollovers

If a member applies for a refund/rollover distribution of his/her member account balance and becomes re-employed with a participating employer before 31 days have passed, no refund/direct rollover will be issued and his/her retirement account will pick up where it left off with his/her previous employment.

If a member is transferring to another job where he/she will be covered by NDPERS or another state sponsored retirement plan, he/she is not eligible to apply for a refund/rollover distribution.

2. Retirement

- a) If a member returns to permanent employment with a NDPERS participating employer, the hours of employment must be restricted if the member wishes to continue receiving his/her pension payment **unless** the member qualifies under item (b) below. The member's employment must be limited to less than 20 hours per week if employed 20 weeks or more months per year. A member may work more than 20 hours per

week if employed less than 20 weeks per year.

If a member is employed for 20 or more hours a week for 20 or more weeks per year then his/her retirement benefit will be suspended. Upon termination of employment, the member may resume retirement benefit.

- b) If a member is eligible for normal retirement (Rule of 85 or age 65) and accepts a retirement benefit and is reemployed with a NDPERS participating employer other than the employer with which he/she was employed at the time of retirement, the member may elect to permanently waive future participation in the Defined Benefit/Defined Contribution plan and the Retiree Health Insurance Credit program.

Under N.D.C.C. 54-52-01(8), a "Governmental unit" means the state of North Dakota, except the highway patrol for members of the retirement plan created under chapter 39-03.1, or a participating political subdivision thereof. Therefore, North Dakota state agencies are considered one employer group and any member retiring with one state agency and becoming reemployed with another state agency **would not be eligible** for this return to work provision.

The following retired members may be eligible for this provision:

Past Employer	New Employer
State	Political Subdivision
Political Subdivision	State
Political Subdivision	Political Subdivision

RULES, POLICIES, AND RESTRICTIONS FOR 2b MAY BE ACCESSED THROUGH YOUR "EMPLOYER GUIDE".

3. Disability

If a member returns to work in a permanent full-time position and is eligible to participate in NDPERS, his/her disability benefits must be suspended. If the member is not able to continue employment for a consecutive period of time resulting in nine (9) months of service credit as a result of the disability and continue to meet the eligibility requirements under

the plan, he/she may resume disability.

If a member returns to substantial gainful activity in employment not covered under NDPERS, he/she disability benefit may continue for up to nine (9) consecutive months. If a member is not able to continue employment for at least nine (9) months as a result of the disability and continues to meet the eligibility requirements under the plan, he/she may continue disability status.

Reminder on Wages & Salary Reporting to NDPERS

NDPERS is often asked what should be reported as wages & salaries for retirement contribution purposes. As a reminder, wages and salaries means earnings in eligible employment which were reported as salary on the member's federal income tax withholding statements plus any salary reduction or salary deferrals amounts under an IRC Section 125, 401(k), 403(b), 414(h), or 457 Plan.

Salary does not include fringe benefits such as payments for overtime, unused sick leave, personal leave, vacation leave paid in a lump sum, transportation expenses, severance pay, early retirement incentive pay, medical insurance, worker's compensation benefits, disability insurance premiums or benefits, or salary received by a member in lieu of a previously employer-provided fringe benefit under an agreement between the member and the participating employer. Bonuses may be considered as salary under this section if reported and annualized pursuant to rules adopted by the NDPERS board.

Bonuses for services performed and profit-sharing are considered reportable salary and retirement contributions must be made on that money. Recruitment and retention bonuses are not eligible for consideration as salary and no contributions associated with those types of bonuses should be submitted.

Bonuses or profit-sharing amounts paid must be prorated equally over the term of the intended bonus or profit-sharing period. When remitting retirement contributions on bonuses and profit-sharing amounts, complete

the [Notice of Irregular Salary or No Deposit SFN 53707](#).

If you have questions about what should be reported as salary to NDPERS, please contact Raleigh at (701) 328-3914.

Retirement Contributions Required for Employees Transferring Between Participating Employers

As a reminder, if you have an employee who is transferring into or out of your agency during the month, it is required that you make a contribution for the partial month. Therefore, NDPERS will receive contributions from both employers during the month that the transfer occurs.

Revised Materials

Revised NDPERS Kits & Forms

The following NDPERS Kits have been updated and will be available on the website shortly. Please utilize these updated versions as needed.

- ❖ [New Hire Kit](#)
- ❖ [Retirement Kit](#)
- ❖ [Refund/Rollover Kit](#)
- ❖ [Deferred Retirement Kit](#)
- ❖ [Notice of Transfer Kit](#)
- ❖ [Disability Kit](#)

Also, the following forms have been updated and are posted on the website:

- ❖ [SFN- 51501- Deferred Comp Catch-up worksheet](#)
- ❖ [SFN- 58361 Wellness Funding Application](#)
- ❖ [SFN- 58436 Wellness Program Discount Application](#)
- ❖ [SFN- 58437 Wellness Program Year end](#)
- ❖ [SFN- 58745 Notice Of Appointment of 457 Authorized Agent](#)

Board Meeting Highlights

Complete [meeting minutes](#) are available.

September 18, 2008

- Were presented with information about federal compliance issues,

federal legislation and national trends.

- Discussed the Group Health Plan renewal process.

October 2, 2008

- Discussed the Group Health Plan renewal.

October 16, 2008

- Were presented with an investment update from the State Investment Officer.
- Were provided the annual actuarial valuations.
- Discussed proposed legislation.

November 7, 2008

- Approved the Job Service Retirement System COLA.
- Were notified of federal changes relating to the 457 Deferred Compensation plan limits.
- Discussed proposed legislation

Look forward to receiving via email your next edition of the PERSonnel Updates @ April 15, 2009.

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.



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