



# PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll

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## Events & Mailings

### **2014 Pre-Retirement Education Program (PREP)**

NDPERS has scheduled a PREP to be held in the Bismarck, Bismarck Civic Center, April 16h, 2014. Registrations are due by March 19, 2014.

Additional information is posted on the NDPERS web site at [www.nd.gov/ndpers](http://www.nd.gov/ndpers).

## Retirement Plan Updates

### **When Preparing W-2 Forms**

If the employee is participating in the NDPERS Retirement Plan, check "Retirement Plan" in box 13 on the W-2 form. The NDPERS Retirement Plan is a qualified plan as described in section 401(a). If the employee is participating in the NDPERS 457 Deferred Compensation Plan, use "Code G" in box 12a through 12d with the total amount of contributions reported in box 12 on the W-2 form. If you have questions, call Jim at (701) 328-3945.

### **Defined Contribution Plan Membership Irrevocable Even When Employed by a Political Subdivision**

A member that participants in the NDPERS Defined Contribution Retirement Plan shall remain a participant in the Plan regardless of whether the member becomes employed by a political subdivision, city, county or school district that participates in the public employees retirement system. However, this rule does not apply to participants who are re-employed and eligible for the Highway Patrol Retirement System, the Teachers Fund for Retirement or eligible for the alternate retirement plan of the board of higher education. Should you hire an employee who has been a participant in the past, it will be necessary for you to continue contributing to the NDPERS Defined Contribution Plan for the individual.

### **Retirement Account Options Upon Separation of Employment**

An employee participating in the Defined Benefit Retirement plan must choose a retirement account option when they leave your employment. The kit you give to the member depends on which option they choose. The following is a brief description of each option:

If the member is at the Rule of 85 or vested and age 55 or older they may choose to apply for a monthly retirement benefit by completing the RETIREMENT KIT

- All members, whether or not they are vested, may choose to take a refund or rollover by completing a REFUND/ROLLOVER KIT
- All members, whether or not they are vested, may choose to leave their member account balance intact by completing the DEFERRED RETIREMENT KIT
- Disability benefits are available after the employee has accumulated 6 (six) months of service credit. If a member wishes to apply for disability retirement benefits use the DISABILITY RETIREMENT KIT.

More detailed information is in the Defined Benefit Hybrid Retirement Plan book available on our web site.

## Group Insurance Updates

### **NDPERS Group Health Insurance Plan Employer Minimum Participation & Contribution Requirements for Participating Political Subdivisions**

In order for a political subdivision to participate in the North Dakota Public Employees Retirement System (NDPERS) health plan, the group must meet the minimum participation and minimum contribution requirements set forth by Blue Cross Blue Shield of North Dakota (BCBSND) and approved by the NDPERS Board.

The Underwriting Requirements for minimum participation require that a certain number of eligible employees participate in the plan based upon the size of the eligible employee population. The minimum contribution requirements have been in effect since May 1, 2004 and require all groups that enroll in the NDPERS health plan on or after that date to pay a minimum employer contribution, which is defined as at least 50% of the single premium. Employer groups participating prior to May 1, 2004 are not subject to these requirements. However, if you were in compliance at the time these guidelines went into effect, you are required to maintain your compliance and may not change your policy in the future to pay less than 50% of the single premium. The purpose for both of these requirements is to prevent adverse selection to the plan, which could increase the premiums for participants.

Additionally, to ensure compliance with the Affordable Care Act (ACA) and to monitor your ongoing eligibility as a grandfathered plan you must notify NDPERS 90 days prior to implementing any changes in your employer contribution rate. The ACA specifies that an employer will lose grandfathered status if they reduce the employer contribution rate by more than 5% of the contribution rate that was in effect on March 23, 2010. If it is determined that a reduction of the employer contribution will result in the plan losing its grandfathered status, NDPERS will move your group to the non-grandfathered plan and your premiums will be adjusted accordingly. If this occurs, written notification will be provided to the employer. However, if you are a small employer group (as defined by the ACA as 50 employees or less), you may lose your eligibility to participate in the NDPERS health insurance in the future. NDPERS is reviewing the implementation of this change under the ACA and will provide further detail to employers once the implementation date is determined. To verify compliance with these policies, each fall BCBS conducts an annual survey of participating political subdivision employers. However, we are providing this information in this newsletter as a reminder, should you be planning any time during the year to make changes to either your participation or employer contribution rates to the NDPERS group health insurance plan.

If you have questions, please contact Onalee Sellheim (BCBS) at (701) 282-1180 or Rebecca Fricke (NDPERS) at (701) 328-3978.

## Employer Based Wellness Program Plan Year Update

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, 2014 to June 30, 2015. Coordinators need to submit this application to NDPERS for review by **February 28, 2014**. NDPERS will notify coordinators in April if their application is approved for the premium discount effective July 1, 2014. Employers requesting funding will be notified in June if their funding request was approved.

*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, 2014.*

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, 2013 to June 30, 2014. Coordinators should submit this form for the current year by **May 31, 2014**. If you have any questions on the application process, please call Rebecca at (701) 328-3978 or email [rfricke@nd.gov](mailto:rfricke@nd.gov).

## NDPERS Life Insurance Evidence of Insurability (EOI) Forms

NDPERS has been notified by our life insurance carrier, ING Employee Benefits, that they have received Evidence of Insurability (EOI) forms that have been modified using "white out". The use of "white out" on an EOI is not permitted and can result in delays in the review for additional coverage and potential claim issues should a death claim need to be paid in the future.

If a correction needs to be made on an EOI, the employee should cross out the information and then provide the correct information. The employee must also initial AND date the change.

Therefore, effective immediately, if NDPERS receives an EOI that has "white out", the form will be returned to the employer to request a clean copy from the employee.

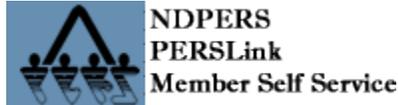
Thank you for your assistance.

## Life Insurance Coverage – Definition of Dependent Update

The NDPERS board has approved an amendment to the group life plan with regard to the definition of a child dependent for purposes of coverage. Effective January 1, 2014, the definition will be "a child from birth to age 26." As a reminder, if a participant does not have dependent supplemental coverage at the time of birth of a child, they will have 31 days from the qualifying event in which to apply for the additional coverage.

## Member & Employer Self Service Updates

### **MEMBER SELF SERVICE (MSS)**



#### **Features Available through MSS**

View personal information on record at NDPERS

Update Name and/or Marital Status

Update Address, Telephone numbers, and Email

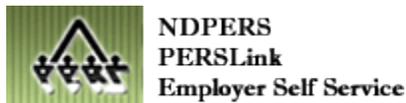
View details of Benefit Plans such as Retirement Account Balance, Insurance Level of Coverage and covered dependents

Ability to make benefit on-line enrollment or updates

Calculate a Benefit Estimate on-line

Calculate a Service Purchase Cost Estimate on-line

### **EMPLOYER SELF SERVICE (ESS)**



#### **Notice of Change to ESS Menu Option**

The "NDPERS Member Record Data" under Organization Menu option will be changing to "Report New Employee" around January 25<sup>th</sup>, 2014.

#### **Finding an Employee's NDPERS Member ID**

- a) Navigate to the "Organization Information" menu option
- b) Select the submenu option "Employees"
- c) Enter any one of the following search parameters
- d) In Search Results panel, the Column labeled Person Id is the employee's NDPERS member Id
- e) In Search Results panel, you have two (2) buttons, open and export to excel, you have the option to export your search results to an excel file that you can print or save to your own files.

## NDPERS Board Meeting Highlights

### September 19, 2013

#### **Defined Contribution Plan/TIAA-CREF Survey**

TIAA-CREF representatives were present to follow-up on the Defined Contribution Plan survey. TIAA-CREF reviewed the services TIAA-CREF offers throughout the state and upcoming marketing efforts.

#### **457 Companion Plan & 401(a) Plan 2<sup>nd</sup> Quarter Reports**

The number of participants in the 401(a) plan is remaining stable at 277 and the plan assets increased to \$26.6 million. The number of participants is increasing in the Companion Plan at 4,450 and assets increased to \$49.8 million.

#### **BCBS Quarterly Executive Summary**

BCBSND reviewed the actuarial information including the biennium comparison and the quarterly trend analysis for actives and retirees.

#### **Affordable Care Act Shared Responsibility Provision**

Reported that the Legislative Employee Benefits Committee concurred with the Board to move the date in Section 2 of House Bill 1059 back one year pursuant to the action of the federal government in delaying employer penalties for the ACA. The Committee added wording which is the earlier of the end of next year or when the final regulations take effect.

#### **Affordable Care Act Notice**

Reported that the ACA requires employers to provide Notice of Coverage Options to current employees by October 1, 2013. NDPERS assisted participating employers with this effort.

#### **Flex Comp Survey**

Reported that ADP attended the wellness fair and presented information on the debit card. ADP is working on a response to member concerns, and will be at the November Board meeting to report to the Board.

### October 31, 2013

#### **Actuarial Reports**

Segal reviewed the valuation results and projections as of July 1, 2013 with the Board.

#### **GASB Requirement**

GASB 68 provides for financial reporting by employers with respect to PERS. The Net Pension Liability is required to be reported on the employer's balance sheet. Net Pension Liability is total pension liability minus market value of assets and is a snapshot of unfunded liabilities as of a point in time. Also explained how Moody's is proposing standard adjustments in evaluating pension plans for public sector entities.

#### **TIAA-CREF Update**

Provided an update on the efforts made by TIAA-CREF in response to the member survey, which included specific time frames and efforts.

#### **Employee Contributions**

Shared a NASRA Issue Brief that discussed changes in employee contributions which have occurred in the last several years.

#### **UNUM Rate Adjustment Update**

Provided an update on the UNUM rate increase and that personalized notices will be sent to members with an explanation of why the rate was increased. Also, UNUM has provided an informational website where members can view information about the plan design, utilize a cost calculator and view or print enrollment materials and other necessary disclosure forms.

## **Benefits Committee Update**

Updated the Board on the meeting that was recently held where long term care insurance considerations and other benefits issues were discussed

## **November 27, 2013**

### **Flex Comp Survey, ADP Response, and Medical Spending Account Options**

A past summer a survey was conducted of the flex comp plan participants to assist PERS in assessing member satisfaction. There were areas noted in the survey by members that needed improvement. ADP was at the meeting to discuss a plan of action to address these issues.

### **BCBS Agreements**

Reviewed the three supplemental agreements with BCBS relating to the Wellness Program, the Rx Disease Management Program, and the Tobacco Cessation Program. These have been updated for approval.

### **Life Insurance Coverage**

Reported that there have been member concerns regarding the current provision in our life insurance plan which defines dependents as unmarried child 14 days old but less than 19 years and student dependents age 19 but less than 23 years. PERS contacted ING for input to determine if PERS could change the dependent definition to allow for death benefits from birth up to age 26 to match the ACA definition and to be consistent with the other group insurance plans. ING indicated they could and there would be no impact to our current rates to make these changes.

### **Flu Vaccination Update**

Informed the Board that the UND Center for Family Medicine offered the annual NDPERS Flu Vaccination Clinic this fall. Also offered was an all day clinic at the State Capitol and five employers were provided on-site clinics. There were a total of 1,430 individuals vaccinated at all of these clinics.

### **Retiree Wellness Fair Update**

Reported on the Retiree Wellness Fair that was held on November 7 at the Bismarck Career Academy on the campus of Bismarck State College. Approximately 90 individuals attended where 20 vendors provided the following: flu vaccinations, bone scans, cholesterol testing, sign-ups for a free colonoscopy, pharmaceutical information, legal and financial advice, and volunteer opportunities.

### **Public Pension Coordinating Council**

NDPERS received the Public Pension Coordinating Council for the Public Pension Standards Award again this year.

Look forward to receiving via email your next edition of the PERSonnel Updates in March 2014.

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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We're **on** the Web!

*See us at:*

[www.nd.gov/ndpers](http://www.nd.gov/ndpers)