



# PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll Officers

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## Events & Mailings

### Future Newsletters

Future editions of this newsletter will no longer be sent to you via a paper copy in the mail. Starting with the next edition, the PERSonnel Updates will be sent to you via electronic format (email).

Therefore, please notify us when you have an email change. Also, if you do not have an email address and require a "hard copy", please notify Rebecca at (701) 328-3911.

### Changes in Personnel at PERS

PERS would like to introduce new staff members who have joined our office. Jim Smrcka has joined the Accounting Division as the Deferred Compensation Accountant. Jim's phone number is 328-3945. Jim is available to help with questions relating to the monthly deferred compensation transmittal reporting process.

Also, Geri Frohlich and Linda Gieser have joined the Administrative Services Division.

### Howard Sage Elected to the Board

Howard Sage was elected to another five-year term on the NDPERS Retirement Board. His term is effective July 1, 2003 and ends June 30, 2008. Howard is employed by the Department of Commerce. The following is a recap of the election results:

NAME	NUMBER OF VOTES
Howard Sage	1,885
Invalid Ballots	10
Write-In Ballots	7
Received after Deadline	40
<b>TOTALS</b>	<b>1,885 57 1,942</b>

## Annual Statements

The 2002-2003 Annual Statement of Account for PERS active and deferred members will be mailed the first week of August.

An insert sheet called "Reading Your Annual Statement" will accompany each statement. This sheet navigates the reader through the annual statement and will address most general questions. Please encourage your employees to review the "Reading Your Annual Statement" with their actual statement before calling the PERS office.

If any of your employees do not receive an annual statement by the middle of September, please check with the PERS office in case the statement was returned due to an incorrect address. Returned annual statements are sent to the member's employer for distribution.

### Annual Enrollment Season- 2004 Plan Year

The Annual Enrollment Season will be held starting Wednesday, October 1 ending Friday, November 14, 2003. Employees will receive an Annual Enrollment information packet scheduled to be mailed in late September. The packet will contain information pertaining to the PERS Flexcomp, health, life, dental, vision and long term care insurance plans. Enrollment forms will need to be accessed via the PERS website. Additional information pertaining to the Annual Enrollment Season will be posted on the PERS website during the enrollment season.

### Distribution of Summary Plan Descriptions

Because the SPDs for the PERS benefit programs can be accessed on our web site, we will no longer be mailing these documents to our members. This includes the following programs:

- NDPERS Retirement Plan
- Highway Patrol Retirement Plan
- Judge's Retirement Plan
- Guard's Retirement Plan
- Deferred Compensation Plan
- Group Life Plan
- Group Dental Plan
- Group Vision Plan
- Long Term Care Plan
- FlexComp Plan

Should you require a hard copy, it will be necessary to make your request to this office. BCBSND will still be mailing out the Certificate of Insurance SPD to all enrolled subscribers.

## Odds & Ends

### New Law Enforcement Retirement Plan

With the passage of SB 2033, a new retirement benefit program is available for law enforcement employees of political subdivisions. To be eligible, employees must either be "correctional officers" or "peace officers" and employed by a political subdivision. SB2033 defines **correctional officers** as a "participating member who is employed as a correctional officer by a political subdivision." Similarly, **peace officer** is defined as "a participating member who is a peace officer as defined in section 12-63-01 and is employed as a peace officer by a political subdivision."

The new program was incorporated into the existing retirement plan for Air National Guard Security Police and Firefighters and has many of the same benefits contained in that program. There are two key differences between the two programs, however. Law enforcement participants are not eligible to opt into the defined contribution retirement plan whereas members of the Air National Guard are. Secondly, law enforcement participants will have the Rule of 85 in addition to the normal retirement date specified by the plan, Air National Guard members do not.

For funding purposes, the new National Guard/Law Enforcement Retirement program will be broken into three different employer contribution rates that will be reviewed and set by the PERS Board annually. The rates are 8.33% for Air National

Guard Firefighters and Security Police, 8.31% for employer groups who already participate in PERS and 6.43% for employer groups who have not participated in PERS previously. The employee contribution will be 4% for all three groups, the same as the main system.

The National Guard/Law Enforcement Retirement System will take effect August 1, 2003 and PERS staff is presently working to ensure it is ready. Further information will be provided on the PERS website as it becomes available. Check the "Employers" button and then click on "Joining PERS" in late July. Thank you for your patience!

### New Funds Available for Purchase of Service Credit

Effective August 1, 2003, the PERS Defined Benefit Plan can accept additional funds into the plan for the purpose of purchasing eligible service credit. These additional funds include 457, 403(b) and traditional IRAs. For more information about the provisions of purchasing service credit or the complete list of funds that are eligible, please refer to the PERS website at [www.discovernd.com/ndpers/news](http://www.discovernd.com/ndpers/news). To request a cost calculation for eligible service, the PERS Request for Purchase Information SFN 53718 must be completed and submitted to PERS. This form is also available on the PERS website. Phone requests for cost calculations will not be accepted.

### Dual Membership

Service credit an employee may have earned in three other state sponsored retirement plans can be combined with his/her PERS credit for vesting purposes or achieving the "Rule of 85". These retirement plans are:

1. Teachers Fund For Retirement (TFFR)
2. North Dakota Highway Patrol Retirement System (NDHPRS)
3. Teachers Insurance and Annuity Association – College Retirement Equities Fund (TIAA-CREF)

Eligibility for retirement benefits will be based on the length of service in all plans in which an employee has an account. However, at retirement, dual members with PERS, TFFR, OR NDHPRS will be given the option of receiving their retirement benefits from the retirement systems under one (1) of the following calculations.

1) Each retirement system will use its final average salary (FAS) formula and all the service credit earned in its system; or

2) The retirement systems' will combine salaries to create the FAS. However, the service credit recognized cannot exceed one (1) year in any fiscal year. If overlapped service credit occurs, only one (1) of the retirement systems will recognize the credit.

The certified salaries from the retirement plan of last membership will be used to calculate benefits from one plan if an employee begins drawing benefits while still contributing to another retirement system. If this occurs, salaries will be certified and "frozen" for benefit calculation purposes.

Beginning August 1, 2003, employees working multiple jobs that require participation in PERS and TFFR must be reported to each retirement system based on job duties. This is a change from current employer reporting requirements. Employees who worked in multiple jobs last year and had both jobs reported to one system, and who will again be employed in multiple jobs this year, may elect to either: 1) continue under the old law (which required multiple jobs to be reported to one retirement system); or 2) change to the new law (which requires multiple jobs to be reported to both systems based on job duties.) *To help TFFR and PERS staff determine which employees should be given this election, please contact PERS or TFFR to obtain an election form. However, if you are a school district and have already provided a report to TFFR, you do not need contact us again.*

### 457 Plan Qualified Domestic Relations Order

Effective August 1, 2003, the PERS 457 Deferred Compensation Plan account can be subject to a Qualified Domestic Relations Order (QDRO). A QDRO is a special order, judgment or decree issued by the court in a divorce, child support hearing or similar proceeding and approved under the Plan. The Board will review a domestic relations order submitted to PERS to determine if the order is qualified under the plan. Under a qualified domestic relations order, someone other than you or your beneficiary may be entitled to a

portion of your deferred compensation account/s.

After a domestic relations order is deemed to be qualified, an alternate payee is required to take a lump sum payment of the allocated benefits within 120 days of the later of the board's acceptance of the qualified domestic relations order or the entry of the order by the court. The lump sum payment is taxable to the alternate payee.

Prior to beginning or constructing a domestic relations order, the attorney may obtain a copy of the QDRO procedures from PERS without charge.

### **A New Look on the NDPERS Web Site**

Our web site has a new look. If you haven't visited it recently, please take some time to familiarize yourself with it. It has many improvements to assist you in learning about your benefits. Please review the menu on the left side of our Home Page. You can click on any of these topic areas to obtain information about NDPERS and the programs it administers. You will find summary plan descriptions (SPDs), provider directories, program highlights, benefit schedules, forms, and publications as well as NDPERS current events and links to the sites of various vendors that provide services to PERS.

### **View Our Web Cast**

We now have a web cast production available for your viewing. The topic is the group health plan and it covers the following subjects:

- Eligibility
- PPO vs. EPO Coverage
- Definitions
- Plan of Benefits for 2003-2005 Biennium
- Wellness & Preventive Benefits
- Other Plan Features

### **Loss of EPO Providers**

Please be advised that Greater Plains Health Group and Medcenter One Health System have decided to discontinue participation in the NDPERS EPO effective July 1, 2003. We regret their decisions to withdraw and appreciate their past participation and support of our EPO program. If they so elect, we would welcome their

participation again in the future. We also appreciate Greater Plains Health Group and Medcenter One Health System's continued participation in the PPO program.

### **REMINDER: USERRA Employer Update Available on Website**

There are special policies that apply to the administration of our retirement and group insurance benefits with regard to reservists that are called for active duty. We have prepared a memorandum regarding the administration of PERS benefits for these individuals. As a reminder, this memorandum is available at [www.discovernd.com/ndpers](http://www.discovernd.com/ndpers) under both "News" and "Employer" on the menu. *As the employer, please make sure you review the information provided in the memorandum with the reservist when they are called to duty.*

### **Inside NDPERS Employer Handbook and Kits**

We wanted to provide an update regarding the Inside NDPERS Handbook and the kits that were discussed at the PERS Payroll Conference in May.

The handbook is on the website under the Employer page. You can click on Resources on this page to find it. Not all links referenced have been established yet but will be in the near future.

The kits are not available on the website yet. However, 3 of the 6 kits (Retirement, Deferred Retirement and Refund/Rollover) will be available in August. If you need a kit prior to them being on the website, please email Linda at [lgieser@state.nd.us](mailto:lgieser@state.nd.us) or call her at 328-3923. If you order any of these kits from Linda, please do not duplicate them.

The Transfer kit will be available later this fall. However, the Notice of Transfer SFN 53706 is on the web and should be used when you have an employee transferring between participating employers. This form is available on the website for your use.

If you have any questions or concerns, please contact Denise at (701) 328-3903 or email at [dcurfman@state.nd.us](mailto:dcurfman@state.nd.us).

### **When Visiting the PERS Office**

Please advise your employees to make an appointment before stopping by the PERS office. Although staff will

accommodate walk-ins when possible, an appointment will ensure that someone will be available to assist a member at the time he or she arrives. An appointment also allows staff to prepare appropriate benefit information for the individual's needs.

### **Health Plan Summary of Plan Changes Effective 7/1/03**

The following is a brief summary of your plan changes effective July 1, 2003:

#### **Cost Sharing Amounts**

The cost sharing amounts have been revised as follows:

- Coinsurance Amounts
  - BASIC Plan changed from 80% to 75% of allowed charge
  - PPO Plan changed from 85% to 80 of allowed charge
  - EPO Plan changed from 90% to 85% of allowed charge
  - Non-formulary drug benefit is 50% of the allowed charge
  - Diagnostic X-ray/ lab services are subject to the deductible and coinsurance. The copayment amount no longer applies.

#### **Psychiatric and Substance Abuse Services**

- Inpatient
  - Benefits for psychiatric and substance abuse services have been revised to allow a combined maximum benefit allowance of 45 days per member per benefit period. Preauthorization is required.
- Substance Abuse Residential Treatment
  - Benefits have been added for substance abuse residential treatment services. Benefits will be subject to a maximum benefit allowance of 60 days per member per benefit period. Preauthorization is required.

#### **Transitional Care Units**

Benefits are available for transitional care units. Preauthorization is required.

#### **Long-Term Acute Care Facilities/Rehabilitation**

Preauthorization is required for long-term acute care facilities and for an inpatient admission to a rehabilitation facility.

## **Network Provider Directory Listing**

Language has been added advising members that the PPO and EPO Provider Directories are available by calling the number on the back of the ID card or by visiting the BCBSND or NDPERS web sites.

If you have any questions, please call the number listed on the back of your insurance ID card.

- Discussed the interest rate that is currently being paid on employee account balances with the Defined Benefit plan.
- Discussed the new Law Enforcement Retirement Plan provided under SB 2033.
- Were informed that Greater Plains Clinic and MedCenter One would no longer be continuing the EPO services.

## **Questions & Answers**

### ***Should lump sum payments for unused sick leave and annual leave be reported to PERS as salary?***

No, these types of lump sum payment should not be included as salary for reporting contributions to PERS. For a complete listing of what is excluded from contributions, please refer to your employer handbook.

*Look forward to receiving via email your next edition of the PERSonnel Updates @ October 15, 2003.*

*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.*

## **Board Meeting Highlights**

Complete meeting minutes are available on the PERS website at [www.discovernd.com/ndpers](http://www.discovernd.com/ndpers).

### **March 20, 2003**

- Discussed plan design for PERS Group Health Insurance Plan effective July 1, 2003.
- Were presented with information regarding utilization of the Employee Assistance Program (EAP) during 2002.
- Were provided an overview regarding the status of proposed legislation.

### **April 24, 2003**

- Discussed purchase provisions for employees who previously cashed out their account balance who have since returned to work.
- Approved an intermediate approach for allowing employers to purchase service credit and sick leave for employees as provided in SB 2058.
- Approved the health rates for the next biennium.
- Approved EAP vendors for the next contract year.

### **May 22, 2003**

- Were presented with the annual Defined Benefit Investment Review.