



# PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll Officers

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July 2004  
Volume 12, Issue 3

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## Events & Mailings

### NDPERS Board Election

David Gunkel was re-elected as the active member representative and Ron Leingang was elected as the retired membership representative to the NDPERS Board. Both terms will begin July 1, 2004 and run through June 30, 2009. The following is a recap of the election results:

|                         | <u>David Gunkel</u> | <u>Ron Leingang</u> |
|-------------------------|---------------------|---------------------|
| Number of Votes         | 988                 | 1,237               |
| Invalid Ballots         | 12                  | 9                   |
| Write-In Ballots        | 10                  | 8                   |
| Received after Deadline | 9                   | 19                  |
| <b>TOTALS</b>           | <b>1,019</b>        | <b>1,273</b>        |

### NDPERS Deferred Compensation Plan - Companion Plan Record Keeper/Administrator Change

We are pleased to announce that effective August 1, 2004 Fidelity Investments will become the new provider of mutual funds and recordkeeping services for the North Dakota Deferred Compensation Companion Plan. As part of its fiduciary responsibility to you, the PERS Board's policy is to send out a Request for Proposals (RFP) for our provider services every six years. Based on the responses to that RFP and a comprehensive review by the Board and its consultant, Fidelity was selected as the new service provider for this plan for the next six years. With the move to Fidelity, we are also expanding and changing our Companion Plan investment options and services. While PERS is excited to work with Fidelity for the next six years, we do want to express our appreciation and thanks to VALIC for its services over the last six years as the provider for this plan.

Due to our change to Fidelity as the Companion Plan record keeper, plan participants will be subjected to a transition period. NDPERS and Fidelity have sent out information to plan participants notifying them of the upcoming change. In addition, we included a schedule of meetings that will be conducted at various locations throughout the state to give participants an opportunity to have a Fidelity and PERS representative explain the transition process and answer any questions. To view information about the transition, please refer to the NDPERS web site at [www.discovernd.com/ndpers](http://www.discovernd.com/ndpers) and click on "The Companion Plan Transition."

If a meeting is not scheduled in your area and you would like a PERS representative to conduct a session for your employees, please contact our office prior to August 15<sup>th</sup>.

### Wellness Benefit Program

#### Welcome to PERS 5 A Day Program!

We are excited to announce a new program that is available to state agencies and participating political subdivisions in the state's group health plan. The program is available through the Wellness Benefit Program (WBP) and was selected by the PERS Board as a way to encourage more employers to initiate and conduct on-site wellness programs for their employees. The program is called PERS 5 A Day Challenge. The PERS 5 A Day Challenge uses information and strategies of the national *5 A Day for Better Health* program, the nation's largest public-private nutrition education initiative.

## What is the 5 A Day Challenge?

It is an incentive program that helps motivate people to increase their servings of fruits and vegetables consumed daily. The PERS 5 A Day Challenge program has been developed for North Dakota through

the collaboration of the North Dakota Department of Health, the NDSU Extension Service and the Healthy North Dakota Initiative.

## How does the program work?

The program consists of two on-site educational sessions presented by a public health nutritionist or extension professional. The cost to provide these services is \$100. Each participant attending the first educational session will receive a 5 A Day kit which includes educational and motivational materials about healthy eating habits and ways to increase the daily servings of fruits and vegetables, personal goal setting and tools for tracking progress. The kits are \$6.00 each. The educational sessions will also feature the presentation of fresh and tasty food samples and recipes. Each participant will be assessed the cost of \$1.00 to attend each meeting. Participant attendance at the first session is mandatory. The PERS 5 A Day Challenge runs for four weeks.

## How much funding is available?

The Wellness Benefit Program will pay for the cost of the educational sessions and the kits to a maximum of \$1,000 based on the following schedule:

- 100% of the first \$500, or the actual cost, whichever is less, plus
- 75% of the cost exceeding this amount to a maximum benefit of \$1,000.

The Wellness Committee will determine the amount payable for your program based on the number of kits distributed to participants attending the first on-site educational session.

## How do we apply for the program?

Applications for the 5 A Day Program will be accepted by the NDPERS office from August 1, 2004 through June 30, 2005. To obtain an application and additional information, please send your request to the PERS

office either in writing or by e-mail to [ndpers-info@state.nd.us](mailto:ndpers-info@state.nd.us).

We will continue to accept applications for other work site programs as well. However, if you have received funding from the Wellness Benefit Program for a program conducted and completed since July 1, 2004, you are not eligible for additional funding this fiscal year.

## **Change in Billing Procedures for P/T Temporary Employees on Health Insurance**

Effective June 1, 2004 NDPERS made a change to its billing procedures for the health & life insurance premiums for part-time/temporary employees. Procedure has been to bill each employee monthly at their home address. Employers who have part-time temporary employees participating were notified that beginning June 15, 2004 these employees will be listed on the agency's monthly active group billing. The [INSIDE NDPERS Employer Handbook \(health insurance section\)](#) has been updated with the new procedure.

In the event you hire part-time/temporary employees that elect to enroll in the health or life plan, please keep in mind that they will be on the agency billing and the agency is required to collect the monthly premium and submit it along with the employer monthly premium. Some employers have decided to handle this through payroll deduction while others collect a personal check. Either way is acceptable to NDPERS. The following are the reasons the change was made:

1. To insure compliance with state and federal law. The present policy is not conducive to this since we have had situations of employers not notifying NDPERS that a part-time/temporary employee has terminated. Therefore, the individual continues to participate in the health insurance plan which is a violation of state law.

Furthermore these employees were not provided with a COBRA notice in a timely manner which is a violation of federal law. In discussing this with participating employers it was determined that since these individuals are not on their system it is difficult for them

to remember to give PERS notice. This change will insure a better exchange of information to insure compliance.

2. We currently have some individuals who do not pay their premiums in a timely manner. By including them on the employer active group billing it will reinforce the importance of paying their premium on time.
3. Since we currently bill the employer on the active billing for an employee on a leave of absence and bill the employer for a part-time/temporary employee's retirement contributions, this change is consistent with our billing policies for other programs.

## **State of North Dakota Deferred Compensation Plan Contributions**

NDPERS is pleased to announce a change to the process for remitting deferred compensation contributions. This change affects employers participating in the State of North Dakota Deferred Compensation Plan. ***This change does not affect employers who offer their own 457 or 403(b) plan and do not offer the State's Plan.***

Currently, each employer is responsible for remitting employee deferred compensation contributions directly to each of the provider companies. **Effective for payrolls paid on August 1, 2004 and after**, all State of North Dakota deferred compensation contributions will be remitted to NDPERS. NDPERS will validate the contributions and send all authorized amounts to the provider companies. Employers will have one point of contact for questions on all contributions – NDPERS.

The advantages of this centralized process include: 1) improved administration of the plan for participants, employers and provider companies; 2) contributions for all deferred comp providers can be combined and paid in one payment to NDPERS; 3) change to a **per pay period reporting cycle**.

## **Changes to the current reporting process:**

1. Deferred Compensation Transmittal of Deduction (SFN 52193) will be **generated for each pay period**. This will allow deferred compensation

contributions to be reported to NDPERS immediately following each pay period so contributions can be remitted to the investment providers in a timely manner.

**2. Electronic reporting.** If you currently report electronically, you will need to create a file and submit to NDPERS **immediately following each pay period.** You will no longer need to combine information into a monthly file.

**3. The Participant Agreement for Salary Reduction (SFN 3803).** This form has been revised to allow employees to designate a pay period amount for those employees who are paid more than once per month.

**4. Other 457 or 403(b) Plans.** Employers who offer their own 457 or 403(b) plan, in addition to the State of North Dakota Deferred Compensation Plan will continue to report employee contributions on the transmittal of deduction form. However, **payments for these contributions will not be sent to NDPERS.**

If you have any questions regarding this change, please contact Jim Smrcka at (701) 328-3945.

### **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. The North Dakota Logon ID will allow members to access various State of North Dakota online services. 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 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](mailto: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.

### **Annual Statements**

The 2003-2004 Annual Statement of Account for PERS active and deferred members will be mailed the first week of August. The statements will also be available to view through NDPERS Online Benefit Services.

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. Any name or address changes to employee records need to be sent to PERS in writing. A [Notice of Change SFN 10766](#) should be submitted to our office. Also, if an employee wants to update their beneficiary(ies), a [Designation of Beneficiary for the Group Retirement Plan SFN 2560](#) and/or [Life Insurance Designation of Beneficiary Change SFN 53855](#) should be completed.

If any of your employees misplace their annual statement, they may print a duplicate through NDPERS Online Benefit Services.

### **Annual Enrollment Season-- 2005 Plan Year**

The Annual Enrollment Season will be held starting Friday, October 1 ending Monday, November 15, 2004. 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 along with instructions on how to access the enrollment forms from the PERS website. In addition, information pertaining to the Annual Enrollment Season will be posted on the PERS website.

## **Important Updates**

### **NDPERS 401(a) Defined Contribution Plan**

The PERS Board sent out a Request for Proposals (RFP) for our defined contribution plan record keeping services. As part of its fiduciary responsibility to you, it is the Board's policy to send out a RFP for our provider services every six years. Based on the responses to the RFP and a comprehensive review by the Board and its consultant, Fidelity was selected to continue as the provider for this plan for the next six years.

### **NDPERS Group Health Plan**

The PERS Board also sent out a RFP for the group health plan as a part of its fiduciary responsibility. Our current contract with Blue Cross Blue Shield was for a six-year period and expires on June 30, 2005. The deadline for submitting proposals is July 21, 2004. The bids will be analyzed by our consultant, Gallagher Benefit Services and we expect to evaluate proposals and award contract(s) by September 30, 2004.

### **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 NDPERS at (701) 328-3900.

### **Employer Purchase Provisions for the NDPERS Retirement Plans**

During the last legislative session, legislation was passed that allows an employer to purchase additional service credit for Defined Benefit Plan members or to make additional retirement contributions for Defined Contribution Plan members. The provisions are found under [NDCC 54-52-29](#) and [NDCC 54-52.6-09.2](#).

NDPERS recently promulgated administrative rules that provide further guidance on how this type of program must be administered by an employer and the required documentation that should be submitted to NDPERS. These rules are found in [NDAC 71-02-03-07](#) for the Defined Benefit Plan and [NDAC 71-08-07](#) for the Defined Contribution Plan.

If you have questions on these provisions or are considering offering this type of a program, please contact Rebecca at (701) 328-3911 or Sharmain at (701) 328-3904.

### **Change of Address - Easy As 1, 2, 3**

Well maybe not but it made you look.

If you have an employee who has notified you that they have a change of address you should check your records to see in which NDPERS

plans the employee participates. The following matrix may be used as a quick reference of which form(s) need to be completed to notify NDPERS and/or the provider of the change.

| Plan of Benefits | Form Required   | Provides Notice To            |
|------------------|---|-------------------------------|
| Retirement       | <a href="#">Notice of Change (SFN 10766)</a>            | NDPERS                        |
| Health           | <a href="#">Notice of Change (SFN 10766)</a>            | NDPERS and BCBCND             |
| Life             | <a href="#">Notice of Change (SFN 10766)</a>            | NDPERS                        |
| Dental           | <a href="#">Dental Insurance Enrollment/Change Form</a> | Fax to ReliaStar 612-372-5791 |
| Vision           | <a href="#">Vision Insurance Enrollment/Change Form</a> | Fax to Ameritas 402-466-0003  |
| FlexComp         | <a href="#">Notice of Change (SFN 10766)</a>            | NDPERS                        |

**Update:** NDPERS has recently developed a new form for employees who wish to **change only their designated life insurance beneficiary**. The form is available on the NDPERS website, the name of the form is [NDPERS Group Life Insurance Designation of Beneficiary/Change form \(SFN 53855\)](#).

### **Odds & Ends**

#### **NDPERS Member Services Unit**

PERS has three member service representatives available to answer general inquiries regarding the various plans administered by PERS. If you or your employees have general questions, please contact the PERS toll-free number at (800)-803-7377 or (701) 328-3900. A representative will answer the call and determine if they can answer the question. If the representative is unable to answer the question, they will be able to transfer the call to the staff member who is best able to assist.

### **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.

### **Questions & Answers**

***Can the kits be disassembled by employers prior to being given to an employee? Should an employer customize a kit prior to distribution?***

No. Since NDPERS has over 350 employers participating in various benefits, the kits need to be kept uniform and in the standard format provided. Please do not disassemble or customize the kits. If you feel that your employees need special instruction, you can prepare a cover letter to accompany the kit that provides the detail you would like.

### **Board Meeting Highlights**

Complete [meeting minutes](#) are available.

#### **March 24, 2004**

- Were given presentations by Fidelity Investments, CitiStreet, VALIC and AMVESCAP regarding bids for the 401(a) Defined Contribution Plan and 457 NDPERS Companion Plan.
- Approved retaining Fidelity Investments as the provider for the 401(a) Defined Contribution Plan.
- Approved changing from VALIC to Fidelity Investments as provider for the 457 NDPERS Companion Plan.

#### **March 25, 2004**

- Approved proposed legislation for 2005 Legislative Session.
- Approved scheduling interviews with Deloitte, Gallagher and Segal regarding providing consulting and actuarial services for the health plan.

- Approved policy regarding administration of purchases with pre-tax payroll deductions.
- Were provided presentations by GRS, Segal Company and Mellon regarding providing retirement consulting services.
- Approved retaining Segal for retirement consulting services.

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