



PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll Officers

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The articles and opinions in this publication are for general information and are not intended to provide specific advice or recommendations for any individual. We suggest that you consult your attorney, accountant, financial or tax adviser with regard to your individual situation.

Changes in Personnel

PERS would like to introduce three new staff members who have joined our office. Julie Nagel has taken a position as Member Services Representative. Her telephone number is (701) 328-3900. Tara Haar has taken the new position of student assistant for the Insurance division. Tara can be reached at (701) 328-3974. Linda Monte has taken the new position of Deferred Compensation Accountant. Her telephone number is (701) 328-3945.

Other changes in personnel include a new employee benefits specialist position, which was filled by Sharmain Dschaak. Sharmain's telephone number is (701) 328-3904. Rebecca Fricke has filled Sharmain's previous position as Retirement Accounts Coordinator and can be reached at (701) 328-3911. Rebecca was formerly a Member Services Representative.

Since there are now three specialists at NDPERs, please refer your employees seeking information about retiring and their employee benefits to the following specialists:

Last Name A-G Diane
Last Name H-M Cheryl
Last Name N-Z Sharmain

Mailings

Changes to the NDPERs Employer Handbook were mailed to all payroll officers in December. Please be sure to review these new pages before placing them in your handbook. If you have not received your updates, please contact Rebecca at (701) 328-3911.

The revised Group Life Insurance SPDs were mailed to participants of the plan the first part of January.

Odds & Ends

New Forms:

With the implementation of the new Defined Contribution (DC) Plan for non-classified state employees effective January 1, 2000, a few of our forms have needed to be revised. State Agencies should order new forms to replace their old stock. Political Subdivisions, however, can continue to use their old supply until they run out. The revised forms are:

Employee's Membership Application for the Defined Benefit Program (SFN 2561)

This form is crucial for state agencies to complete, as it is the only way for NDPERs to identify non-classified state employees that are eligible for the new DC plan. Instructions for completing this form were included in the packet of changes to the employer handbook. As of January 1, outdated forms submitted by state agencies will be returned.

Notice of Change (SFN 10766)

This form has been expanded to allow payroll officers to notify NDPERs of the transfer of an employee into a non-classified/classified position with another participating employer of NDPERs. State agencies should replace their old stock. Again, political subdivisions may continue to use old supplies.

A new section has also been added to allow payroll officers to notify NDPERs of internal position changes. This section allows you to notify us if one of your employees has changed from classified to non-classified, salaried to seasonal, etc within your agency.

Instructions on completing this revised form will be sent under separate cover shortly and should be incorporated into your employer handbook.

If revisions are made to other NDPERS forms, we will provide you with instructions and replacement pages for your handbook. Please send any comments or suggestions about the revised forms in writing to Rebecca at NDPERS. If you have any questions on the completion of these forms, please contact Rebecca at (701) 328-3911.

State Agencies Setting Up Defined Contribution Members on Central Payroll...

All state employees electing to join the new Defined Contribution (DC) Retirement Plan were required to complete a *Defined Contribution Retirement Program Election (SFN 52170)* form. Copies of the completed forms received by NDPERS were forwarded to you. For employees electing to join the new DC Retirement Plan, you will need to change their retirement code on the PAF form for the January paid February 2000 payroll. The new payroll code for the DC Retirement Plan is "H".

The new code will be available on the Central Payroll system after January 14, 2000. You will need to change the retirement code prior to the payroll cutoff.

In the future, any new employees electing the DC Retirement Plan will also need to be set-up with the "H" retirement code.

Reports of DC Eligible Participants...

And for the last time ☺, state agencies (excluding the University System & Supreme Court) will be receiving a Report of Defined Contribution Eligible Participants in early February. We appreciate your efforts in notifying NDPERS of your non-classified employees by verifying this report. Thank you!

Administrative Rule Changes...

Be on the lookout for notification regarding a NDPERS public hearing to address proposed amendments to N.D. Administrative Code Title 71.

Reminder: New Deferred Compensation Reporting Requirements...

New Deferred Compensation reporting requirements go into effect for employers for January 2000 with

the use of the Deferred Compensation Deduction Transmittal Form (SFN 52193). This form is used to report deferred compensation deductions by any agency not on Central Payroll, the University System or the Bank of North Dakota. Form SFN 52193 will be mailed to you by the 20th of each month and must be submitted back to the NDPERS office by the 8th of the following month.

Please refer to pages 203-205 of the Employer's Handbook for more information or call Linda Monte at (701) 328-3945.

Deferred Compensation: Political Subdivision Reminder...

If you have not already done so, please remember to complete the employer agreement for your deferred compensation plans and submit them to NDPERS as soon as possible.

Health Insurance – Reservists...

Members called to active duty, whose leave exceeds 30 days, are eligible for health coverage through CHAMPUS and, therefore, are not eligible for coverage under the NDPERS group health plan. If they have dependent coverage they can elect to cover their family member under CHAMPUS, retain their NDPERS coverage for their eligible dependents, or choose coverage through another employer's group plan. If the member elects to retain dependent coverage under NDPERS, he/she must provide a letter to payroll requesting this action. The contract will remain on your monthly billing in the employee's name. State agencies have the option to pay the required premium or collect the monthly premium from the member. Participating political subdivisions have this same option. If the member elects to cover their family under CHAMPUS or another employer's group plan during the leave, they must also submit a letter to payroll outlining this intention.

The member may reapply for single or family coverage within 31 days from the date of release from active duty. A copy of the discharge papers must accompany the Group Health Application. If an application is not submitted within this period, the member may enroll during the annual enrollment in May and coverage will be effective July 1. However, waiting periods for preexisting conditions may apply.

Send letters requesting changes in coverage to June Werre at NDPERS.

FlexComp Program Administered by NDPERS...

At its October 1999 meeting, the NDPERS Board voted not to renew the contract we have with Benefits Administration Company (BAC) to provide FlexComp program enrollment services to new employees. As a result of this decision, it is necessary to change the procedure for enrolling new employees. The Board selected an agency/internal approach to administer new employee enrollments beginning with the 2000 plan year. This approach will work as follows:

NDPERS will supply agencies with election agreements and pamphlets explaining the FlexComp program. The agency will provide new employees with this information and tell them they will be receiving a follow-up telephone call from NDPERS. NDPERS will identify new employees based on the life insurance enrollment application and will contact each new employee about the program. The call will verify that the employee received the information from their payroll office and inquire if the employee has any questions regarding the program.

Completed election forms are to be returned to the payroll office for review. The box indicating New Election/Date of Hire should be checked and the date of hire listed. The Eligible Date should be filled in with the date the first payroll deduction will be taken. Payroll will set up the employee's FlexComp deductions based on the information on the form. The original will be forwarded to NDPERS. An employee has 60 days from their date of hire to elect to participate in the FlexComp program. The employee's participation begins when the first contribution is received. NDPERS will mail a FlexComp Summary Plan Description book to each new participant who enrolls in the program.

Please indicate FlexComp New Employee Enrollment Pamphlet when placing orders for pamphlets with PERS.

If you have any questions about the new employee enrollment process, please feel free to contact the FlexComp Coordinator at (800) 803-7377 or (701) 328-3910.

Board Meeting Highlights

The NDPERS Board reviewed and took action on the following items:

August 26, 1999:

- ◀ Discussed the 401 (a) Defined Contribution Plan Document.
- ◀ Was presented with an overview of the Analysis of Investment Performance for the NDPERS Companion Plan. The consultant, the Segal Company, prepared this report.
- ◀ Reviewed an analysis of the proposals received in response to a Long Term Disability RFP for the defined contribution plan.
- ◀ Approved a 1.26% indexing factor for the 1999 fiscal year for deferred vested members of the highway patrol retirement fund.
- ◀ Approved the dental renewal rate with ReliaStar.

September 9, 2000:

- ◀ Reviewed a Y2K contingency plan relating to cash flow for the retirement and insurance programs.
- ◀ Suspended Jackson National from accepting new accounts in the NDPERS Deferred Compensation Program.
- ◀ Adopted the Plan Document for the new Defined Contribution Plan.
- ◀ Approved incorporating the disability provision into the Defined Contribution plan, rather than offering a disability policy to participants.

October 20, 1999:

- ◀ Adopted an agency/internal approach to the FlexComp Program for enrolling new employees and handling the annual enrollment as of January 1, 2000.
- ◀ Reviewed the actuarial reports for each system for the year ending June 30, 1999.
- ◀ Approved a Y2K Contingency Plan for NDPERS.