

**RETIREMENT PLAN FOR
EMPLOYEES OF
JOB SERVICE NORTH DAKOTA**



**Summary Plan Description
February 2010**

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JOB SERVICE NORTH DAKOTA

INTRODUCTION

Job Service North Dakota adopted a program of retirement, death, and disability benefits effective July 1, 1961. The Plan was underwritten by The Travelers Insurance Company through December 31, 1993, according to the terms and conditions of a Group Annuity Contract issued to Job Service North Dakota. For participants retiring after December 31, 1993, benefits are paid out of Plan assets. The Plan has been managed and administered by the North Dakota Public Employees Retirement System since August 1, 2003

Your retirement program provides you with benefits at retirement or upon disability or death. Because these benefits represent an important source of security to you and your family, please read this booklet carefully to ensure you understand your rights and responsibilities in becoming eligible for benefits.

This publication is intended to provide general information and may not be considered to be a legal interpretation of retirement law. Statements contained in this handbook do not supersede the North Dakota Century Code or Plan Document or restrict the authority granted to the NDPERS Board. This information is subject to changes made and established by the Board of the North Dakota Public Employees Retirement System (NDPERS).

Contacting the NDPERS Office

While NDPERS staff makes every effort to take your calls and answer your questions immediately, it is not always possible to do so. In an effort to serve you more efficiently, a voice mail system is available. If it is necessary for you to leave a voice mail message, please provide the following information: your name, social security number, and telephone number, and a brief explanation for your call. If NDPERS staff has this information at the outset, we are able to address your concerns more quickly and efficiently the first time. Although you may request information over the phone, only you may do so and only after you have provided the correct response to at least three of five criteria established by the NDPERS Board.

To serve you better, we have implemented the use of benefit specialists. These individuals are trained to assist you in any of the programs offered through NDPERS. If you would like an individual counseling appointment it is recommended that you make an appointment before coming to the NDPERS office. To do so, please contact NDPERS at (701) 328-3900 or 1-800-803-7377 outside the Bismarck area.

Remember all your benefit information is confidential. For your protection, staff cannot release benefit information to any party without first obtaining your written authorization or upon being subpoenaed (please refer to the Confidentiality Provisions on page 12).

Visiting the NDPERS Office

It is always a good idea to make an appointment before stopping by the NDPERS office. Although staff will accommodate walk-ins when possible, an appointment will ensure that someone is available to assist you at the time you arrive.

Writing to the NDPERS Office

Always include your name and social security number on your correspondence.

NDPERS Website

The address for the NDPERS Website is:

www.discovernd.com/ndpers

NDPERS E-mail Address

The PERS address is www.discovernd.com/ndpers.

In compliance with the Americans with Disabilities Act, this document can be provided in alternate formats. To request an alternate format, please call the NDPERS ADA coordinator at (701)328-3918 or call toll-free at 1-800-803-7377 if you are outside the Bismarck local calling area.

GOVERNING AUTHORITY

The North Dakota Public Employees Retirement Board is the governing authority of the Public Employees Retirement System (NDCC chapter 54-52), the Highway Patrol Retirement System (NDCC chapter 39-03.1), the Uniform Group Insurance Program (NDCC chapter 54-52.1), the Deferred Compensation Program (NDCC chapter 54-52.2), the Flex-Comp Program (NDCC chapter 54-52.3), the Retiree Health Insurance Credit Program (NDCC chapter 54-52.1-03.2), the Dental and Vision Plans (NDCC chapter 54-52.1-04.7), the Long-Term Care Plan (NDCC chapter 54-52.1-04.8), the Employee Assistance Program (NDCC chapter 54-52.1-04.9) the Defined Contribution Plan (NDCC chapter 54-52.6) and the Job Service of North Dakota Retirement Plan (NDCC chapter 52-11-01). The Board generally meets monthly and is composed of seven voting members who serve staggered terms.

A North Dakota citizen who is neither a state nor a school district employee is appointed by the Governor to serve as Chairman of the Board. A member of the Attorney General's legal staff and the State Health Officer are also appointed to serve on the Board. One member is elected by retired NDPERS members and the remaining three Board members are elected from active employees currently contributing to NDPERS.

The benefits described in this publication pertain to Job Service of North Dakota Retirement Plan members only. All questions, comments and correspondence can be directed to the following address:

North Dakota Public Employees Retirement System

400 East Broadway, Suite 505

P.O. Box 1657

Bismarck, North Dakota 58502-1657

(701) 328-3900 – Telephone

(701) 328-3920 – Fax Number

1-800-803-7377 – Toll-Free Outside the Bismarck Calling Area

YOUR RETIREMENT PLAN

Eligibility

You are eligible to participate in the Job Service of North Dakota Retirement Plan if you were a Participant before October 1, 1980. If you were not a Participant before October 1, 1980, you are not eligible to participate in this Plan.

Contributions

You will contribute toward the purchase of your retirement benefit an amount equal to 7 percent (7%) of your basic earnings, i.e., your earnings excluding overtime shift differentials or other types of pay. This amount includes the 4 percent (4%) that Job Service North Dakota contributes on your behalf. Your 3 percent (3%) contribution will be deducted from your earnings each pay period. Job Service North Dakota will pay the balance of the cost of your retirement benefits as well as the cost of the disability and death benefit portions of the Plan. If for any reason you should fail to contribute during any month the amount as described in this paragraph, your months of service will be automatically reduced in accordance with your actual contributions.

Credited Service

Credited Service means the number of full months of participating service with Job Service North Dakota completed from your first day of participation in the Plan to the date of your termination of employment. Credited Service will also include:

1. Employment for which your employee contributions were refunded with interest to you but only if such total amount, including both the refunded contribution and the interest paid thereon compounded annually upon such total amount for the time it was at your disposal, is redeposited to the Plan.
2. Periods of available unused sick leave remaining to your credit at your date of retirement;
3. Time served on active duty status in the Armed Forces of the United States when entry into active duty interrupted ongoing active employment qualifying as Credited Service and you re-entered the active service of Job Service North Dakota within the statutory period during which your right to re-employment is guaranteed; and
4. Your absence from work because of occupational injury or disease incurred as a result of employment with Job Service North Dakota for which absence you shall be entitled to workers compensation payments.
5. All periods of military service prior to January 1, 1957, which is not used in determining a civil service or military retirement benefit.

6. Any additional service purchased for:

- Active service in the Armed Forces after December 31, 1956
- Employment as a probationary or permanent employee by the state of North Dakota or a political subdivision.
- Employment as a probationary or permanent employee of a governmental unit not located in North Dakota.

Credited Service will not include any periods of service you have been credited under the Federal Civil Service Retirement System, the Public Employees Retirement System of North Dakota, or a retirement system of some other state or political subdivision.

RETIREMENT DATES

Normal Retirement Date

Your Normal Retirement Date is the first day of the month coincident with or next following your 65th birthday.

Optional Retirement Date

You may retire and have retirement benefit payments begin on the first day of the month after completing the requirements as set forth below.

1. If you have completed five (5) or more years of Credited Service and have attained age 62.
2. If you have completed 20 or more years of Credited Service and have attained age 60.
3. If you have completed 30 or more years of Credited Service and have attained age 55.

If you elect to retire on one of these Optional Retirement Dates, the amount of your retirement benefit will be computed according to the number of years of Credited Service earned prior to your actual retirement and the amount will not be reduced because of retirement before the age of 65.

Early Retirement Date

You may retire and have retirement benefit payments begin within ten (10) years prior to your Normal or Optional Retirement Date. Your retirement benefit is reduced because you are younger when your benefit begins. This means that you will be paid a benefit for a longer time.

Retirement After Normal Retirement Date (Deferred Retirement Date)

You may retire and have retirement benefit payments begin after Normal Retirement Date (age 65).

Discontinued Service Retirement Date

If you are separated involuntarily or for the convenience of Job Service North Dakota and have completed the following requirements, you will be eligible to begin receiving retirement benefit payments on the first day of the month following your separation from active employment:

1. After completing 25 years of Credited Service or
2. After attaining age 50 and completing 20 years of Credited Service.

Your benefit amount will be determined in accordance with the section entitled Retirement Benefits (page 5). Based on your Credited Service and your average monthly earnings as of such Discontinued Service Retirement Date and reduced by 1/6 of 1 percent for each full month (two percent (2%) a year), you are under age 55.

Commencement of Income Payments

No income payments will begin until your actual termination of employment active employment with Job Service North Dakota regardless of whether you retire on, before, or after your Normal Retirement Date. "Termination of employment" means a severance of employment by not being on the payroll of a covered employer for a minimum of one month. Approved leave of absence does not constitute termination of employment. A member's retirement benefit shall commence on the first day of the month which follows the member's eligibility for the benefit and which is a least thirty days after the date on which the member filed an application with the NDPERS office.

Administrative Requirements for Monthly Benefits

You must complete a "[Retirement Kit SFN 53837](#)" and send it to NDPERS within 30 - 60 days prior to retirement. In accordance with laws governing processing retirement benefits, NDPERS must receive an "Application for Retirement Benefits" and appropriate legal documentation at least thirty days before retirement or before the distribution of the first retirement check. ***If documents are filed too late, the payment will be delayed.***

An application may be filed later than thirty days if approved by the executive director upon receiving sufficient evidence that the application was delayed by the member's employer. A member may revoke the election of an optional benefit and make a new election, if such revocation is received in writing before the first retirement check is cashed but no later than fifteen days after the first retirement check has been used. A member may not revoke the elected benefit after receiving and cashing the first benefit check, unless, the member can provide sufficient evidence to the executive director that the factual basis by which the election was made later provide to be incorrect and such was due tin part to representation or misrepresentation made by the employer or the office,

RETIREMENT BENEFITS

Amount of Retirement Benefits

The amount of your retirement benefits will be based on your average monthly earnings, i.e., your base monthly earnings excluding overtime pay, differential pay, or other types of pay, for the high three consecutive years of pay, and the length of your Credited Service with Job Service North Dakota.

Benefit Determination

Your normal retirement benefit will be equal to your highest three consecutive year's average monthly basic earnings multiplied by the sum of:

1. One point five percent (1.5%) times your years of Credited Service up to five years, plus.
2. One point seventy five percent (1.75%) times your years of Credited Service between six and ten years, plus
3. Two percent (2.0%) times your years of Credited Service in excess of ten years.

For Example:

Assume you are at age 65 and have completed 30 years of Credited Service with Job Service North Dakota. Further assume that your highest three consecutive year's wages are equal to \$99,000.

\$99,000 divided by 36 = \$2,750.00 average monthly earnings

You will receive a retirement benefit equal to the following:

\$2,750.00 x 1.5% x 5 years	=	\$ 206.25
2,750.00 x 1.75% x 5 years	=	240.62
2,750.00 x 2.0% x 20 years	=	<u>1,100.00</u>
		\$1,546.87

Thus, your normal retirement benefit would be \$1,546.87 per month.

RETIREMENT BENEFIT OPTIONS

Normal Retirement Benefit

Your normal retirement benefit will be payable to you as long as you live with a guarantee that at least 120 monthly payments will be made. Should you die before the guaranteed 120 monthly payments have been made, the payments will continue to your beneficiary until the 120 payments have been made to you and your beneficiary. If your beneficiary dies after you, but before 120 guaranteed monthly payments have been made, the remainder of the guaranteed number of monthly payments will be commuted to a lump sum and paid to your beneficiary's estate.

Contingent Annuitant Option

You may elect in place of your normal form of retirement income that the amount of monthly income payable to you be reduced, with payment of part or all of such adjusted amount (55%, 75%, or 100%) continued after your death to a named contingent annuitant during that person's further lifetime.

Life Annuity Option

In place of your normal form of retirement income, you may elect that your income be payable in an increased amount terminating with the last monthly payment due preceding your death whenever that should occur. Upon your death, there will be no benefits due anyone.

Option For Life Annuity With Guaranteed Payments

In place of your normal retirement income, you may elect to receive a reduced amount of income guaranteed for your lifetime providing, however, that if you should die before receiving 180 monthly payments, the remainder of such payments would continue to be paid monthly to your designated beneficiary until a total of 180 monthly payments had been made to you and your beneficiary. This option will reduce the monthly income available to you.

As an alternative, you may elect to receive an optional form of reduced retirement income which is guaranteed for your lifetime but which provides that if you should die before receiving 240 monthly payments, the remainder of such payments would continue to be paid monthly to your designated beneficiary until a total of 240 monthly payments had been made to you and your beneficiary.

It is important to note that the election of the life annuity with 240 payments guaranteed will occasion even a greater reduction in the amount of monthly income than the reduced income payable if the life annuity with 180 payments guaranteed is elected.

Uniform Income Option

This option is only available if you retire before age 62. This option coordinates with your Social Security benefits to provide a level income, both before you are eligible to draw Social Security benefits and after you begin receiving benefits from Social Security. This option allows you to choose to begin receiving Social Security benefits no later than age 62 and your JSND benefit will be reduced automatically at this age. The example below shows a person retiring at age 58 who will begin to draw Social Security benefits at age 62.

Example of Uniform Income Option

	<u>Age 58</u>	<u>Age 62</u>
JSND Benefit	\$1666.16	\$ 826.16
Social Security Benefit	-0-	840.00
Total Income	\$1666.16	\$1666.16

If you select this option, it will be necessary for you to submit a benefit estimate from Social Security that is less than 6 months old with your retirement application.

Any cost of living adjustment (described on page 15) in your benefit prior to age 62 is applied to each amount, the Primary Social Security amount and the Job Service Annuity amount. Therefore using the above example, beginning at age 62 your monthly benefit from the Plan would be reduced to the base amount of \$826.16 plus accrued COLAs. Any cost of living adjustments granted after age 62 would only be applied to the JSND benefit amount.

DEATH BENEFITS

If you die while you are included in the Plan, and your death occurs prior to any benefit being paid to you, your spouse and children may be eligible for Death Benefit payments.

Surviving Spouse Benefit:

1. If you leave a surviving spouse to whom you were married for at least two (2) years prior to your death, or if married less than two years, your surviving spouse is a parent of a child of your marriage, then your surviving spouse shall receive a monthly benefit equal to 55 percent of the greater of:
 - a. The accrued Retirement Benefit earned as of your date of death, or
 - b. The lesser of:
 - (1) Forty percent (40%) of your highest three consecutive year's average monthly earnings, or
 - (2) The Retirement Benefit determined by increasing your Credited Service by the period of time between your day of death and the date you would have attained age 60.
2. If your spouse remarries before age 60, this Death Benefit will cease.
3. Unless terminated earlier by the requirements of paragraph 2. above, the benefit payments described in paragraph 1. above shall terminate with the last monthly payment due preceding the death of your Surviving Spouse.

Child's (or Children's) Benefit:

1. Children include:
 - a. All unmarried children under age 18;
 - b. All unmarried children over age 18 and incapable of self-support;
 - c. All unmarried children who are in regular, full-time attendance at a recognized education institution and are between the ages of 18 and 22.

2. If there is a surviving spouse, each child will receive a monthly payment equal to the lesser of:
 - a. Sixty percent (60%) of your highest three consecutive year's average monthly earnings divided by the number of eligible children, or
 - b. Seventy five dollars (\$75), or
 - c. Two hundred twenty five dollars (\$225) divided by the number of eligible children.

3. If there is no surviving spouse, each child will receive a monthly payment equal to the lesser of:
 - a. Seventy five percent (75%) of your highest three consecutive year's average monthly earnings divided by the number of eligible children, or
 - b. Ninety dollars (\$90), or
 - c. Two hundred seventy dollars (\$270) divided by the number of eligible children.

Death of a Vested Employee Prior to Annuity Starting Date--No Eligible Surviving Spouse or Surviving Child

If you should die as an active employee, have at least five years of Credited Service, and leave no eligible surviving spouse or surviving child, your designated beneficiary will receive a benefit equal to the accrued monthly retirement benefit determined as of the date of your death and payable for 120 months. If no beneficiary survives you, the benefit amount shall be commuted to a lump sum and paid to your estate.

If, when benefits payable to a surviving spouse and to any children have ended, and they have received a total amount less than the sum of your contributions and the employer contributions made on your behalf plus 4 percent interest, then the difference will be paid to your beneficiary or estate.

TERMINATION OF EMPLOYMENT

If your employment terminates before retirement benefit payments begin, your participation in the retirement plan will cease. No further additions to retirement income will accrue on your behalf, and you may be paid under one of the following options:

- Option 1:** A paid up amount of retirement income with payments starting at Normal, Optional, or Early Retirement Date. The amount of that income will be equal to the amount provided under the formula described on page 6, according to your years of Credited Service and earnings.
- Option 2:** A Cash Withdrawal Benefit equal to the total of your contributions and employer contributions made on your behalf, plus 4 percent interest compounded annually. You may elect this option at any time after withdrawal and before Normal, Optional, or Early Retirement Date, but such benefit shall be in place of all other benefits under the Retirement Benefits Section.

PERMANENT AND TOTAL DISABILITY

Eligibility

If you have completed five (5) years of Credited Service and terminate due to disability (defined as unable to give useful and efficient service in the present position or any other position of the same grade or class in Job Service North Dakota), you will be entitled to a Disability Benefit.

Job Service North Dakota may require proof from time to time of continued disability.

Disability Pension

The monthly amount of Disability Benefit payable to you will be determined as follows:

Your monthly benefit will be equal to the greater of:

1. Forty percent (40%) of your average monthly earnings for your highest three (3) consecutive years of pay, or
2. Your monthly accrued retirement benefit determined at the time of disability.

Your Disability Benefit will commence on the first day of the month following the date you are considered permanently and totally disabled by NDPERS and will terminate with the last monthly payment due before the earliest of the following dates.

1. The date of your death,
2. The date you are determined to be no longer totally and permanently disabled, or
3. If disabled on or before age 60, your Normal Retirement Date; if disabled, after age 60, 5 years after disablement.

Upon occurrence of the earliest of the above events, your Disability Benefit shall cease. If item 3 is the occurrence, payment of the normal Retirement Benefit shall commence on such date in the same amount as the Disability Benefit.

CONFIDENTIALITY LAW

All records of a member or beneficiary are confidential and not public records. Information and records may be disclosed under limited circumstances to:

- A person to whom a member/beneficiary has given written consent.
- A person legally representing the member/beneficiary upon proper proof of representation, unless member/beneficiary withholds consent.
- A person authorized by court order.
- Member's spouse or former spouse, that individual's legal representative, and the judge presiding over the member's dissolution of marriage proceedings for the purposes of drafting a Qualified Domestic Relations Order (see below).
- A member's participating employer's authorized agent, under limited circumstances.
- A member's designated beneficiaries after the member's death. Information relating to beneficiaries may be disclosed to other beneficiaries of the same member.
- The general public, but only after the board has been unable to locate the member for period in excess of two (2) years, and limited to the member's name and the fact that NDPERS has been unable to locate the member.
- Any person, if the NDPERS board determines disclosure is necessary for treatment, operational, or payment purposes, including the completion of necessary documents.

A penalty for disclosure of confidential information is a Class C felony which includes a five-(5) year prison term and a \$5,000 fine (N.D.C.C. 12.1-13-01).

QUALIFIED DOMESTIC RELATIONS ORDERS

The NDPERS Board may approve the equitable distribution of a member's retirement benefits in divorce if certain requirements are met. If applicable, your attorney should contact the NDPERS office to obtain a copy of the latest requirements prior to beginning or constructing a domestic relations order.

After a domestic relations order is deemed to be qualified, retirement benefits must be paid in accordance with any Qualified Domestic Relations Order (QDRO) issued in compliance with the North Dakota Job Service Retirement Plan and the laws of the State of North Dakota. Benefits are payable at the earlier of the member's date of termination or when the member reaches retirement age. Although domestic relations orders may be entered and approved prior to a member's retirement or termination, no monies can be paid out until the member's account is in pay status.

If you contact NDPERS regarding information about your account in relation to a divorce, please alert NDPERS staff so your information request can be provided in the proper format.

GENERAL PROVISIONS

Assignment

Any benefit payable under the Plan cannot be assigned since it is for your support and maintenance after retirement. However, your benefits will be subject to qualified domestic relations orders pursuant to a state domestic relations law.

Change of Beneficiary

You may designate a new beneficiary at any time by filing with the Employer a written request on forms furnished by the Administrator. You cannot change your contingent annuitant once your benefits begin.

Cost-of-Living Adjustment

Effective each December 1 of any year, the monthly amount of each retirement annuity, death benefit, or disability benefit then payable shall be increased by the percent increase, if any, in the Consumer Price Index. However, no increase in retirement allowance granted under the Plan, or the date for commencement of such increase, will become effective unless the same increase has been authorized for the Civil Service Retirement System, and unless the increase has been authorized by the NDPERS Board.”

Administration

Please contact the North Dakota Public Employees Retirement System if you have any questions regarding your Plan. The North Dakota Public Employees Retirement System (NDPERS) is Administrator of the Job Service Retirement Plan.

Duration of the Plan

The Plan has been adopted after careful consideration and investigation and every effort has been made to arrange it so that it can be continued indefinitely.

To protect you and the North Dakota Public Employees Retirement System against unforeseen conditions, however, the North Dakota Public Employees Retirement System reserves the right to change or discontinue the Plan at any time. It is provided, however, that no such change will affect the amount or terms of retirement benefits in effect before the date of change for discontinuance, except that the Plan provides that any change or modification for the purpose of conforming the Plan to the requirements of the Internal Revenue Code of the United States or of any other pertinent provision of federal or state law, or of any regulation or ruling of any duly constituted authority in connection therewith, may be made effective at any time with retroactive effect.