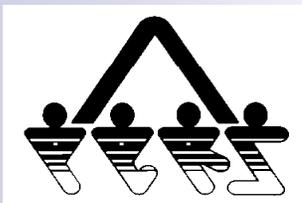


**WELCOME TO THE
2011 NDPERS
PAYROLL
CONFERENCE**

Important Information

- Conference is being viewed via webcast for those unable to attend at the Bismarck Civic Center
- Please turn off cell phones
- Food or drink is allowed
- If you have a question, please use the paper provided and pass to a staff member at the end of the aisles
- Lunch is on your own from 11:45 to 1:00
- Optional Wellness Walk from 12:45 to 1:00

PERS UPDATE





PERS Changes

- Legislative changes
- Program/vendor changes
- Administrative changes



Legislative Changes



LEGISLATION

SB 2108

RETIREMENT - Main

Public Employees Retirement Plan

Chapter 54-52, NDCC

Employer Contribution: 4.12%

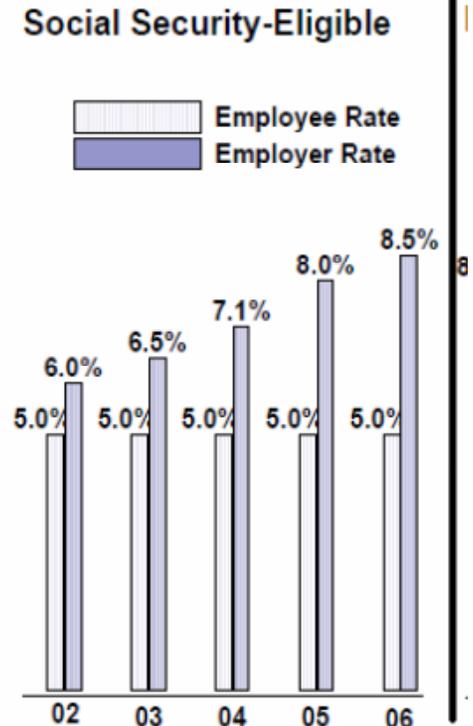
Employee Contribution: 4.00%

Total Retirement Contributions: 8.12%

Vesting in Disability Benefit: 180 days

Vesting in Retirement Benefit: 36 months

Normal Retirement: Age 65 or Rule of 85





RETIREMENT - Main

Public Employees Retirement Plan

Chapter 54-52, NDCC

Present *1/2012* *1/2013*

Employer Contribution:

4.12% 5.12% 6.12%

Employee Contribution:

4.00% 5.00% 6.00%

Total Retirement Contributions:

8.12% 10.12% 12.12%

Vesting in Disability Benefit:

180 days

Vesting in Retirement Benefit:

36 months

Normal Retirement:

Age 65 or Rule of 85



RETIREMENT - Main

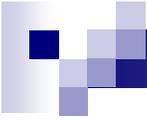
Retirement Formula:

Final Average Salary x 2% x Years of Credited Service

Example:

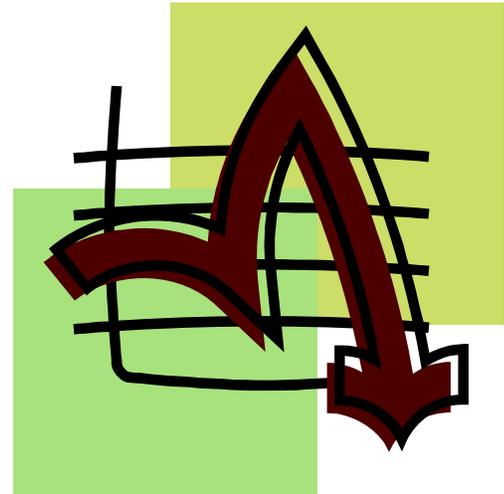
$$\$2000 \times 2\% \times 20 = \$800$$

Goal: 50% of final average salary for a career employee (25 years)



Where is PERS at?

-24.42%



What's this mean?

- Investment loss
- Assumed return

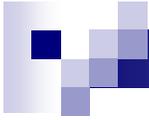
-24.5

8.0

□ Total

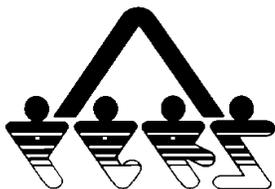
-32.5%

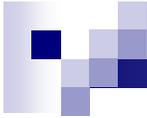




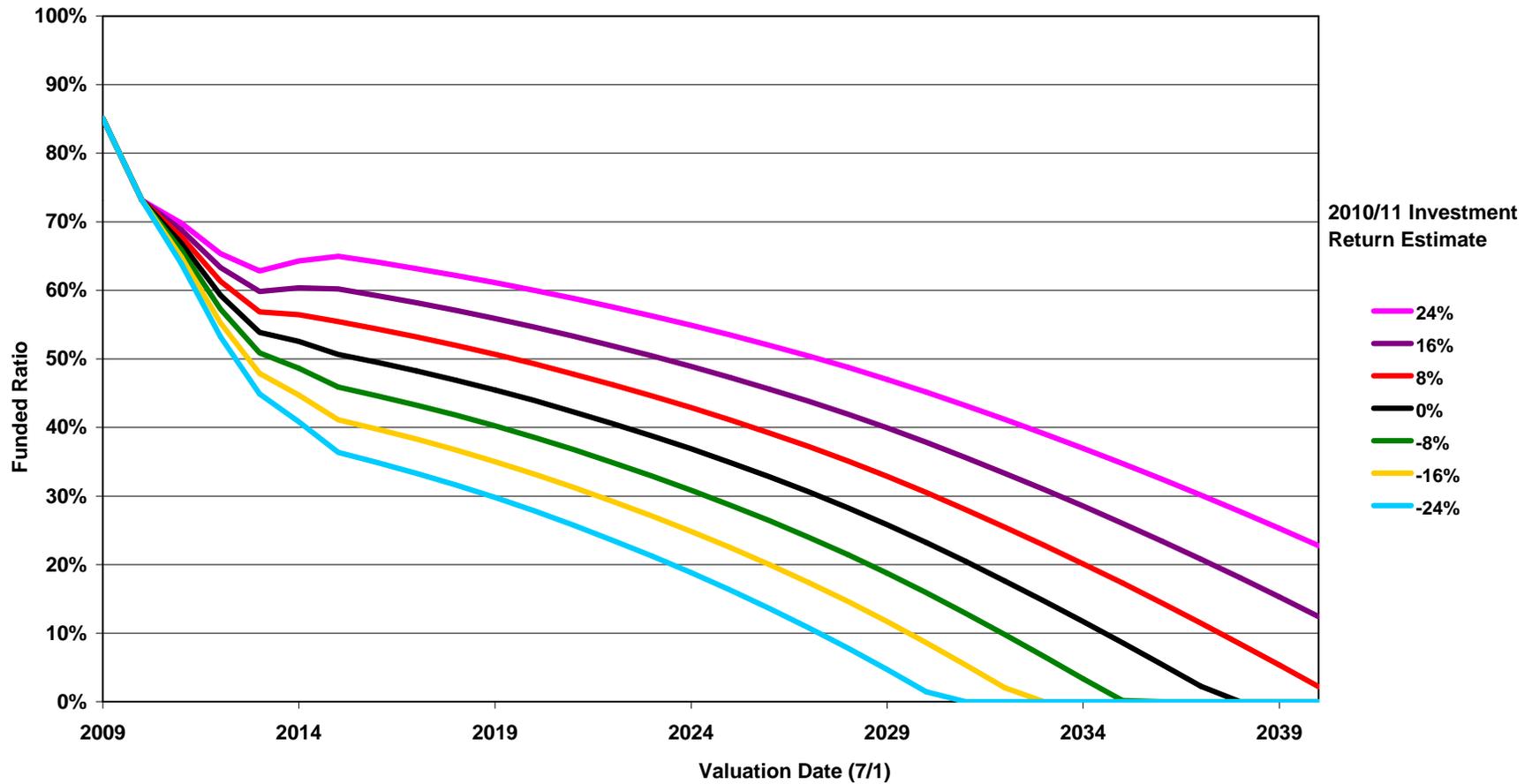
The Challenge

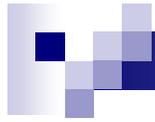
Defined Contribution Plan
Hybrid Plan/Defined Benefit Plans





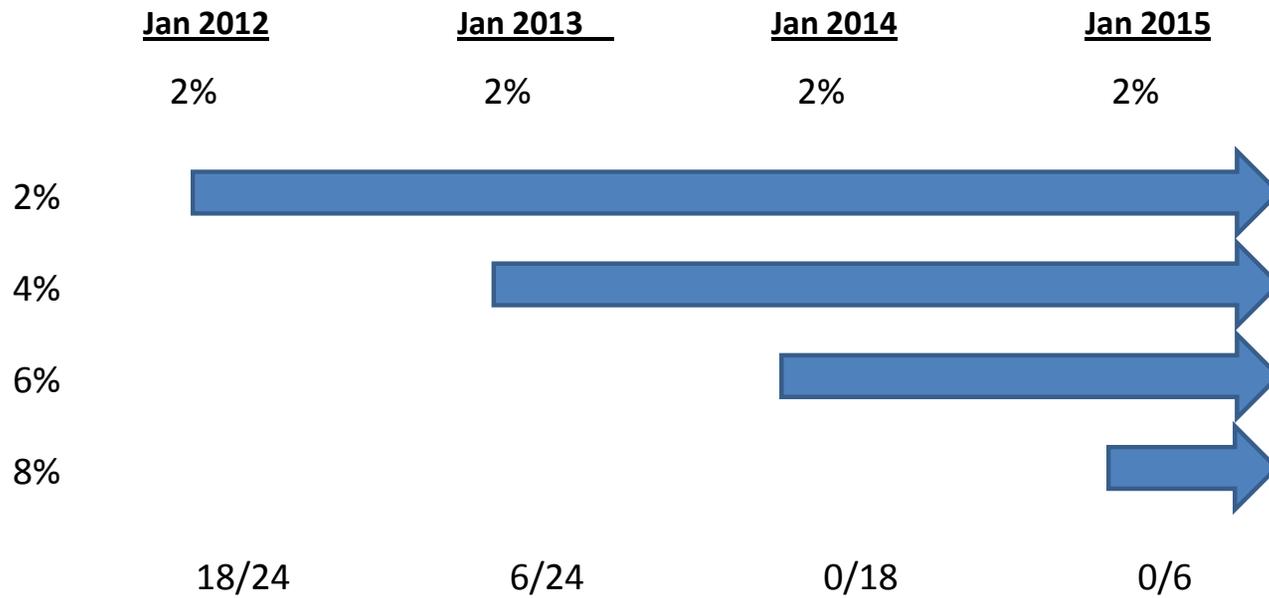
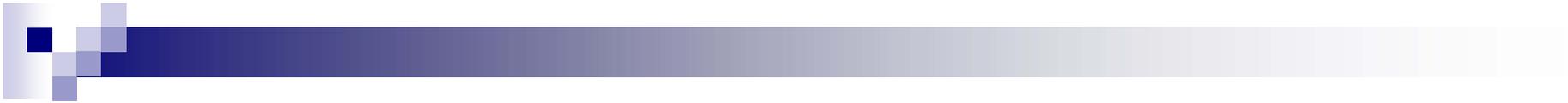
**North Dakota Main System
Projected Funded Ratio
Actuarial Value of Assets to the Actuarial Accrued Liability
(Market Return After FYE 2011 Always 8.0%)**





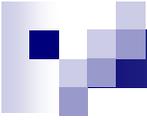
Our Challenge

- To reverse the funding trend
- To stabilize the funds
- To improve the funded status

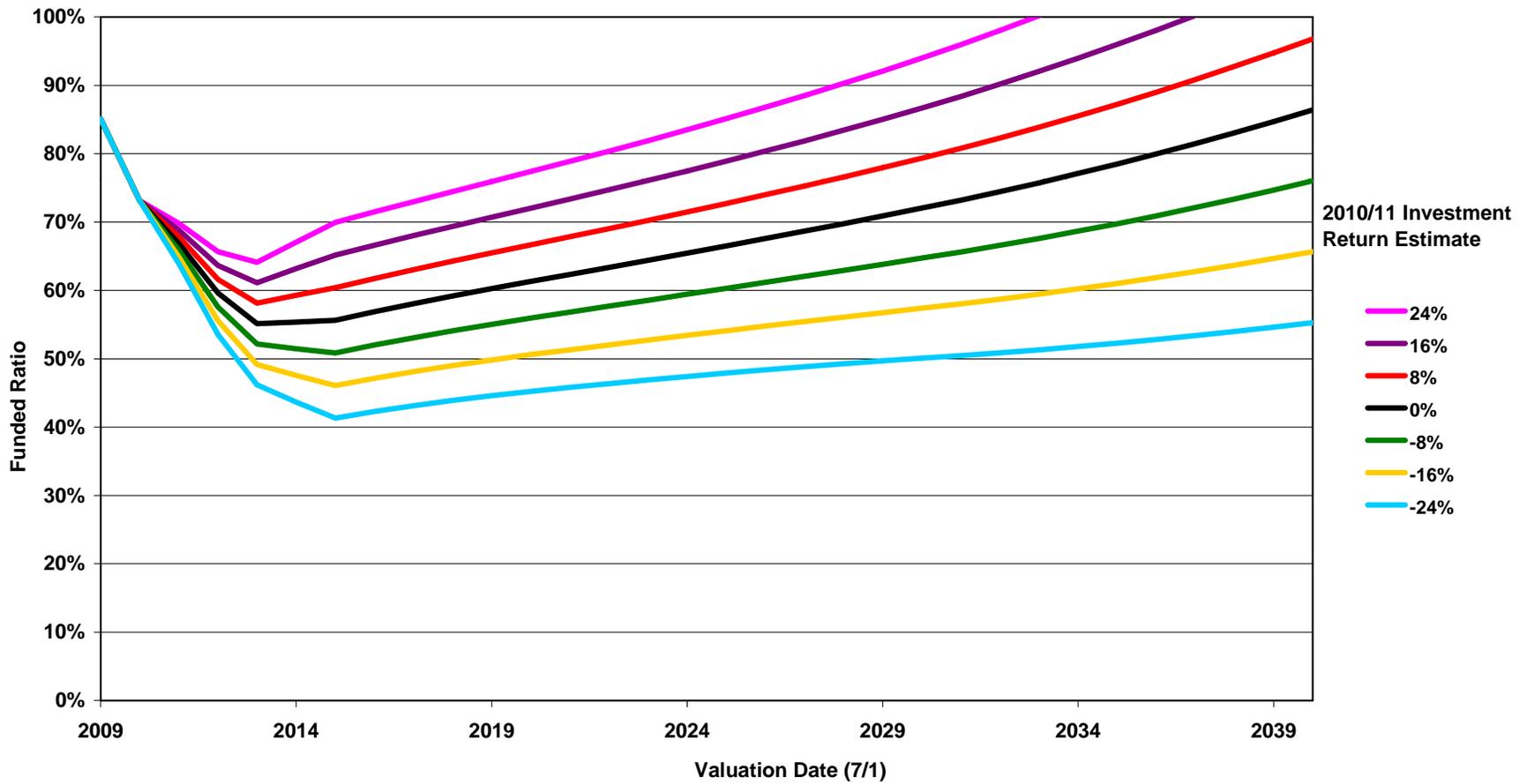


Months increase effective for 2011-2013/ Months effective for 2013-2015

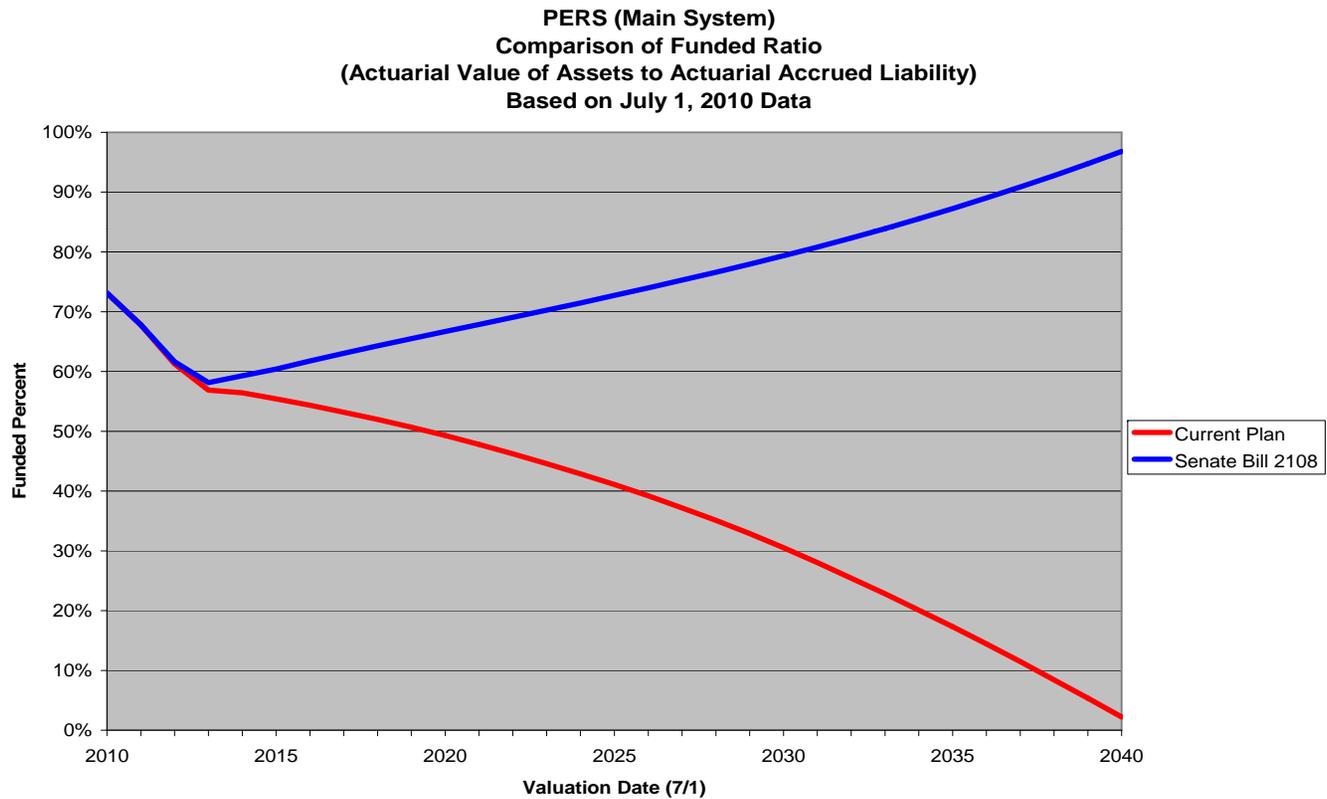
2015 and beyond 100% effective

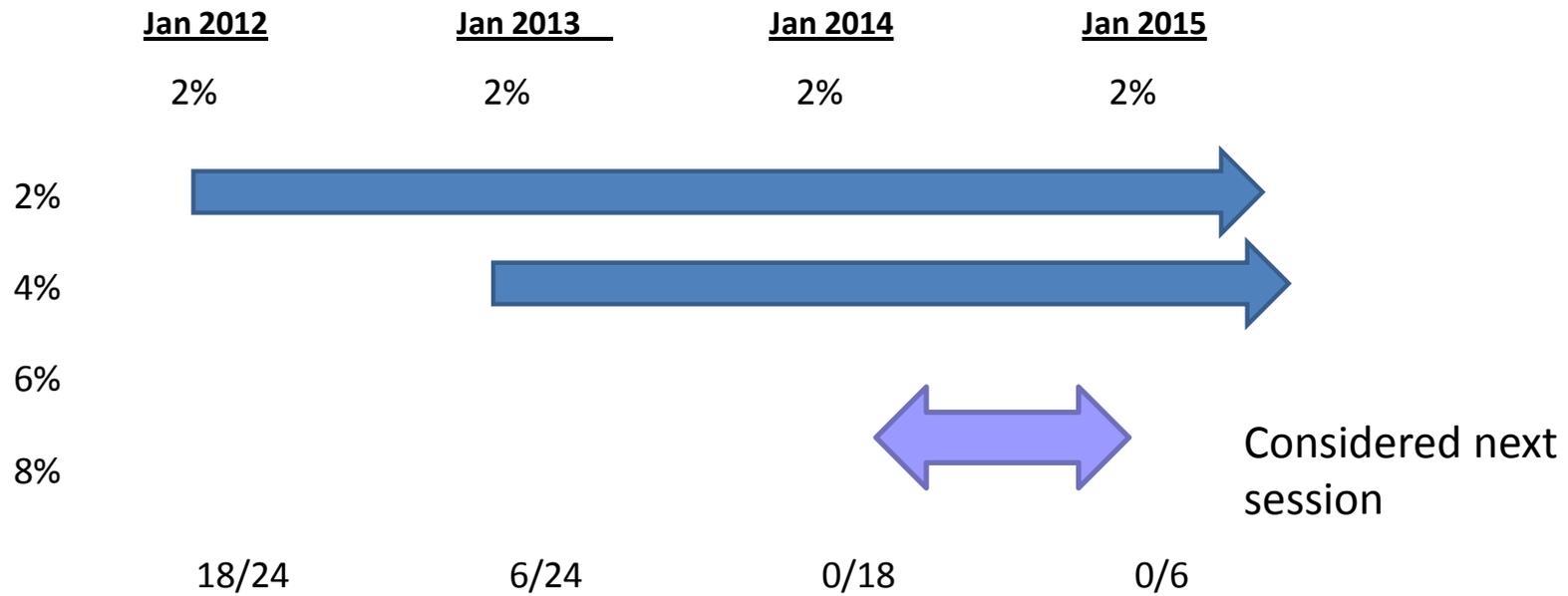
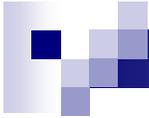


**North Dakota Main System
Projected Funded Ratio
Actuarial Value of Assets to the Actuarial Accrued Liability
(Contribution Rates Increased by 2% Per Year from 1/1/2012 to 1/1/2015)
(Market Return After FYE 2011 Always 8.0%)**



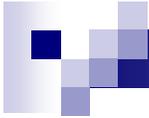
Senate Bill 2108 – Actuarial Cost & Technical Analysis



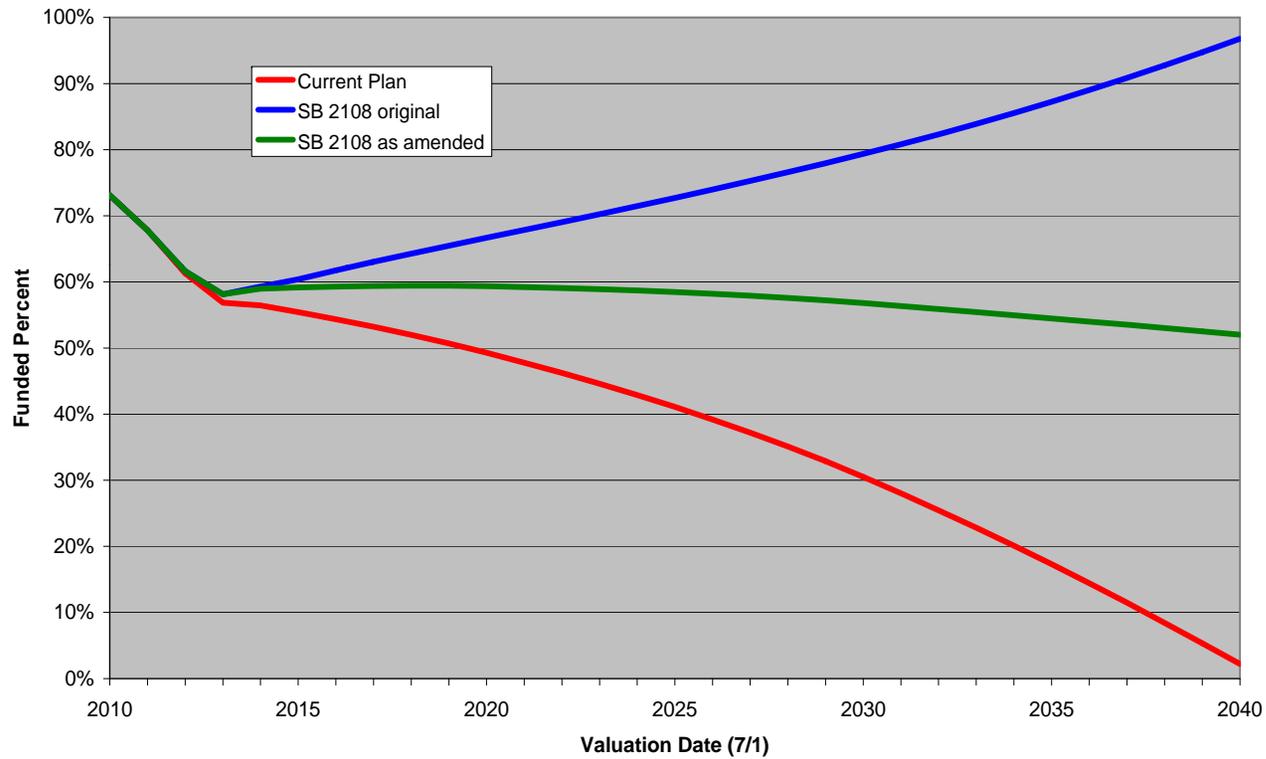


Months increase effective for 2011-2013/ Months effective for 2013-2015

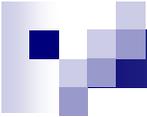
2015 and beyond 100% effective



**PERS (Main System)
Comparison of Funded Ratio
(Actuarial Value of Assets to Actuarial Accrued Liability)
Based on July 1, 2010 Data**



4% contribution increase - has stopped downward trend and stabilized the plan



2011 Investment Return

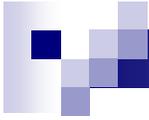
21%





Future Actions Needed

- Put plan on course to 100% funded status
 - Move forward with additional increases in 2014 and 2015
 - Look at benefit adjustments instead of contribution increase



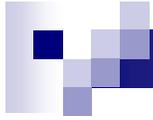
LEGISLATION

SB 2109



SB 2109

- PERS Administrative Bill
 - Updates IRS compliance provisions
 - Modified the PERS election eligibility
 - Spouse eligibility for health plan
 - Process for benefit election for deceased members

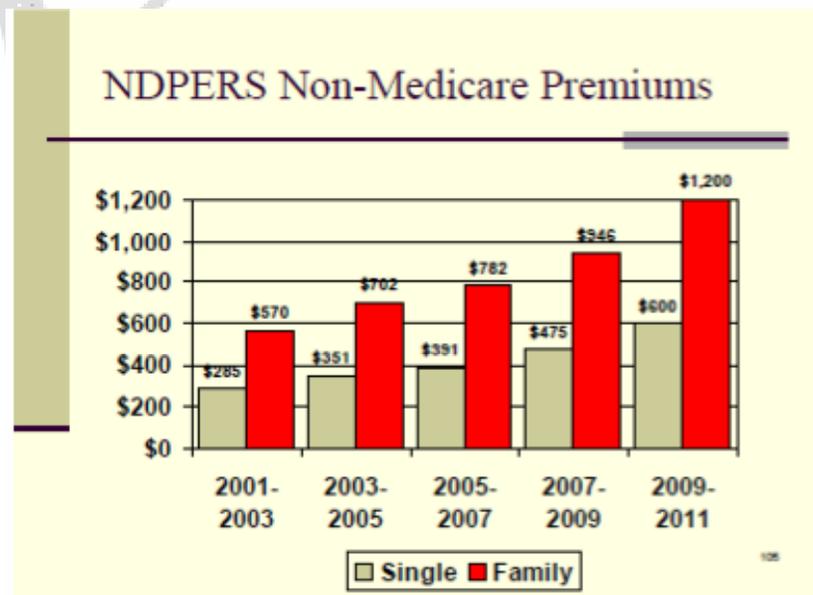


Legislation

SB 2110

As proposed, this bill would amend the North Dakota Century Code relating to the uniform group insurance program as follows:

- Allow another lower cost coverage option for retired employees not eligible for Medicare.
- Allow the board to receive separate bids for prescription drug coverage
- Allow the board to consider self insurance of the health insurance benefits as well as part or all of the prescription drug coverage.
- Establishes a target range of contingency reserve funds and a timeline to meet the reserve requirement

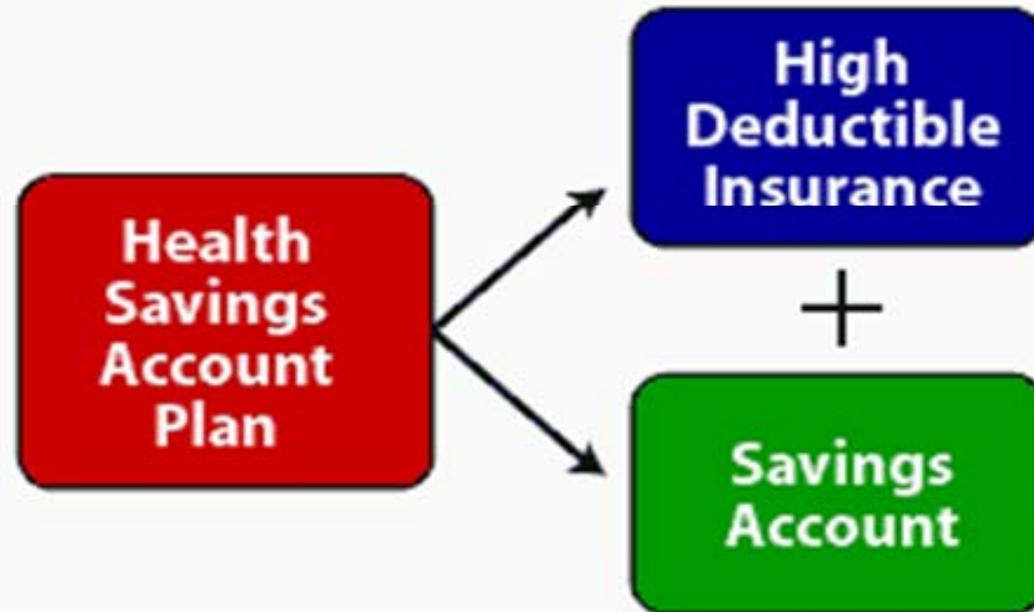




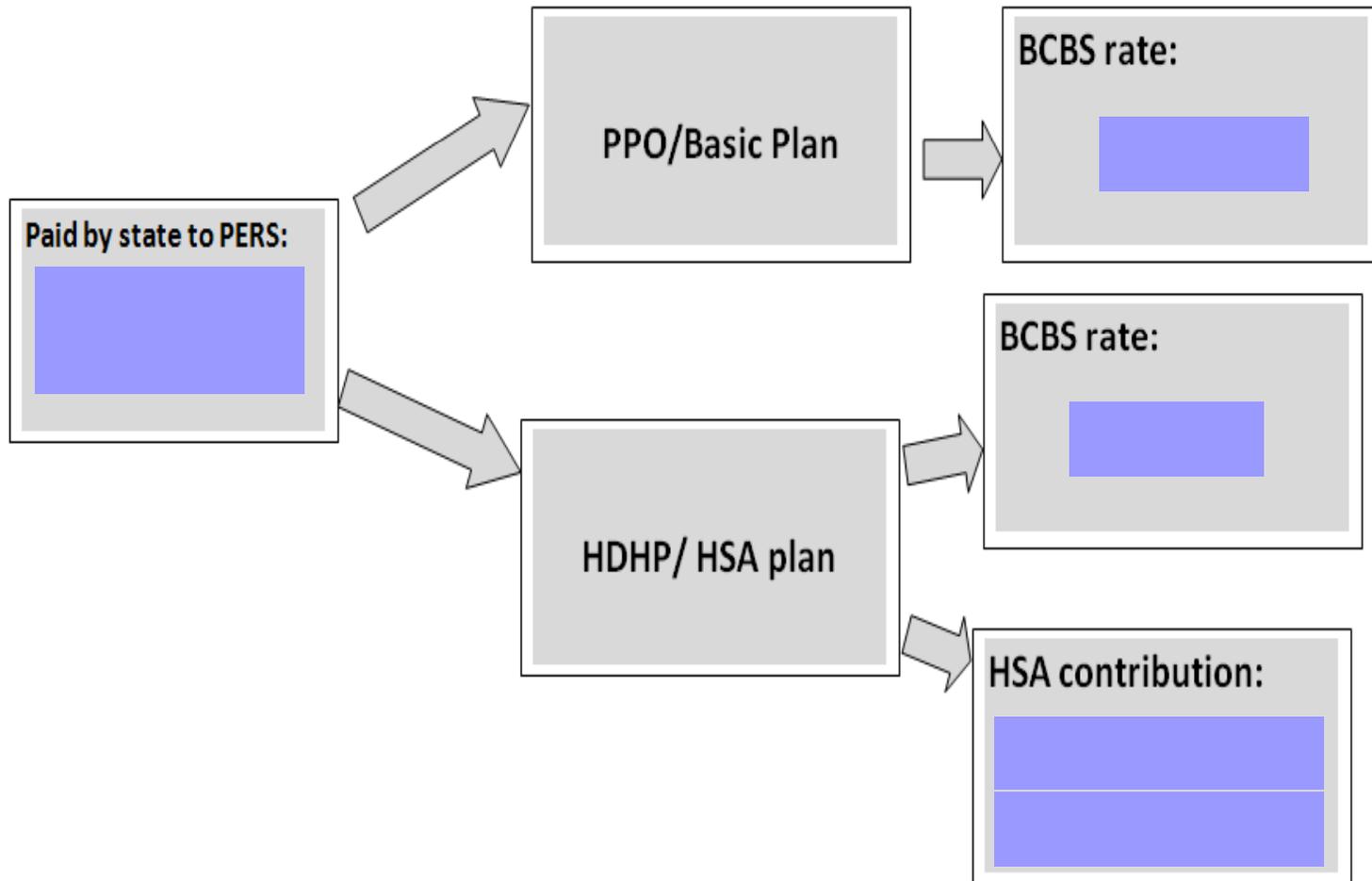
LEGISLATION

HB 1363

HP 1364



HDHP/HSA





Program/Vendor Changes

Vision Plan – Superior Vision

Outline of Benefits

Co-payments: \$0 Comprehensive Eye Exam
 \$35 Materials
 \$35 Contact Lens Fitting

In-network co-pays are paid directly to the provider.
 Materials co-pay applies to lenses and/or frames, not contact lenses.

	In-Network ¹	Out-of-Network ¹
Comprehensive Eye Exam:		
Ophthalmologist (MD)	Covered in Full	Up to \$45
Optometrist (OD)	Covered in Full	Up to \$45
Standard Lenses (Per Pair):		
Single Vision	Covered in Full	Up to \$35
Bifocal	Covered in Full	Up to \$50
Trifocal	Covered in Full	Up to \$70
Lenticular	Covered in Full	Up to \$70
Progressives	Covered to providers retail trifocal amount	Up to \$70
Contact Lenses (Per Pair):²		
Medically Necessary	Covered in Full	Up to \$210
Elective ³	Up to \$100	Up to \$100
Contact Lens Fitting⁴		
Standard	Covered in Full	Not Covered
Specialty	Up to \$50	Not Covered
Frames-Standard³	Up to \$75	Up to \$40

¹ All in-network and out-of-network allowances are at the retail value.

² Contact lenses are in lieu of eyeglass lenses and frames benefit.

³ The insured is responsible for paying any charges in excess of this allowance.

⁴ Standard contact lens fitting applies to an existing contact lens user who wears disposable, daily wear, or extended wear lenses only. The specialty contact lens fitting applies to new contact lens wearers and/or a member who wears toric, gas permeable, or multi-focal lenses.

Plan Frequency

Comprehensive Exam 1 per Calendar Year
 Contact Lens Fitting 1 per Calendar Year
 Lenses 1 Pair per Calendar Year
 Frames 1 per Calendar Year
 Contact Lenses 1 Allowance per Calendar Year

Monthly Rates: Employee Only \$4.92
 Employee and Spouse \$9.84
 Employee and Child(ren) \$8.96
 Employee and Family \$13.88

As of today there are 161 providers in our network

Coverage Level	Number of Contracts		
	Actives	Retirees	COBRA
Employee	1,794	489	8
Employee+Child(ren)	470	4	1
Employee+Spouse	1,269	317	3
Employee+Family	<u>1,560</u>	<u>8</u>	<u>5</u>
Total	5,093	818	17 = 5,928

There is an increase of 1,541 contracts for the group.



Life Insurance - ING

- **As of July 1 moving back to ING (8% decrease in overall cost)**
 - Basic coverage increase from \$1,300 to \$3,500
 - Travel Assistance
 - Pre-trip Information
 - Emergency Personal Services (non medical)
 - Urgent message relay, Interpretation/translation services, emergency travel arrangements, recovery of lost or stolen luggage or personal possessions and legal assistance and/or bail bonds
 - Medical Assistance (medical referrals, medical case monitoring, Rx assistance and arrangement and payment of emergency medical services – up to \$10,000 with a written guarantee of reimbursement from eligible participant)
 - Emergency transportation Services
 - Funeral Planning and Concierge Services



Deferred Comp and Defined Contribution Plan – TIAA/CREF

- Moving from Fidelity to TIAA/CREF on Nov 1
- Annual recordkeeping fees are going away
 - \$8/\$30
- Onsite services are increasing dramatically
- Assets will be transferred in late Oct and information will be going to members this fall



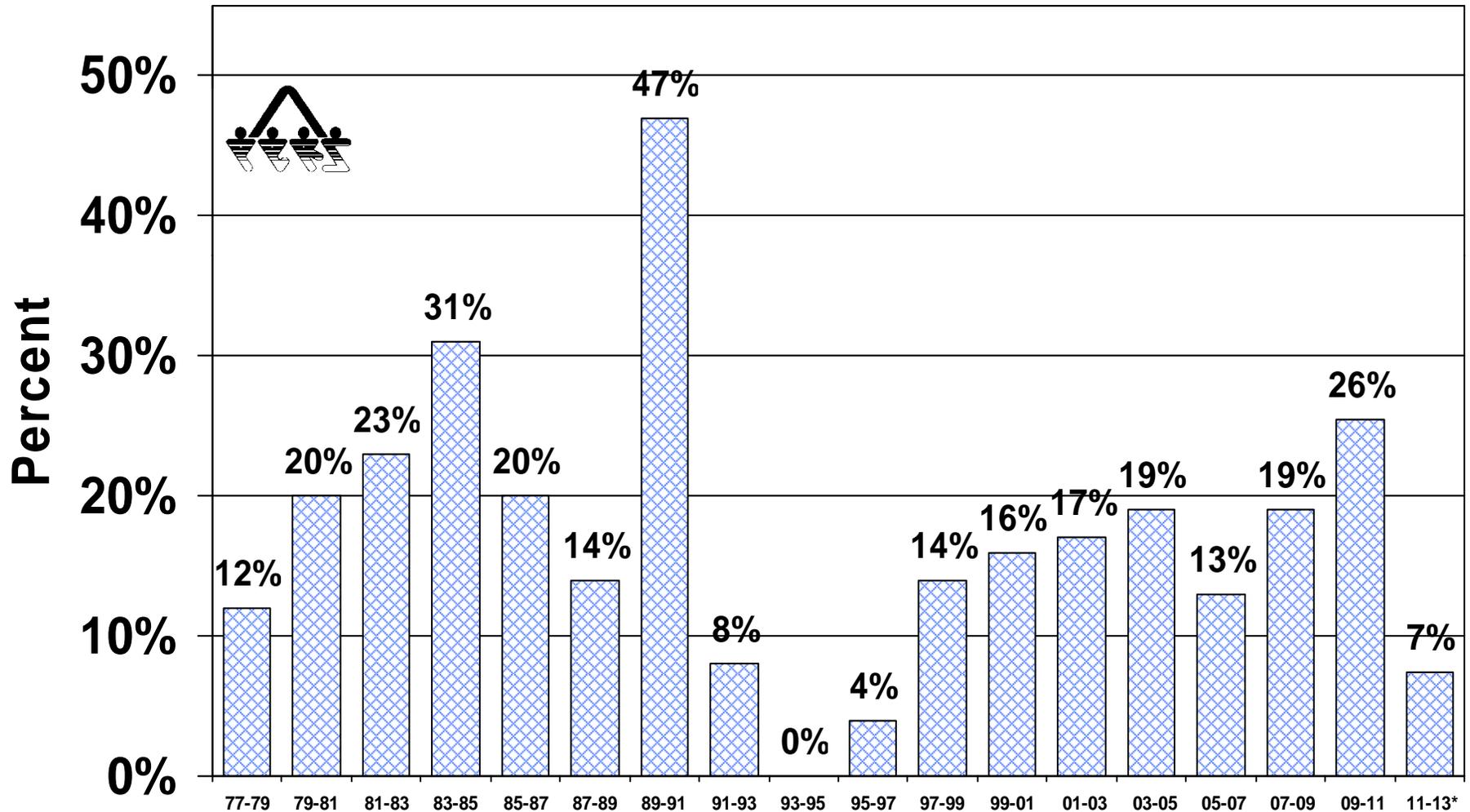
Health Insurance

- Rates went up approximately 7% for active members
 - Increase is for two years
- Retiree rates were stable
 - Part D increase Jan 2012
- Health Reform was implemented

State Health Premium Percentage Increase

From Previous Biennium

(Excludes Plan Design Changes)





Federal Benefit Changes Requirement

- No Lifetime dollar limits***
- Extension of coverage to adult children until age 26***
- Effective date for PERS
7/1/2011***



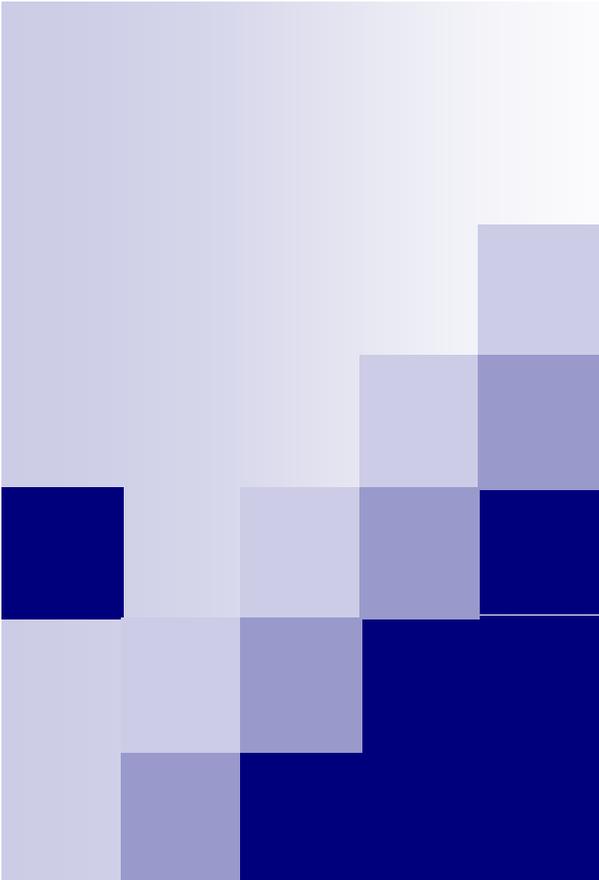
Administrative Changes



Administrative Changes

PERSLink

- Continued refinement of system
- MSS
 - Member Statements
 - Employee Portal
 - Next annual enrollment



THANK YOU !

PERSLink Employer Self Service (ESS)

NDPERS Payroll Conference 2011
Sharon Schiermeister & Jim Smrcka

PERSLink Overview

- Setting up new employees
- Employee maintenance
- Payroll reporting
- Agency Statements
- Communication tool
- Access forms

PERSLink is available daily between
7:00 a.m. and 9:30 p.m.

Employee Data Record

- Employee data record is required before an employee can be enrolled in benefits
- Determines eligibility for benefits
- Memorandum of Understanding for temporary employees
- Spouse information required if married (DOB, SSN)

Demonstrations

- New Hire
- Change of status – LOA
- Change in Employment Type
- Termination – dates are critical

Payroll Report Status Retirement Plans

- Review: errors need to be researched
 - Open the Payroll Report and look at error messages
 - If salary variance, enter explanation and click the "Save" button
 - Don't create a duplicate report
 - For employers on PeopleSoft payroll, don't 'ignore' records in review

Payroll Report Status Retirement Plans

- Review: errors need to be researched
 - Rounding differences – change contributions reported to amount calculated
 - Contribution rates don't match
 - Contact NDPERS if you have questions

Insurance

- Regular and Adjustment reports are created automatically.
 - Reports are available for review the second business day of each month
- Adjustment reports: an invoice outside of the monthly bill created for enrollment changes after the regular report is posted

Processing Insurance Reports

- Your role in processing:
 - Reconcile the Regular Reports
 - Compare premiums on PERSLink to payroll reports
 - Reload and Post Regular Reports
 - Review Adjustment Reports (Posted by NDPERS)
 - Notify NDPERS of any changes
- NDPERS role in processing:
 - Review and post Adjustment Reports
 - Allocate Funds to Payroll Reports
 - Respond to employer questions and issues

Agency Statement

- Used to make sure what you show on your records matches to NDPERS
 - Verify payments have been applied correctly
 - Receiving proper credit for negative adjustments
 - Balance due

Resources

- NDPERS website
 - Forms
 - Get rid of old and use new
 - SFN 59511 – Authorization for Electronic Payment
 - Employer Guide

- PERSLink On-line help
 - Checklists

PERSLink & PeopleSoft

**Integration with PeopleSoft Payroll for
employers on the State/Higher Ed
PeopleSoft Payroll system**

Wrap Up

- Questions
- Suggestions

2011 NDPERS PAYROLL CONFERENCE



BREAK 10:15 to 10:30

**REFRESHMENTS
AVAILABLE ONSITE IN THE
FRONT LOBBY AREA**



PERSLink Member Self Service

NDPERS Payroll Conference 2011

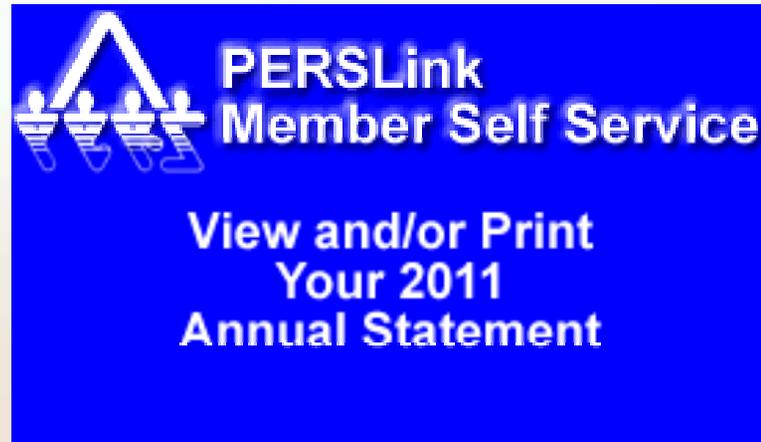
Sharmain Dschaak, Rebecca Fricke

What is Member Self Service (MSS)

- A secure web based self service solution for members to view and process benefit related tasks
- 1st implementation was access to member annual statement

Accessing Member Self Service

- Icon on NDPERS website homepage at www.nd.gov/ndpers



- Instructions and link to MSS provided

Accessing Member Self Service

- Members will need a ND Login Id, Password, and their NDPERS Member Id
- To obtain a ND Login Id members need to follow instructions provided
- If ND Login Id is already established, members just need to login and authenticate their access to MSS
 - One time process

NDPERS Member Id

- Member Ids were mailed in September 2010
- New members are mailed Id when employer submits a Member Data Record through ESS
- Employers can obtain member Id using Employer Self Service (ESS)
- Call NDPERS
- Coming--Application on NDPERS website to request Id which will be sent to member e-mail or home address

Member Self Service Features

- On-line benefit enrollment
 - Exception Long Term Care
- View and update personal demographic information:
 - Name, address, contact information
 - View designated beneficiaries
 - View and update dependent information
- View benefit plan information
- Retirement benefit and service purchase calculator

Member Self Service Wizards

- Plan enrollment wizards
 - Built based upon current benefit plan enrollment forms
 - Electronic signature
 - Available if plan is offered by employer
 - Based on employment details establish by employer through ESS
- NDPERS staff approves electronic application to verify eligibility



Member Self Service Wizards

- Once electronic application approved, message will be posted to both MSS & ESS message center
 - Future goal: providing a report tool for employer that captures enrollment details
- This is notice to employer to make required changes to payroll

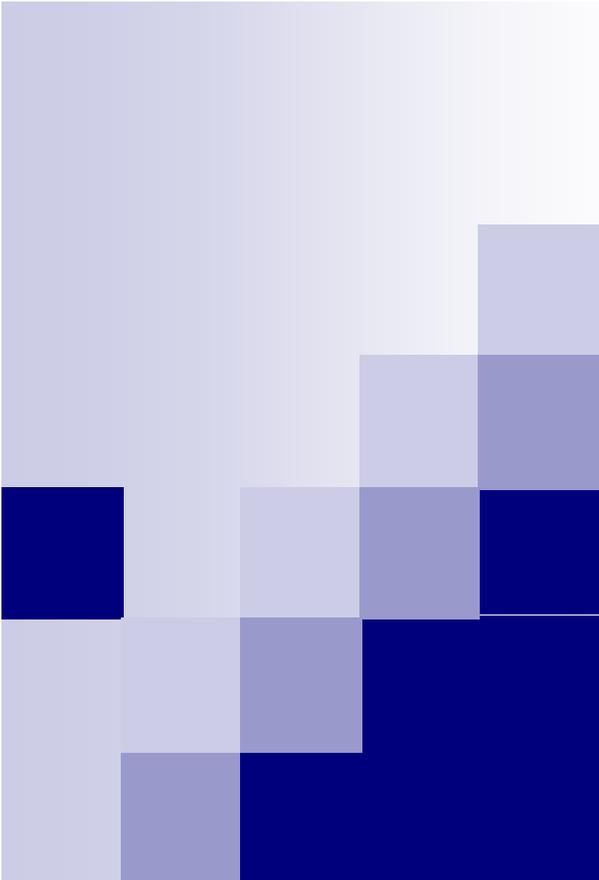


System Usability

- Lesson learned from Employer Self Service
 - system needs to be user friendly
- Hired a usability consultant
- We will be conducting Usability labs in September 2011
 - Active members
 - Retired members
 - Employers

Member Self Service Rollout Plan

- Retiree Annual Statements - January 2012
- Enrollments for new hires - March 2012
- Full functionality for active members will be phased in, by employer, March 2012 through September 2012
 - In time for 2013 annual enrollment



Wellness Program Update

NDPERS Payroll Conference 2011

Rebecca Fricke

Wellness Program Update

- Wellness Renewal
- Introduction of BCBS/NDPERS Wellness Specialist
- Program Contacts





2011 Plan Year Renewal

- 2011-2012 Plan Year

- 191 of 281 total employers

- 99 State Agencies, University Systems & District Health Units
 - 36 Counties
 - 18 Schools
 - 17 Cities
 - 21 Political Subdivisions

- Receive 1% Premium Discount

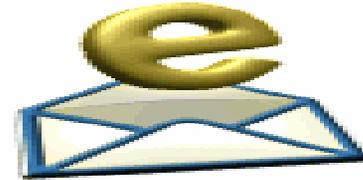
- 97% of covered employees work for employers offering worksite wellness



Introduction of Wellness Specialist

- Tara Roberts, BCBS/NDPERS Wellness Specialist
 - Resource for Employers & Wellness Coordinators
 - Monthly Newsletter
 - Monthly Webcast/Teleconference Call
 - Summer Workshops Across State

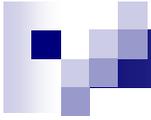
Program Contacts



Employer Based Wellness Program (1% Premium Discount): Rebecca Fricke at rfricke@nd.gov or (701) 328-3978

Wellness Benefit Funding Program (funding assistance): Kathy Allen at kallen@nd.gov or (701) 328-3918

Wellness Program Assistance (ideas for activities/general questions): Tara Roberts at tara.roberts@bcbsnd.com or (701) 277-2852



Questions?





2011 NDPERS Payroll Conference

- BCBSND Wellness Specialist Introduction
- MyHealthCenter Tool Update



Wellness Specialist

- Engagement strategy in current wellness tools (MyHealthCenter and Health Club Credit) to drive desired behavior through incentives.
- Compliance with Advanced Medical Screens
- Meetings have been held with 3 non wellness coordinator sites thus far and 6 more meetings are scheduled.
- One non-wellness coordinator site has filed application and 2 more have verbally committed.
- BCBSND meets with current Wellness Coordinators, upon request, for further assistance on developing their next year's worksite wellness program.
- Conference calls/WebEx with important feedback from Wellness Coordinators
- Monthly newsletters to Wellness Coordinators
- BCBSND provides information for both Active & Retirees PERSpective newsletters
- Research to continue on technology options, social media, mobile application etc.
- We are configuring a Google group for WC's to communicate as a group

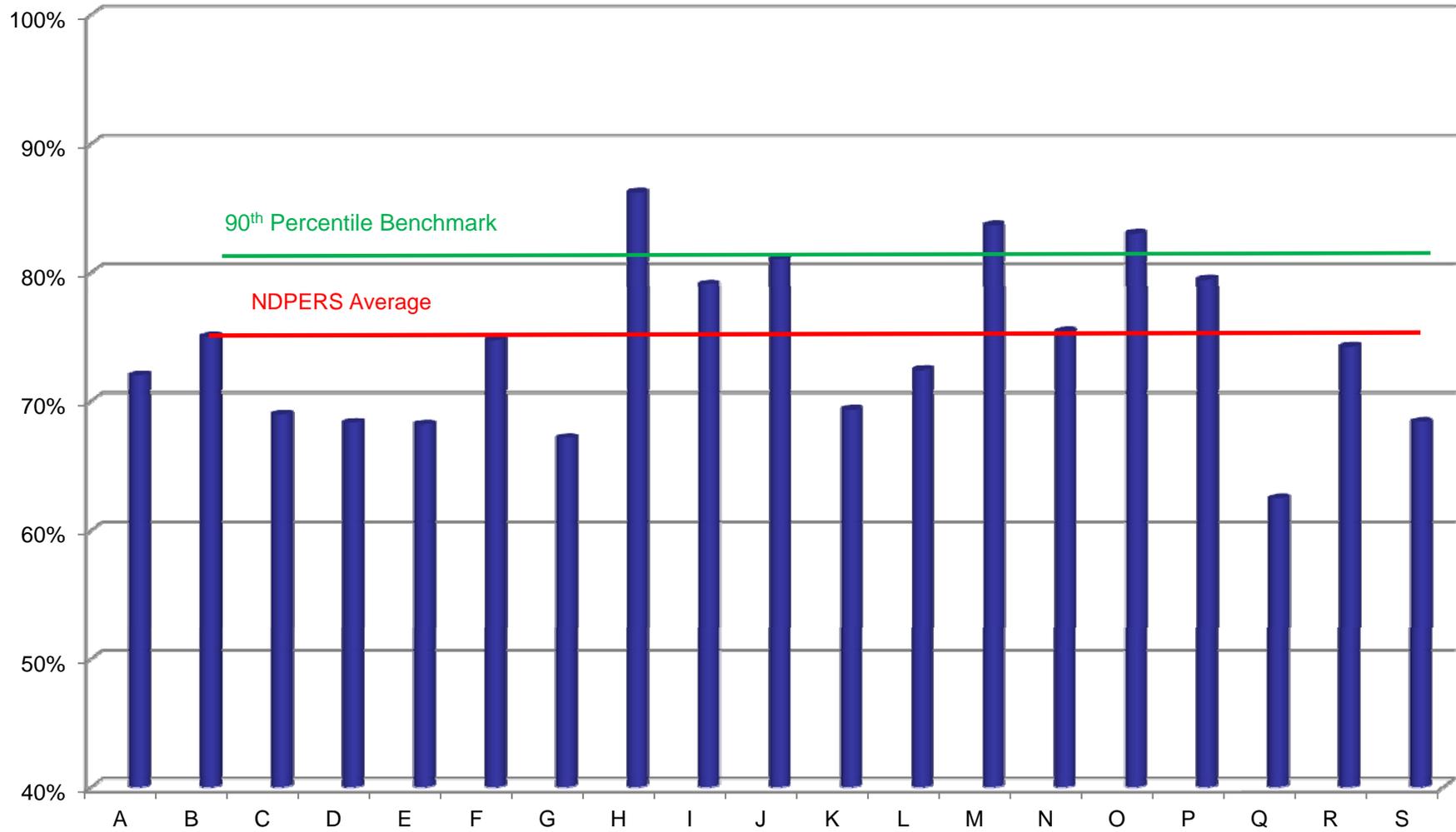


Preventive Screening

- There is variation.
- There are opportunities.
- Additional education, emphasis, targeting and programs may be appropriate.

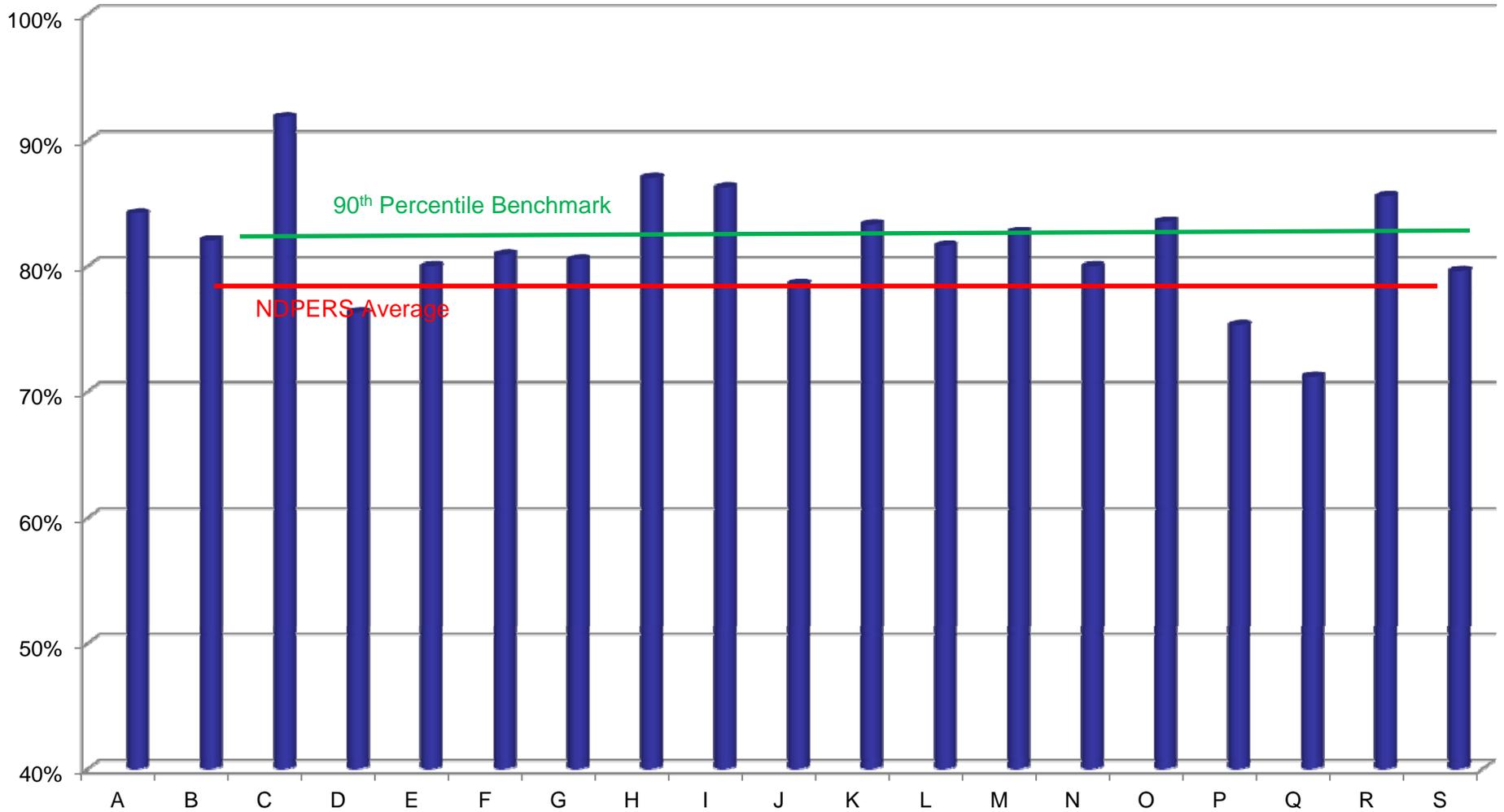


Breast Cancer Screening



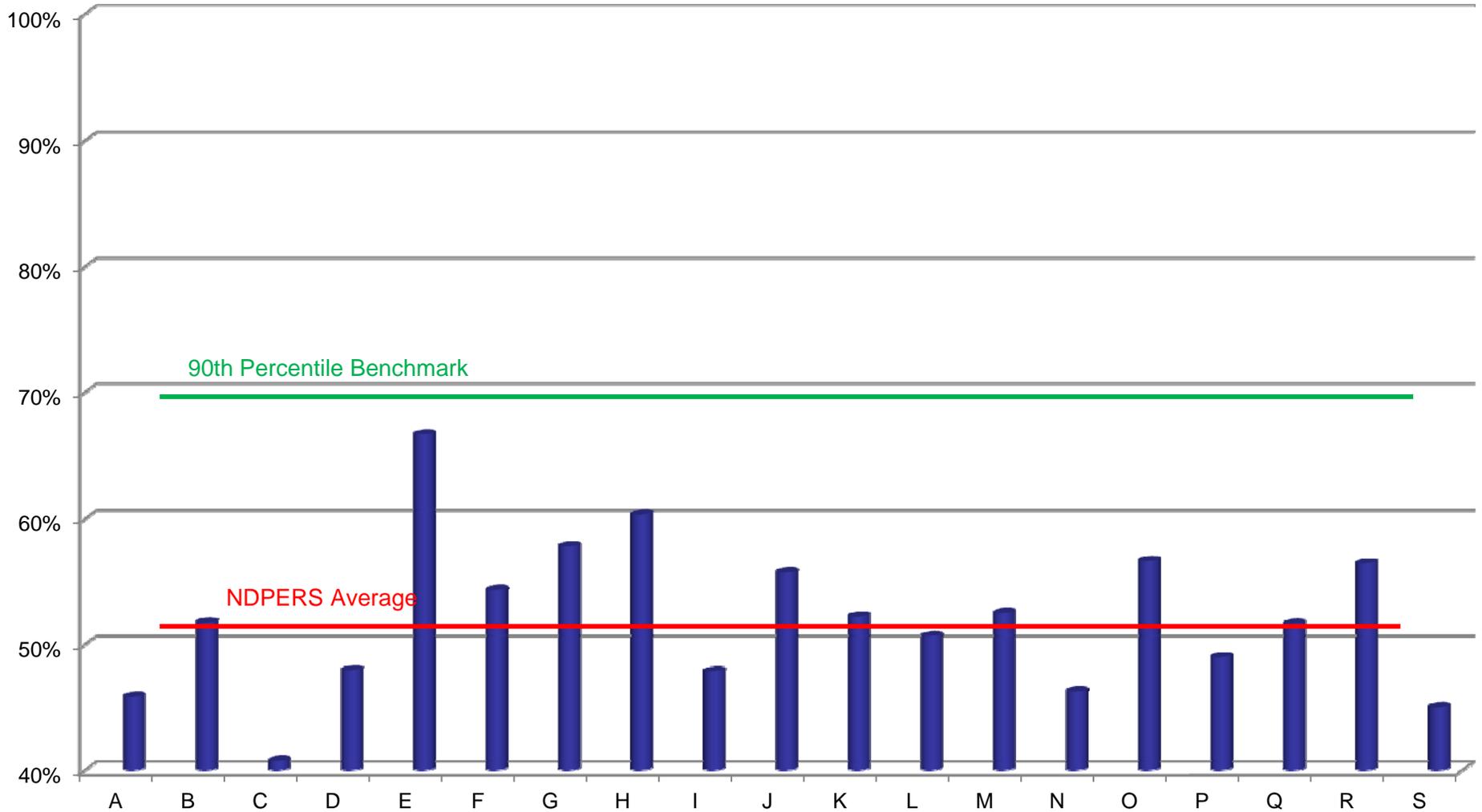


Cervical Cancer Screening





Colorectal Cancer Screening





MyHealthCenter Update

- **Move to new platform in April, 2011**
 - Issues with
 - Access
 - Points
 - Customer Service
 - Speed



MyHealthCenter Update

- **Re-engagement Strategy**
- Who?
 - Users & Non-users
- How?
 - Mail, email, WC's, Newsletter
- What?
 - Education, incentives including additional points, Gift card drawings, Tutorials, WSOM
- When?
 - Starts week of September 19



MyHealthCenter Update

BCBS ND POINTS STRUCTURE (Behavior Change)

Weekly Activity	Points	X Per Week	Total
Complete 2 Action Items from Action List	15	5	75
View/Listen/Read Resources (not via Action Items)	5	7	35
Journal Entry (not via Action Items)	15	5	75
Exercise Tracker	10	7	70
Steps Tracker	10	7	70
Servings Tracker	10	7	70
Weight Tracker	25	1	25
Food Tracker	10	7	70
Reporting Weekly Total			490
Reporting Quarterly Total			5880
Reporting Yearly Total			25480



State of North Dakota Well-Being

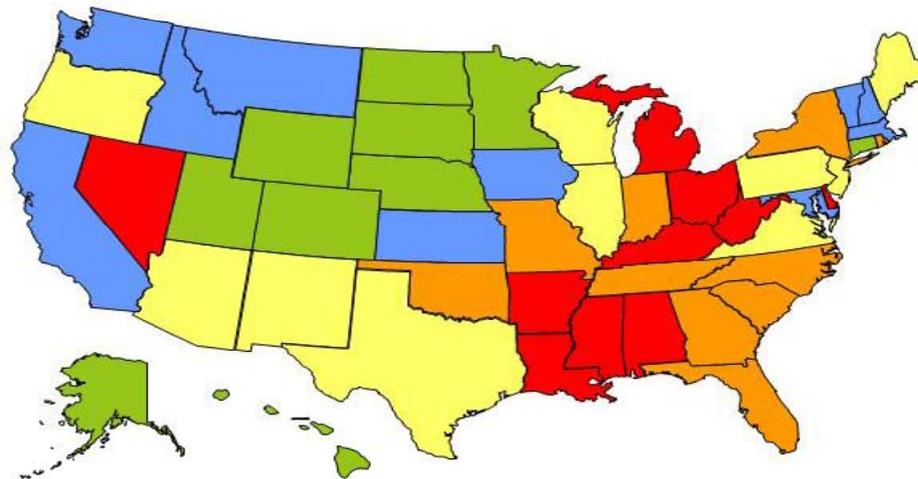
Ranking from data collected January 2, 2010 – December 30, 2010

	Result		Rank	
	2009	2010	2009	2010
Well-Being Overall	67.7	68.4	8	3
Life Evaluation	48.0	53.5	23	5
Emotional Health	82.9	82.1	2	2
Physical Health	79.4	79.0	2	5
Healthy Behavior	61.9	60.3	33	45
Work Environment	48.3	51.0	33	5
Basic Access	85.5	84.6	4	6

*#1 is the top Rank and 50 the bottom

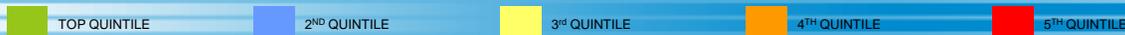
*#0 is the bottom Result and 100 the top (see methodology for descriptions)

*Source: Gallup-Healthways Well-Being Index Survey 2010, n = 352,840 and 2009, n = 353,849



- 1 HI
- 2 WY
- 3 ND**
- 4 AK
- 5 CO
- 6 MN
- 7 SD
- 8 UT
- 9 CT
- 10 NE
- 11 MA
- 12 WA
- 13 MD
- 14 MT
- 15 NH
- 16 KS
- 17 VT
- 18 CA
- 19 IA
- 20 ID
- 21 VA
- 22 WI
- 23 NM
- 24 NJ
- 25 ME
- 26 IL
- 27 TX
- 28 OR
- 29 AZ
- 30 PA
- 31 GA
- 32 NY
- 33 RI
- 34 MO
- 35 SC
- 36 NC
- 37 FL
- 38 OK
- 39 IN
- 40 TN
- 41 MI
- 42 LA
- 43 NV
- 44 DE
- 45 OH
- 46 AL
- 47 AR
- 48 MS
- 49 KY
- 50 WV

2010 WELL-BEING STATE RANKING





NDPERS WBA Data

**Your Organization's
Well-Being Score**

71.1

Total Respondents: 2,237

Response Rate: 6.8 %





NDPERS WBA

↑ Better than Nation ↔ Same as Nation ↓ Worse than Nation

Six Well-Being Domains	Your Organization	Nation	What is measured
Life Evaluation	↑ 71.7	59.3	Perceived standard of living today and in the future
Emotional Health	↔ 80.4	81	Array of emotions and coping skills
Physical Health	↔ 81.8	80.9	How individuals are managing their health
Healthy Behavior	↑ 66.4	61.2	Healthy lifestyle practices
Work Environment	↓ 39.7	47.8	How people feel about their work culture/environment
Basic Access	↑ 86.6	84	Access to basic needs such as healthcare, healthy foods, exercise, and personal safety

National data refers to the workforce during the same survey period.



Health Risk Scores:

81%

Living Right

15%

**Getting
on Track**

4%

**Facing
Challenges**

Living Right: 0-2 risks

Getting on Track: 3-4 risks

Facing Challenges: 5+ risks



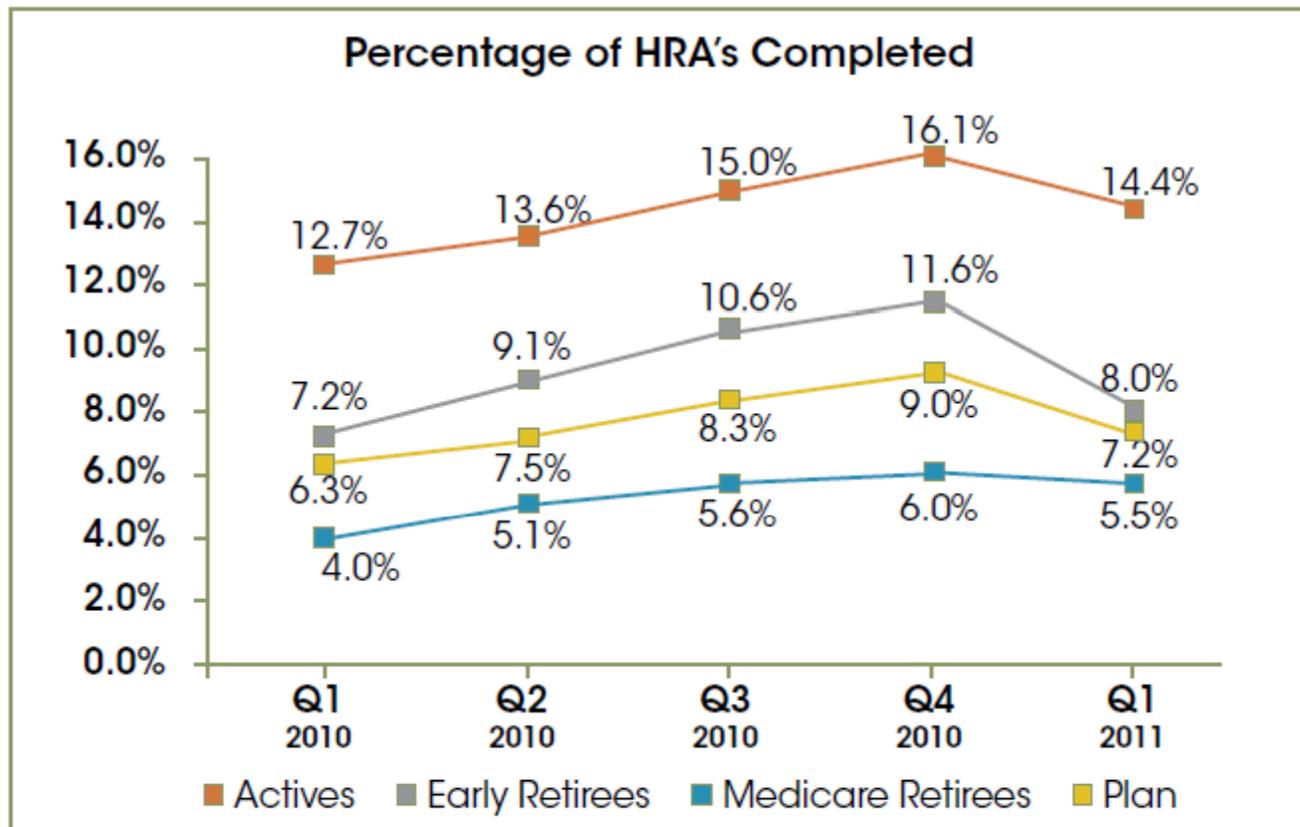
NDPERS WBA

Risk Factor	Risk Prevalence	Risk Identifier*
Sick days	8.3 %	More than five days in the past year
Perceived health	9.0 %	Fair or poor
Existing medical conditions	8.2 %	Self-reported Heart Problems, Heart Attack, Cancer, Diabetes, Stroke, or Chronic Bronchitis
Blood pressure	7.4 %	Systolic greater than 139 mm/Hg or diastolic greater than 89 mm/Hg
Stress	6.3 %	A composite score from answers to marital status, personal loss, life satisfaction, perception of health, hours of sleep, social ties
Body weight	29.5 %	Body Mass Index (BMI) equal to or greater than 30
Job satisfaction	7.3 %	Dissatisfied
Medication/drugs	19.7 %	Almost every day or sometimes for relaxation
Life satisfaction	0.7 %	Dissatisfied
Safety belt use	23.7 %	Less than 100 percent
Alcohol	1.9 %	More than 14 drinks/week in men or more than 7 drinks/week in women

*Risk Identifier: Risks as defined by these definitions have been proven to increase healthcare costs and/or lost productivity by the University of Michigan's Health Management Research Center.



MyHealthCenter Engagement



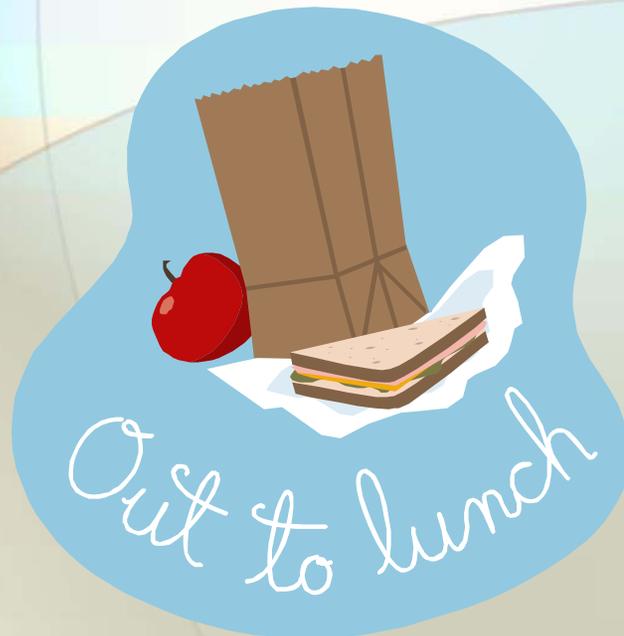
- 12.8% of eligible members have completed a Health Risk Assessment (5,229 members)
- BCBSND Plan HRA completion rate 7.2%



NDPERS Payroll Conference

Questions?

2011 NDPERS PAYROLL CONFERENCE

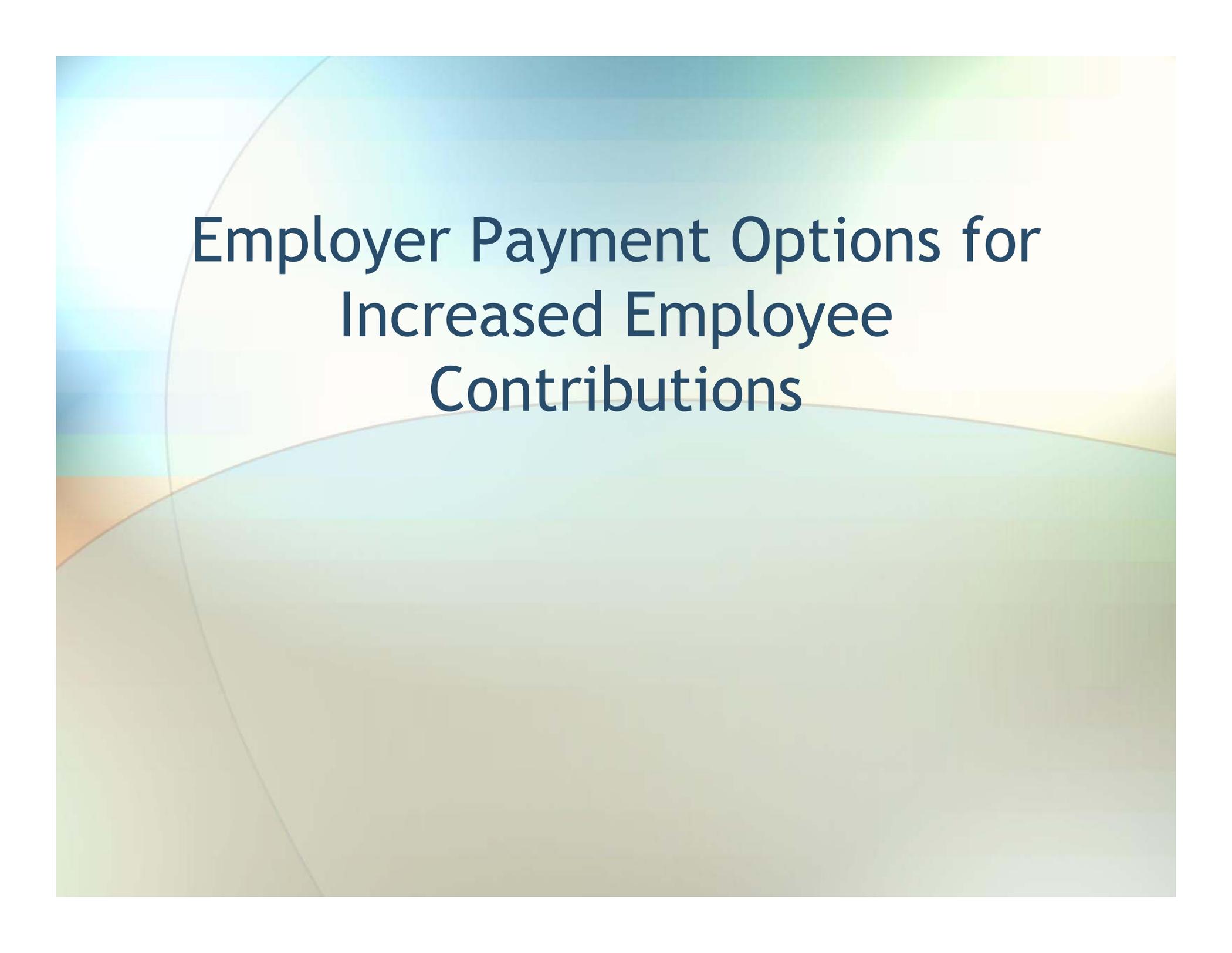


Lunch 11:45 to 1:00

On your own

Optional Wellness Walk

from 12:45 to 1:00



Employer Payment Options for Increased Employee Contributions

RETIREMENT - Main

Public Employees Retirement Plan

Chapter 54-52, NDCC

Present *1/2012* *1/2013*

Employer Contribution:

4.12% 5.12% 6.12%

Employee Contribution:

4.00% 5.00% 6.00%

Total Retirement Contributions:

8.12% 10.12% 12.12%

Vesting in Disability Benefit:

180 days

Vesting in Retirement Benefit:

36 months

Normal Retirement:

Age 65 or Rule of 85

Basic Model - Employer withholds and remits taxed member contributions

- Base Salary \$20,000
- SALARY FOR RETIREMENT PURPOSES \$20,000
- Employee Contribution Due \$800 ($\$20,000 \times 4.0\%$)
- Employer Contribution Due \$ 1,024 ($\$20,000 \times 5.26\%$)
- Taxable Salary Reported to IRS- \$20,000 subject to income tax withholding (Report in Box 1 of W-2 Form)
- Taxable Salary Reported to SSA- \$20,000 subject to social security and Medicare withholding (Report in Box 3 and Box 5 of W-2 Form)
- For all employees participating in the PERS Retirement Plan, mark “Retirement Plan” in Box 13 of W-2 Form.

Model 1 - Example 2

ER Withholds and Remits all or a portion of the Employee Contributions under a salary reduction agreement

- Base Salary \$20,000
- SALARY FOR RETIREMENT PURPOSES \$20,000
- Employee Contribution Due \$ 800 ($\$20,000 \times 4.0\%$)
- Employer Contribution Due \$ 1,024 ($\$20,000 \times 5.26\%$)
- Employee Contribution Tax Deferred Through A Salary Reduction Agreement \$ 400 (Report on SFN 51414, Line (2) "Employee Portion Paid by Employee – Tax Deferred")
- Employee Contribution Paid By Employee \$ 400 (Report on SFN 51414, Line (1) "Employee Portion Paid by Employee – After Taxes")
- Taxable Salary Reported to IRS- \$19,600 ($\$20,000 - \400) subject to income tax withholding (Report in Box 1 of W-2 Form)
- Taxable Salary Reported to SSA- \$20,000 subject to social security and Medicare withholding (Report in Box 3 and Box 5 of W-2 Form)
- For all employees participating in the PERS Retirement Plan, mark "Retirement

MODEL 1 – Example 2

EMPLOYER WITHHOLDS AND REMITS ALL OR A PORTION OF THE MEMBER CONTRIBUTIONS UNDER A SALARY REDUCTION AGREEMENT

- Base Salary \$20,000
- SALARY FOR RETIREMENT PURPOSES \$20,000
- Employee Contribution Due \$ 800 ($\$20,000 \times 4.0\%$)
- Employer Contribution Due \$ 1,024 ($\$20,800 \times 5.26\%$)
- Employee Contribution Tax Deferred Through A Salary Reduction Agreement \$ 800 (Report on SFN 51414, Line (2) "Employee Portion Paid by Employee - Tax Deferred")
- Taxable Salary Reported to IRS- \$19,200 ($\$20,000 - \800) subject to income tax withholding (Report in Box 1 of W-2 Form)
- Salary Reported to SSA- \$20,000 subject to social security and Medicare withholding (Report in Box 3 and Box 5 of W-2 Form)
- For all employees participating in the PERS Retirement Plan, mark "Retirement Plan" in Box 13 of W-2 Form.

Model 2 – Example 1

Employer pays all or a portion of the member contributions in lieu of a salary increase.

- Base Salary \$20,000
- SALARY FOR RETIREMENT PURPOSES \$20,000
- Employee Contribution Due \$ 800 ($\$20,000 \times 4.0\%$)
- Employer Contribution Due \$ 1,024 ($\$20,000 \times 5.26\%$)
- Employee Contribution Paid by Employer in Lieu of Salary Increase \$ 400 (Report on SFN 51414, Line (3) "Employee Portion Paid by Employer - Tax- Deferred")
- Employee Contribution Paid by Employee \$ 400 (Report on SFN 51414, Line (1) "Employee Portion Paid by Employee - After Taxes")
- Taxable Salary Reported to IRS- \$20,000 subject to income tax withholding (Report in Box 1 of W-2 Form)
- Taxable Salary Reported to SSA- \$20,000 subject to social security and Medicare withholding (Report in Box 3 and Box 5 of W-2 Form)
- For all employees participating in the PERS Retirement Plan, mark "Retirement Plan" in Box 13 of W-2 Form.

Model 2 - Example 2

EMPLOYER AGREES TO PAY ALL EMPLOYEE CONTRIBUTIONS IN LIEU OF A SALARY INCREASE

- Base Salary \$20,000
- SALARY FOR RETIREMENT PURPOSES \$20,000
- Employee Contribution Due \$ 800 ($\$20,000 \times 4.0\%$)
- Employer Contribution Due \$ 1,024 ($\$20,000 \times 5.26\%$)
- Employee Contributions Paid by Employer in Lieu of Salary Increase \$ 800 (Report on SFN 51414, Line (3) "Employee Portion Paid by Employer - Tax Deferred")
- Taxable Salary Reported to IRS- \$20,000 subject to income tax withholding (Report in Box 1 of W-2 Form)
- Taxable Salary Reported to SSA- \$20,000 subject to social security and Medicare withholding (Report in Box 3 and Box 5 of W-2 Form)
- For all employees participating in the PERS Retirement Plan, mark "Retirement Plan" in Box 13 of W-2 Form.

Questions to complete on SFN 59973

- **PAYMENT PLAN**

Please answer the following questions to determine your payment plan.

1. Are the **additional** retirement contributions being deducted from the employee's paycheck?

Yes

No

If no, go to question #3

2. Is federal withholding computed on the employee's salary before retirement contributions are deducted?

Yes **If yes**, then Basic Model applies. The employee contributions are being paid on an after-tax basis. Sign and date bottom of form.

No **If no**, then Model 1 applies. Employee contributions are tax deferred. Sign and date bottom of form.

3. Is the employer paying the **additional** retirement contributions for the employee?

Note: For this purpose, the employer is only paying the additional retirement contributions for the employee if the employer is making this payment from their own funds. If the employer instead makes this payment by offsetting salary increases, then Model 1 still applies, according to a recent change to IRS rules.

Yes **If yes**, then Model 2 applies. Employee contributions are tax deferred. Sign and date bottom of form.

No **If no, go to question #4**

4. If questions 1 or 3 were answered no, then Model 3 applies. Please complete the following information:

- A. What **portion** of the additional retirement contribution is the employer paying for the employee?

_____% Employee contributions for this portion are tax deferred.

- B. What **portion** of the additional retirement contribution is being deducted from the employee's paycheck?

_____%

Note: The sum of the percentages in 4A and 4B can not exceed 2% total for the NDPERS retirement systems or 1% for the Law Enforcement System.



The North Dakota Public Employees Retirement System

CHANGES TO THE RETIREMENT PLANS



FINANCIAL SERVICES

Today's Agenda

- Who We Are
- What We Offer
- Key Dates and Next Steps
- We're Here to Help
- Q&A



Who We Are

- TIAA-CREF is the not-for profit retirement market leader.¹
- Founded in 1918 to provide retirement security
- Today, we serve 3.7 million individuals and more than 15,000 institutions
- We manage \$469 billion in assets²
- And when it comes to retirement planning services, TIAA-CREF has the highest satisfaction rating among investors, surpassing all competitors, including Vanguard and Fidelity.²

¹ As of June 30, 2011.

² Source: LIMRA, Not-for-Profit Market Survey, second-quarter 2011 results. Based on a survey of 30 companies. TIAA-CREF ranked first in total assets under management. Ranking does not reflect investment performance.



What we Offer NDPERS

- A comprehensive investment menu of mutual funds
- Lower administrative fees
- Expanded, third-party investment advice from TIAA-CREF and more days of counseling
- Expanded brokerage services
- Custom retirement plan website: **www.tiaa-cref.org/ndpers**

When it comes to helping you prepare for retirement, partnering with TIAA-CREF has its advantages. In fact, in a recent survey of 30 companies, TIAA-CREF participants had the highest average retirement account balances.*



Financial Services

* Source: LIMRA, Not-for-Profit Market Survey, second-quarter 2011 results. Average assets per participant based on full-service business. Please note average retirement account balances are not a measure of performance of TIAA-CREF retirement offerings.

Your New NDPERS Retirement Plans' Investment Menu

Investment Options Tier 1 (Target Date Funds)	
Asset Class	Fund
Retirement Income	TIAA-CREF Lifecycle Ret Inc
Target Date	TIAA-CREF Lifecycle 2010
Target Date	TIAA-CREF Lifecycle 2015
Target Date	TIAA-CREF Lifecycle 2020
Target Date	TIAA-CREF Lifecycle 2025
Target Date	TIAA-CREF Lifecycle 2030
Target Date	TIAA-CREF Lifecycle 2035
Target Date	TIAA-CREF Lifecycle 2040
Target Date	TIAA-CREF Lifecycle 2045
Target Date	TIAA-CREF Lifecycle 2050
Target Date	TIAA-CREF Lifecycle 2055

Investment Options Tier 2 (Core Index Funds)	
Asset Class	Fund
Mid Cap Blend	Columbia Mid Cap Index A
Large Blend	Vanguard 500 Index Signal
Foreign Large Blend	Vanguard Total Intl Stock Index Inv

Investment Options Tier 3 (Core Active Funds)	
Asset Class	Fund
Inflation-Protected Bond	PIMCO Real Return Admin
Intermediate-Term Bond	PIMCO Total Return Admin
Large Growth	Franklin Growth Adv
Moderate Allocation	T. Rowe Price Capital Appreciation Adv
High Yield Bond	Prudential High-Yield Z
Large Growth	Wells Fargo Advantage Growth Adm
Mid-Cap Blend	ASTON/Fairpointe Mid Cap I
Large Value	Hartford Dividend & Growth R5
Large Blend	Nuveen Tradewinds Value Opportunities I
Mid-Cap Growth	Prudential Jennison Mid Cap Growth Z
Large Value	T. Rowe Price Equity Income
Mid-Cap Value	RidgeWorth Mid-Cap Value Equity I
Small Growth	Brown Capital Mgmt Small Co Inv
Real Estate	Cohen & Steers Realty Shares
World Stock	Mutual Global Discovery Z
Diversified Emerging Mkts	Oppenheimer Developing Markets Y
Small Blend	Parnassus Small-Cap
Small Value	Allianz NFJ Small Cap Value Admin
World Bond	Templeton Global Bond Adv

Investing involves risk, including possible loss of principal.

Advice and Guidance

Personalized and Objective Fund-Level Advice*

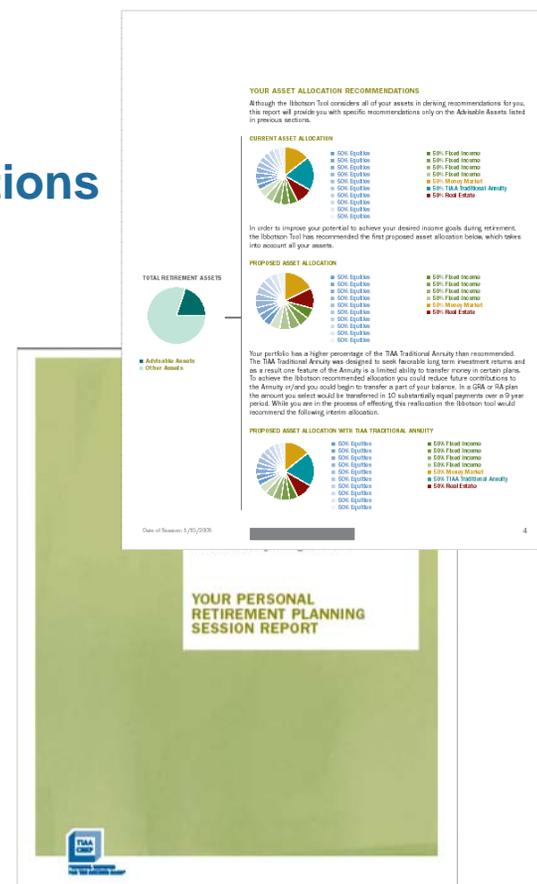
Our advice offers fund-specific recommendations — at no added cost to you.

Advice sessions answer questions like:

1. How much do I need to save now?
2. How should I allocate my portfolio?
3. When can I retire?



* Advice provided through Ibbotson Associates, Inc.
Please note: TIAA-CREF does not provide advice on brokerage accumulations.



Self-Directed Brokerage Services

- Easy to set up
- Access to more than 3,500 mutual funds from hundreds of investment companies
- Buy, sell and transfer funds either online or through a toll-free number
- Minimum \$500 investment.
- The annual Brokerage Account Maintenance Fee will be waived for NDPERS participants
- Brokerage Services fees for transactions may apply (see below)

Type	Initial Cost	Short-term Redemption	Short Term Redemption/ Fund Co. Fee
Transaction Fee Funds	\$35 Buy or Sell*	N/A	Varies by Fund - Consult Prospectus
Non-Transaction Fee Funds	\$0 Buy or Sell	\$50.00	Varies by Fund - Consult Prospectus
Load Funds	Sales Charge/Varies by Fund – Consult Prospectus	Dependent on Fund Family	Varies by Fund - Consult Prospectus

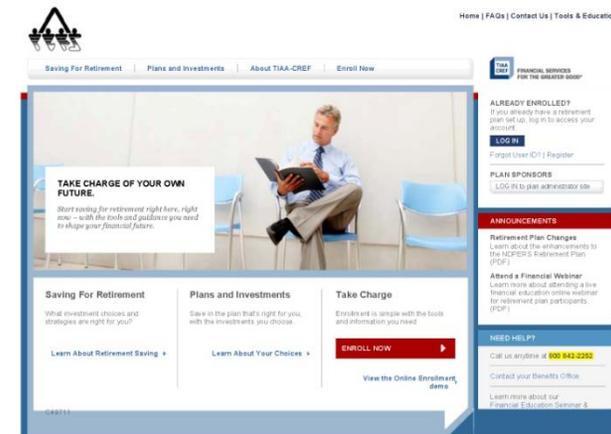


*Ongoing Transaction Fee waived when an Automatic Investment Plan is established.

Accessing My Account

Go to www.tiaa-cref.org/ndpers

- **Log into your account using your User ID and Password.** If you forgot your User ID and/or Password, just follow the instructions to retrieve it.
- From the site, you can:
 - Get information on the new investment choices
 - Make account transfers and changes
 - Access retirement planning tools and calculators
 - Review your last Quarterly Statement.



Key Dates and Next Steps



Financial Services

Key Communication Dates

Date	Communication
September 6	Announcement Letter
September 19	Transition Guide Mailing
September 21	Custom Retirement Website goes Live
October 1	Welcome Kits Mailed
October 3	Webinars Begin
October 3	Group Meeting Reminder Mailing (10 th – 19 th)
October 4	Group Meetings Start
October 5	Individual Financial Counseling Sessions Start
October 24	Individual Financial Counseling Session Reminder Mailing
December 1	Final Reminder Mailing (Plan Changes)
January 3	Quarterly Statement



Financial Services

Next Steps and Important Dates to Remember

On November 1, 2011 your assets in and contributions to the NDPERS 401(a) and 457(b) retirement plans will be automatically redirected to an age-appropriate TIAA-CREF Lifecycle Mutual Fund. If you are satisfied with how your investments will be reallocated, there's no need to take any action other than filling out a beneficiary form if you are in the 457 Companion Plan.

To set up an allocation different than the age-appropriate mix that will be effective on November 1, you will need to take action between **October 1 and October 31**. In the next section, we provide an overview on how to make these changes.

Before October 1

- A new retirement plan account is opened for all participants at TIAA-CREF



Next Steps and Important Dates to Remember

Between October 1 – October 31

- Review the new investment menu and the reallocation instructions (www.tiaa-cref.org/ndpers)
- Allocation changes can be made online or by calling TIAA-CREF. Change must be made by October 31.
- Set up a one-on-one financial counseling session with an individual counselor
- If you are interested in investing in a different option, Self Directed-Brokerage may be the option for you.
- The Blackout Period will start October 28, 2011 and end on or before November 15, 2011



Next Steps and Important Dates to Remember

On November 1

- Your retirement account with the NDPERS Companion Plan or Defined Contribution Plan will be transferred to TIAA-CREF from Fidelity.
- If you requested an asset allocation change between October 1 and October 31, you will see your assets applied to your new account based on the allocation instructions you set. If you did not make any account changes between October 1 and October 31, your assets will be defaulted into the age-appropriate TIAA-CREF Lifecycle Mutual Fund.



We're Here to Help

Phone Assistance:

Call **800 842-2252** Monday to Friday
7 a.m. to 9 p.m. and Saturday 8 a.m. to
5 p.m. (CT).

Online Assistance:

www.tiaa-cref.org/ndpers

- Research information on the new investment options
- Click on link to “Account Access” to submit asset allocation changes
- If you’ve never logged in, you will need a contract number to create a secure login. You can find this in your contract package that was mailed to your home.



Financial Services



Q&A

TIAA
CREF

Financial Services

Important Information

Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not bank deposits, are not insured by any federal government agency, are not a condition to any banking service or activity and may lose value.

Investment products may be subject to market and other risk factors. See the applicable product literature or visit www.tiaa-cref.org/ndpers for details.

You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877 518-9161 or visit www.tiaa-cref.org/prospectuses for a current prospectus that contains this and other information. Please read the prospectus carefully before investing.

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Financial Services

2011 NDPERS PAYROLL CONFERENCE



BREAK 2:15 to 2:30

REFRESHMENTS AVAILABLE
ONSITE IN THE FRONT LOBBY
AREA



Grandfathered and Non-Grandfathered PPO/Basic Plans

NDPERS Payroll Conference 2011

Kathy Allen - NDPERS

Patient Protection and Affordable Care Act (PPACA)

- Passed by Congress and signed into law March 23, 2010.
- Includes expanded benefit standards that take effect over several years beginning in 2010.
- Group health plans already in existence were grandfathered and exempted from some of the new benefit standards so long as the existing plan of benefits in effect on March 23 were not changed.
- NDPERS Dakota PPO/Basic plan is a grandfathered plan.

Loss of Grandfathered Status

- Can occur as a result of premium changes:
“A group health plan ... ceases to be a grandfathered health plan if the employer or employee organization decreases its contribution rate based on cost of coverage ... towards the cost of any tier of coverage for any class of similarly situated individuals ... by more than 5 percentage points below the contribution rate for the period of coverage that includes March 23, 2010.”

Loss of Grandfathered Status

- Reduction of employer's contribution rate can cause loss of grandfathered status.
- Participating political subdivisions must notify PERS of any change in a premium contribution policy.
- Remedy if grandfathered status is lost:
 - PERS established a non-grandfathered PPO/Basic plan effective 7/1/2011.

Non-Grandfathered Plan

- Has expanded coverage requirements mandated by PPACA.
- Increased premium rate to account for the higher coverage levels.
- All groups participating with PERS on March 23, 2010 and through June 30, 2011 were surveyed and determined to be grandfathered.
- Generally, new groups joining PERS Effective July 1, 2011 will be in non-grandfathered plan.



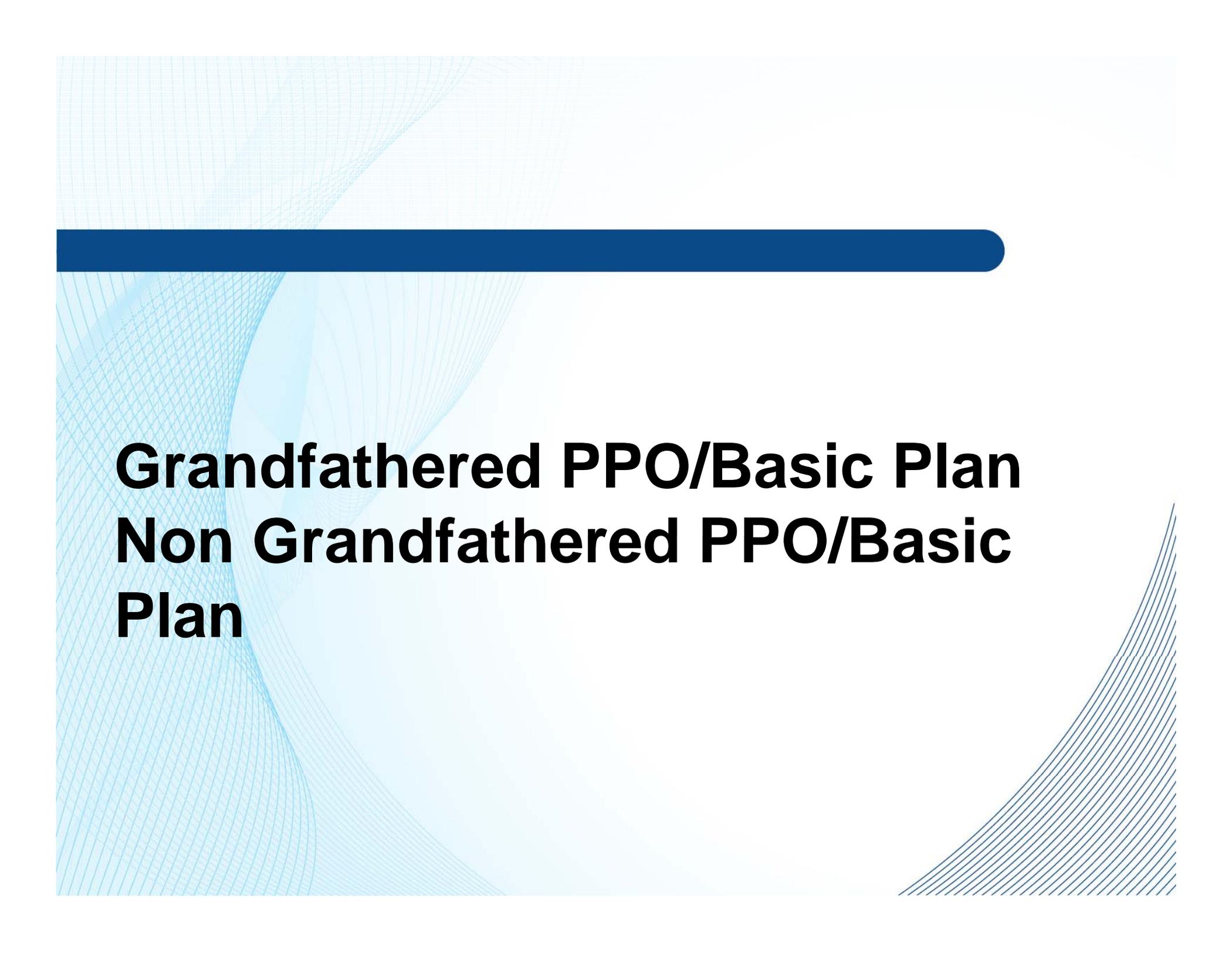
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Noridian Mutual Insurance Company



North Dakota Public Employees Retirement System (NDPERS)

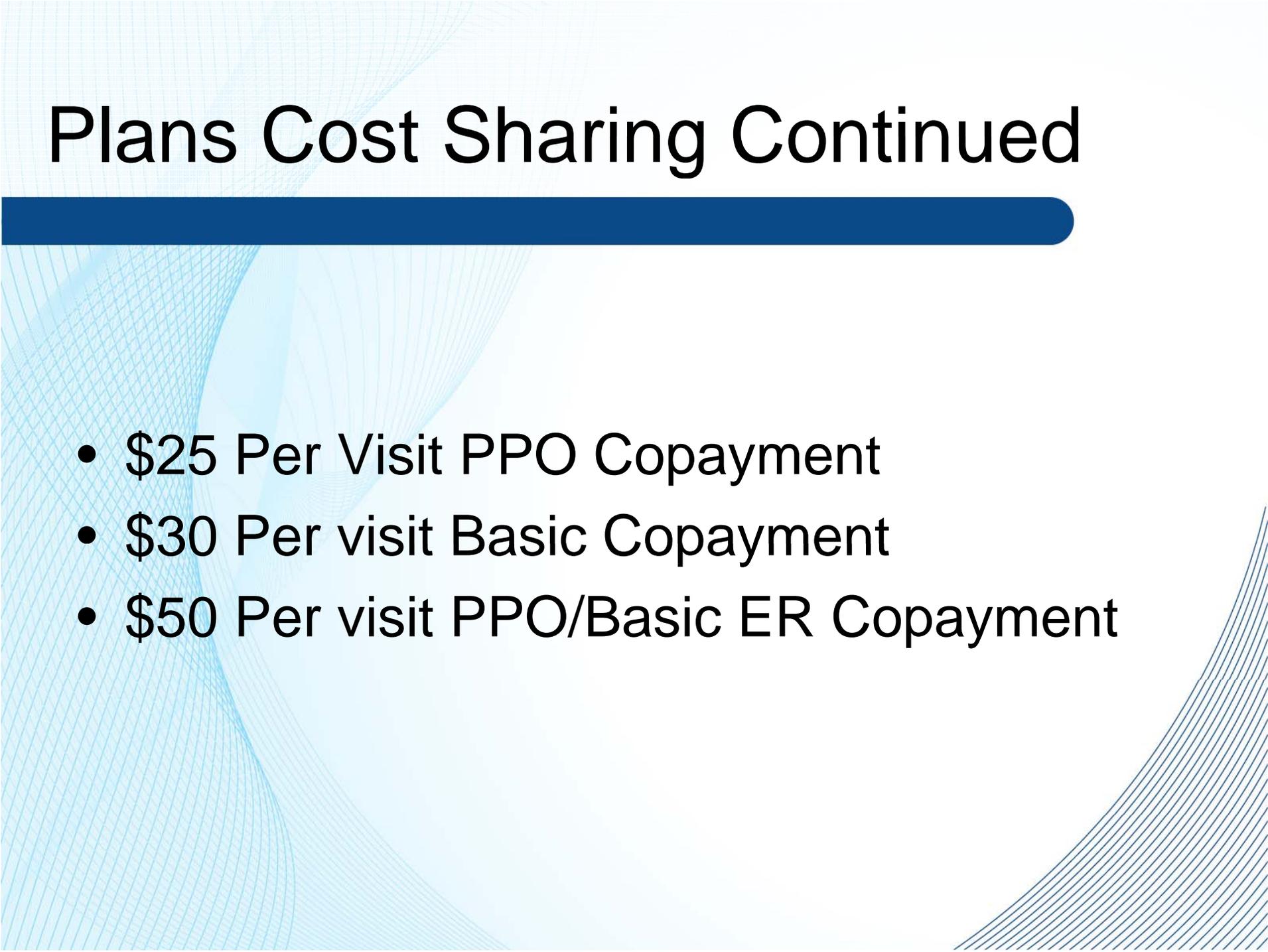


Grandfathered PPO/Basic Plan
Non Grandfathered PPO/Basic
Plan

Plans Cost sharing Amounts Per Benefit Period

- \$400 Single PPO/Basic Deductible Amount
- \$1200 Family PPO/Basic Deductible Amount
- \$750-80/20-Single PPO Coinsurance Amount
- \$1500-80/20-Family PPO Coinsurance Amount
- \$1250-75/25-Single Basic Coinsurance Amount
- \$2500-75/25-Family Basic Coinsurance Amount

Plans Cost Sharing Continued



- \$25 Per Visit PPO Copayment
- \$30 Per visit Basic Copayment
- \$50 Per visit PPO/Basic ER Copayment

Total Out-of-Pocket Maximum

- \$1150 Single PPO Maximum Per CY
- \$2700 Family PPO Maximum Per CY
- \$1650 Single Basic Maximum Per CY
- \$3700 Family Basic Maximum Per CY
- Neither the GF nor NGF plans have a \$2,000,000 Lifetime Maximum any longer.

Prescription Drug Coverage for GF & NGF Plans



- Formulary Generic
 - \$5 Copayment + 15%
- Formulary Brand Name
 - \$20 Copayment + 25%
 - There is a \$1000 coinsurance Maximum for Formulary Generic and Brand Name prescriptions per member per CY
- Nonformulary Generic/Brand
 - \$25 Copayment + 50%
 - The \$1000 coinsurance Maximum does not apply to the Nonformulary Prescriptions.
 - One Copayment Amount Per Prescription Order or refill for a 1-34 day supply.
 - Two Copayment Amount Per Prescription Order or refill for a 35-100 day supply.

Wellness Services – Grandfathered Plan

- **Well Child Care – To members 6th birthday**
 - \$25/\$30 copayment per Office Visit then 100%
 - Deductible does not apply
 - 7 visits for Members from birth through 12 months
 - 3 visits for Members from 13 months through 24 months
 - 1 visit per Benefit Period for Members 25 months through 72 months

Preventive Screening Services for Members age 6 and older – Grandfathered Plan

- **\$25/\$30 Copayment per Office Visit**
 - Then 100% of Allowed Charge subject to a Maximum Benefit Allowance of \$200 per Member per Benefit Period
 - Deductible Amount is waived
- **Benefits Include:**
 - One routine physical examination per Member per Benefit Period
 - Routine diagnostic screenings
 - Routine screening procedures for cancer

Services that do not apply to the \$200 Preventive Maximum-Grandfathered Plan

- Mammogram
 - 100% of allowed charge
 - Deductible is waived and benefits are as follows:
 - One service for Members between the ages of 35 and 40
 - One service per year for Members age 40 and older
- Routine Pap Smear
 - 100% of Allowed Charge
 - Deductible is waived and benefits are subject to a Maximum Benefit Allowance of 1 pap smear per Benefit Period

Preventive Screenings not included in the \$200 Maximum Continued-Grandfathered Plan

- \$25/\$30 Copayment for Office Visit related to Pap Smear
- Prostate Cancer Screening
 - 75%/80% of Allowed Charge
 - Deductible is waived
 - Benefits available for an annual digital rectal exam and an annual prostate-specific antigen test for an asymptomatic male age 50 and older, a black male age 40 and older, and a male age 40 and older with a family history of prostate cancer.
- 25/\$30 Copayment for Office Visit related to PSA test.

Preventive Screenings cont'd

Grandfathered Plan

- Fecal Occult Blood Testing for Colorectal Cancer Screening
 - 100% of Allowed Charge
 - Deductible is waived
 - Benefits are allowed for Members age 50 and older
 - Subject to a Maximum Benefit Allowance of 1 test per Benefit Period
- Immunizations other than well child care
 - 100% of Allowed Charge
 - Deductible is waived
- Covered immunizations are those published as policy by the CDC
 - Certain age restrictions may apply

Wellness Services – Non Grandfathered Plan

- **Well Child Care – To members 6th birthday**
 - 100% of Allowed Charge.
 - Deductible Amount is waived.
 - 7 visits for Members from birth through 12 months
 - 3 visits for Members from 13 months through 35 months
 - 1 visit per Benefit Period for Members 36 months through 72 months

Preventive Screening Services for Members age 6 and older – Non Grandfathered Plan

- 100% of Allowed Charge. Deductible Amount is Waived.
- Benefits Include:
 - Maximum Benefit Allowance of 1 examination per Member per Benefit Period.
 - Routine Diagnostic Screenings – 100% of Allowed Charge. Deductible Amount is Waived.

Preventive Services Continued-Non Grandfathered Plan

- Mammogram
 - 100% of allowed charge
 - Deductible is waived and benefits are as follows:
 - One service for Members between the ages of 35 and 40
 - One service per year for Members age 40 and older
- Routine Pap Smear
 - 100% of Allowed Charge
 - Deductible is waived and benefits are subject to a Maximum Benefit Allowance of 1 pap smear per Benefit Period

Preventive Screenings Continued- Non Grandfathered Plan

- **Colonoscopy** – subject to a Maximum Benefit Allowance of 1 test every 10 years or
- **Sigmoidoscopy** – subject to a Maximum Benefit Allowance of 1 test every 5 years.
- **Prostate Cancer Screening**
 - 75%/80% of Allowed Charge
 - Deductible is waived
 - Benefits available for an annual digital rectal exam and an annual prostate-specific antigen test for an asymptomatic male age 50 and older, a black male age 40 and older, and a male age 40 and older with a family history of prostate cancer.
 - \$25/\$30 for the related Office Visit does apply for the PSA.

Preventive Screenings Continued- Non Grandfathered Plan

- Fecal Occult Blood Testing for Colorectal Cancer Screening
 - 100% of Allowed Charge
 - Deductible is waived
 - Benefits are allowed for Members age 50 and older
 - Subject to a Maximum Benefit Allowance of 1 test per Benefit Period
- Immunizations other than well child care
 - 100% of Allowed Charge
 - Deductible is waived
- Covered immunizations are those published as policy by the CDC
 - Certain age restrictions may apply

Immunizations that would be included:

- Hepatitis
- Influenza Virus Vaccine
- DPT (Diphtheria/Pertussis/Tetanus)
- MMR (Measles/Mumps/Rubella)
- Chicken Pox (Vaicella)
- Pneumococcal Disease
- Meningococcal Disease
- Polio
- HPV (Human Papillomavirus) 9-26(Male & Female)
- Shingles (Zostavax) 60+

Dependent Eligibility-GF & NGF Plans

- Children placed with you or your covered spouse for adoption or whom you or your covered spouse have legally adopted.
- whom you or your covered spouse have been appointed legal guardian.
- Children who are not offered Employer Group Coverage with full time employment.
- Children who are married and not offered Employer Group Coverage if they are a full time employee.
- Children who are married and not offered Employer Group Coverage thru their spouse.
- For more information on dependent eligibility please refer to your benefit plan book.

NDPERS Added Programs



- Prenatal Plus Program
 - NDPERS Tobacco Cessation Program for State Employees
 - Wellness Programs – HCC and MHC Programs
 - MediQHome Program
 - Accordant Program
 - Triessent Program
- 

Plan Year

July 1, 2011



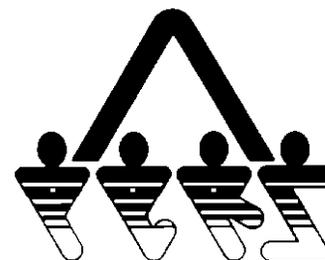
June 30, 2013



Underwritten by
**BlueCross BlueShield
of North Dakota**

An independent licensee of the Blue Cross & Blue Shield Association

Noridian Mutual Insurance Company



**Please contact the BCBSND NDPERS Service
Unit in the Fargo area at 282-1400 or toll free
at 1-800-223-1704**

**You can also refer to the NDPERS website at:
www.discovernd.com/ndpers/**

High Deductible Health Plan (HDHP)

NDPERS Payroll Conference 2011

Kathy Allen - NDPERS

Legislation

- House Bill 1364.
- Authorized PERS Board to implement HDHP with a health savings account (HSA).
- Participation is optional.
- Plan must be available to state employees by November 1, 2012.
- At the discretion of the PERS Board, eligibility can be expanded to participating political subdivisions after June 30, 2013.

Plan Features

- HDHP has:
 - Higher deductibles
 - Larger upfront costs
 - PPO/Basic benefits
- Higher out-of-pocket expenses offset by lower monthly premiums.

Eligibility

- Same eligibility requirements as PPO/Basic Plan

Not eligible if you are:

- Covered under a spouse's employer's health plan that is not an HDHP.
 - Claimed on someone else's taxes.
 - Covered by Medicare/Tricare.
 - Covered under a medical spending or health reimbursement account.
- You may not enroll if you have a balance in your medical spending account on December 31.

Health Savings Account (HSA)

- If enrolled in HDHP, participant is eligible to open an HSA.
- Employer may contribute to your account.
- Participant may make after tax contributions.
- HSA funds can pay for medical expenses before you meet your deductible.
- You own the account.
- Unspent balance is not lost at end of the year.
- Account goes with you if you change jobs or move out of state.

Open Enrollment

- The HDHP/HSA will be made available as an option to state employees in conjunction with this year's annual enrollment season.
- Additional information will be included in our open enrollment communications and will be available on NDPERS web site at www.nd.gov/ndpers.



Underwritten by
BlueCross BlueShield
of North Dakota

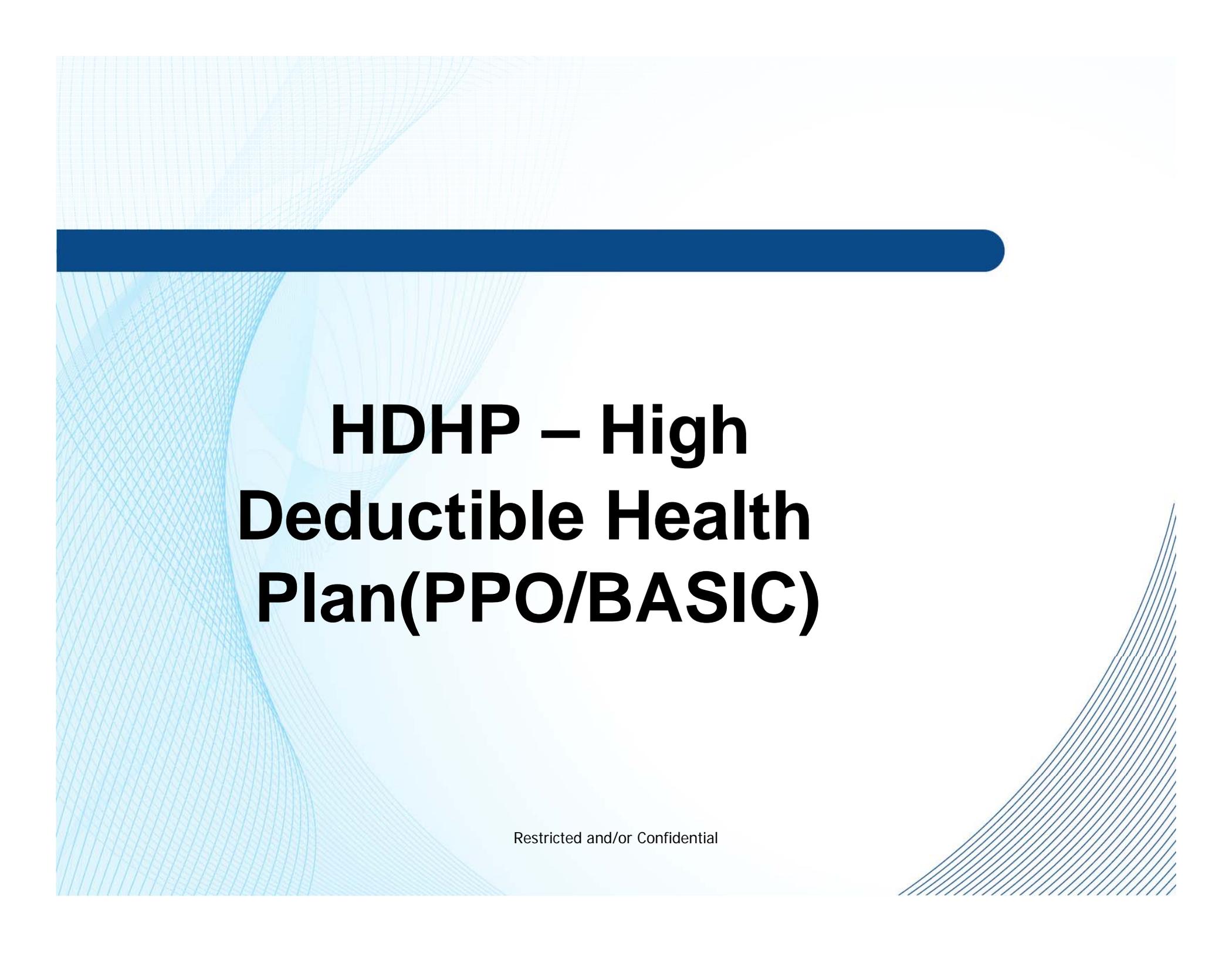
An independent licensee of the Blue Cross & Blue Shield Association

Noridian Mutual Insurance Company



North Dakota Public Employees Retirement System (NDPERS)

Restricted and/or Confidential



HDHP – High Deductible Health Plan(PPO/BASIC)

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HDHP Differences

* includes the Basic Plan

- This will be a Comprehensive Deductible and Coinsurance plan.
- There are no Copayments under this plan.
- Deductible will apply first dollar since there is no copay structure on Prescriptions.
- Because this is a Comprehensive HDHP a Member can exceed the \$1500 Individual Deductible/Coinsurance.

Deductible

PLAN	INDIVIDUAL	FAMILY
PPO	\$ 1500	\$ 3,000
BASIC	\$ 1,500	\$ 3,000

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Coinsurance Maximums

PLAN	INDIVIDUAL	FAMILY
PPO 80/20 %	\$ 1500	\$ 3,000
BASIC 75/25 %	\$ 2,000	\$ 4,000

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Total Out-of-Pocket Maximum

*Includes deductible and coinsurance only

PLAN	INDIVIDUAL	FAMILY
PPO	\$ 3,000	\$ 6,000
BASIC	\$ 3,500	\$ 7,000

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Prescription Drug Coverage for all Plans



- Formulary Drug
 - 80% of Allowed Charge after Deductible Amount
- Nonformulary Drug
 - 50% of Allowed Chare after Deductible Amount
 - Prescription Medications or Drugs and nonprescription diabetes supplies are subject to a dispensing limit of a 100-day supply.

Wellness Services

- **Well Child Care – To members 6th birthday**
 - 100% of Allowed Charge
 - Deductible Amount is waived
 - 7 visits for Members from birth through 12 months
 - 4 visits for Members from 13 months through 35 months
 - 1 visit per Benefit Period for Members 36 months through 72 months

Preventive Screening Services for Members age 6 and older

- 100% of Allowed Charge subject to a Maximum Benefit Allowance of 1 examination per Member per Benefit Period
- Deductible Amount is waived
- Benefits Include:
 - One routine physical examination per Member (Office Visit)
- All CDC Approved Immunizations will be paid at 100%
- Shingles (Zostavax) 60+
- HPV (Human Papillomavirus) 9-26 (male & female)

Preventive Continued

- Mammogram
 - 100% of allowed charge
 - Deductible is waived and benefits are as follows:
 - One service for Members between the ages of 35 and 40
 - One service per year for Members age 40 and older
- Routine Pap Smear
- Fecal Occult Blood Testing – Subject to a Maximum Benefit Allowance of 1 test per benefit period for ages 50+.
- Colonoscopy - Subject to a Maximum Benefit Allowance of 1 test every 10 years for ages 50-75.
- Sigmoidoscopy - Subject to a Maximum Benefit Allowance of 1 test every 5 years for ages 50-75.

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Preventive Screenings cont'd

- Tobacco Cessation Services

- 100% of Allowed Charge

- Prescription Non-Nicotine Replacement Therapy.
- Payable Over-the-Counter(OTC) Nicotine Replacement Therapy(nicotine lozenges, patches, gum).
- Prescription Nicotine Replacement Therapy(nicotine nasal spray, inhaler, patches).
- Related Office Visit.

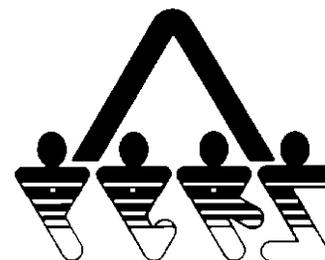
Benefits are subject to a Maximum Benefit Allowance of 2 quit attempt cycles per Member per Benefit Period. A quit attempt cycle includes 4 counseling visits and/or a 3-month supply of nicotine or non-nicotine replacement therapy.



Underwritten by
BlueCross BlueShield
of North Dakota

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Noridian Mutual Insurance Company



Please contact the BCBSND NDPERS Service Unit in the Fargo area at 282-1400 or toll free at 1-800-223-1704

You can also refer to the NDPERS website at:
<http://www.nd.gov/ndpers>

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NDPERS

HSA Presentation

2012 Benefits

- High Deductible Health Plan
 - Blue Cross Blue Shield of N.D.
- Health Savings Account (HSA)
 - Discovery Benefits



Health Savings Account

Benefits

- Enroll in High Deductible Health Plan
- Enroll in the HSA

Before Deductible Met

- Use HSA to pay for out-of-pocket/deductible expenses

After Deductible Met

- Now covered by HDHP
- Save your HSA funds!



What is a Health Savings Account?

- A Health Savings Account allows you to set aside funds to pay for qualified medical expenses for you, your dependents or your spouse.
- ***Think of it as a Medical IRA!***



Qualified Expenses

- Medical
- Dental
- Vision
- Chiropractor
- Prescriptions
- Some Over-the-Counter (OTC)*

May Require a Rx

- Not all eligible expenses go toward your HDHP deductible
- Visit www.discoverybenefits.com for more information
- Save your receipts



Over-the-Counter Items

- Effective January 1, 2011
- Prescriptions will be required for reimbursement of certain OTC items

Prescription Required:

Acid Controllers
Allergy & Sinus
Antibiotic
Anti-Diarrheals
Anti-Gas
Anti-Itch and Insect Bite
Anti-Parasitic

Baby Rash Ointments/Creams
Cough, Cold and Flu
Cold Sore
Digestive Aids
Feminine Anti-Fungal/Anti-itch
Hemorrhoidal
Laxatives

Motion Sickness
Pain Relief
Respiratory
Sleep Aids/Sedatives
Stomach Remedies



Why Enroll?

- Funds rollover from year to year
 - No balance limit
- Triple tax savings
 - Tax savings on contributions
 - Withdraw funds tax-free
 - Invest and earn tax-free
- Doubles as a retirement account
 - Withdrawal funds without a penalty at age 65 for non-medical expenses (taxes apply)



H.S.A Contributions

- NDPERS Monthly Employer Contribution
- Participant E-Contribute
- Send a check to fund your account at any time
- 2012 Contribution limits:

Coverage	2012	NDPERS 2012 Contribution	
Single	\$3,100	\$658.08	(\$2441.92)
Family	\$6,250	\$1592.88	(\$4657.12)
55+	\$1,000 Extra contribution		



E-Contribute

- Login to your H.S.A Account through the consumer portal
- Click Contribute to H.S.A
- Easily transfer funds from your checking/savings account into your H.S.A

HOME ACCOUNTS PROFILE NOTIFICATIONS FORMS Helen Helper ▾
[Logout](#)

Welcome, Helen

Welcome to your single source for all you need to know about your reimbursement account(s). File a claim, view account balance and summary information, sign up for free direct deposit, get email notifications or try our new mobile app!

Questions on the new Over The Counter (OTC) regulations, eligible expenses, the Information Inventory Approval System (IIAS) merchant list or the debit card? Visit our website at www.discoverybenefits.com and click on Participants.

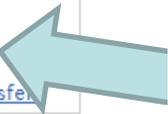
New Mobile Apps

Prefer text alerts? We now offer the option of text alerts to allow you to stay informed about your benefit accounts. The text alerts are sent as SMS (Short Message Service) messages via email. You can sign up by clicking on the Profile tab and selecting Mobile Access. Supported mobile phone carriers include AT&T, Nextel, Sprint, Verizon, and T-Mobile.

Download the free mobile apps for iPhone or Android mobile phones and manage your accounts whenever and wherever you want. [Learn more](#)

Accounts  [View Account Summary](#)

Account	Available Balance 	Actions
Health Savings Account	\$0.00	Request Distribution Contribute to HSA View Activity Manage Investment Transfer



E-Contribute

- See Guide to E-Contributions for additional information

- Send ad hoc contributions via check to Discovery Benefits

- [Contribution Form](#)

Contribute HSA Funds

Make a contribution to your health savings account from your bank account. If you are making a contribution between January 1st and April 19th, you have the option to contribute to the prior tax year. Use the IRS Maximum Contribution Detail to determine how much you can contribute for the applicable tax year.

IRS Maximum Contribution Detail

	Year: 2011	2010	
IRS Maximum Contribution Amount:	\$3,050.00	\$3,050.00	What is "IRS Maximum Contribution"?
Processed Contributions:	\$0.00	\$0.00	
Scheduled Contributions:	\$1,500.00	\$0.00	What are "Scheduled Contributions"?
Pending Contributions:	\$0.00	\$0.00	
Maximum Contribution Available:	\$1,550.00	\$3,050.00	

Contribution Details

Bank Account: ⚠ You do not have a bank account setup. To add a bank account, select the 'Add Bank Account' link below.
[Add Bank Account](#)

Apply Contribution to Tax Year: 2011

* Contribution Amount: \$

* Note:

Note will display in the details of this contribution on your HSA activity page.



Eligibility

- Must be covered by a HDHP to participate
- If you cease participation in HDHP, can no longer contribute to H.S.A, but can spend down balance
- You are not eligible if:
 - covered by any other insurance
 - you/spouse participate in a traditional FSA
 - receiving Medicare/Tricare benefits



Eligibility



- **FSA / Grace Period Rules**

- FSA must have a zero balance on 12/31/11 in order to enroll in the H.S.A effective 1/1/12
- If the FSA has a remaining balance on 1/1/12, employee is not eligible to enroll in an H.S.A until April 1st, 2012
 - (first of the month following 2 ½ month flexible spending account grace period)



Get Reimbursed

- Free Benefits Debit Card
- Spouse and dependent cards too
- Pay your provider directly
- Valid for three years
- Keep your receipts
 - not required
 - retain for proof of expenditures



Get Reimbursed

- Pay your provider from your online account
 - check issued from your HSA to your provider
- Submit a withdrawal request online
 - processed within two business days
 - reimbursement issued daily
 - free direct deposit

[HSA Guide to Consumer Distributions](#)



Investment Options

- Cash account (FDIC insured)
 - \$1,500 threshold
 - Funds over threshold move automatically to Money Market Savings (\$100 increments)
- Money Market Savings (FDIC insured)
 - Variable interest rate
- Mutual funds
 - Visit www.discoverybenefits.com to view current fund options and performance
- Single Sign-on



Participant Responsibilities

- Ensure funds are used for eligible healthcare expenses
 - Receipts are not required for reimbursement, retain for your own records
- Report contributions and withdrawals
 - Form 8889
 - Discovery will provide necessary information



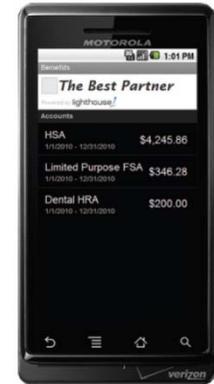
Participant Technology

Participant Portal

- Up-to-date account information available 24/7
- Request distribution
- Pay your provider
- Access investment options
- Order additional debit cards

Mobile Application

- iPhone and Android phones
- View balances
- Contact customer service



Open Enrollment

- Option available during NDPERS annual open enrollment
- Meetings set up at various locations throughout state
- Enroll in the HDHP/HSA through NDPERS
- Enrollment details will be included with the annual enrollment information.
- If eligibility requirements are met, coverage will be effective January 1, 2012
 - [HSA Enrollment Application](#)



Contact Customer Service

- 7:00 a.m. – 7:00 p.m. CST Monday – Friday
- Toll-free 866-451-3399
- Email
 - customerservice@discoverybenefits.com
- ***Additional Resources***
 - [H.S.A Resource Guide](#)
 - [H.S.A FAQs](#)



Group Life Plan

NDPERS Payroll Conference 2011

Kathy Allen - NDPERS

Change in Carriers

- RFP released earlier this year
- Board selected ING as the new carrier effective July 1, 2011.

Considerations

- Basic Life for active employees increased from \$1,300 to \$3,500 – 269%
- Reduced employee and spouse rates -18% & 26.5%
- Travel Assistance Benefits to include:
 - Pre-trip Information
 - Emergency Personal Service (non-medical)
 - Medical Assistance Services
 - Emergency Transportation Services
- Funeral Planning & Concierge Services

Pre-trip Information

- Visa, passport, and immunization requirements.
- Foreign exchange rates.
- Embassy/consular referral.
- Travel/tourist advisories.
- Temperature & weather conditions.
- Cultural information.

Emergency Personal Service (non-medical)

- Urgent message relay.
- Interpretation/translation services.
- Emergency travel arrangements.
- Recovery of lost or stolen luggage or personal possessions.
- Legal Assistance and/or bail bond.

Medical Assistance Services

- Medical referrals.
- Medical case monitoring.
- Rx assistance.
- Payment of emergency medical services up to \$10,000

Emergency Transportation Services

- Visit of family member or friend.
- Return of traveling companion.
- Return of dependent children.
- Return of vehicle.
- Return of mortal remains.

- For any of these services contact:

ING Travel Assistance:

U.S. Toll Free:

800.859.2821

Worldwide Collect:

202.296.8355

Email: ops@europassistance-usa.com

Web: www.europassistance-usa.com

Funeral Planning & Concierge Services

- Provided through Everest at no cost to employees, their spouse, and children under age 25 and includes:
 - Unlimited use of online planning tools to include reports comparing local funeral home prices nationwide.
 - Round-the-clock toll-free access to Everest advisors.
 - Concierge services for personal assistance to include:
 - Planning a funeral/memorial service.
 - Negotiating prices with funeral homes.
- For any of these services:
 - Go to Everest Enrollment site at www.everestfuneral.com/ing or contact an Everest Advisor at 1.877.456.5050

QUESTIONS



NDPERS Administered FlexComp Plan

NDPERS Payroll Conference 2011

Sharon Ellsworth

Voluntary Insurance Products

- NDPERS Section 125 FlexComp Plan for state employees presently allows voluntary insurance products to be payroll deducted pre-tax under the premium conversion feature of the plan.

USable Life

Accident Elite	Pre-Tax Pending Board Approval
Cancer Care Elite	Pre-Tax Pending Board Approval
Hospital Confinement Plan	Pre-Tax Pending Board Approval

Total Dental Administrators

Elite Choice	Certify Pre-Tax Eligibility

Colonial Life and Accident

Accident	Certify Pre-Tax Eligibility
Cancer	Certify Pre-Tax Eligibility
Disability	Certify Pre-Tax Eligibility

Colonial Life and Accident - Continued

Medical Bridge	Pre-Tax Pending Board Approval
Educator Disability	Pre-Tax Pending Board Approval

Central United

Cancer Insurance	Certify Pre-Tax Eligibility

Conseco

Cancer/Accident	Certify Pre-Tax Eligibility

AFLAC

Cancer	Certify Pre-Tax Eligibility
Hospital Indemnity	Certify Pre-Tax Eligibility
Hospital Intensive Care	Certify Pre-Tax Eligibility

AFLAC - Continued

Accident	Pre-Tax Pending Board Approval
Lump Sum Critical Illness	Pre-Tax Pending Board Approval
Personal Sickness Indemnity	Pre-Tax Pending Board Approval

AFLAC - Continued

Specified Health Event	Pre-Tax Pending Board Approval
Dental	After-Tax
Vision Now	After-Tax
Disability	After-Tax

Premium Conversion

- Enrollment in the premium conversion plan feature may be changing from an affirmative election each year to a passive enrollment process effective with the 2012 Flexcomp Plan Year.

Questions



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**Thank you for all you do and
for attending this year's
payroll conference.**