NDPERS Board Meeting
January 2014

PERS BOARD – Jan 2014

- **At this meeting**
  - **Review programs**
    - **Where we are at**
    - **<u>Discuss</u> where we should go**
  - **Review Administrative**
    - **Challenges**
    - **<u>Discuss</u> where we should go**
  - **Other**

REVIEW OF NDPERS PROGRAMS AND LEGISLATIVE CONSIDERATIONS

9:30-11:15 RETIREMENT PLANS

1. Defined Benefit Hybrid Plans
2. Defined Contribution Plans
3. Deferred Compensation

11:15-12:30 GROUP INSURANCE

1. Health
2. Dental
3. Vision
4. Life
5. EAP
6. Flex Comp
7. Long Term Care

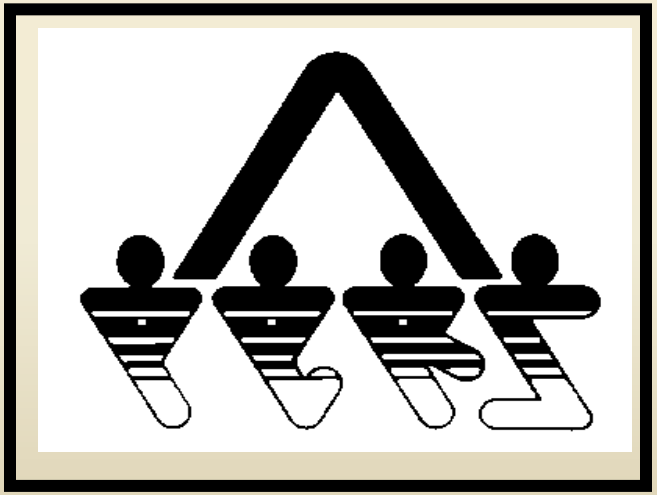
12:30-3:00 NDPERS ADMINISTRATIVE REVIEW

1. PERSLink
2. External Communications
3. Staff Salary Issues
4. Other Items

Lunch will be served with group Board picture to follow

Consider or Not Consider

RETIREMENT PROGRAMS



RETIREMENT

- ***DEFINED BENEFIT PLANS – 6***
  - ***Main***
  - ***Judges***
  - ***National Guard***
  - ***Law Enforcement -2***
  - ***Highway Patrol***
  - ***Job Service***
- ***DEFINED CONTRIBUTION PLANS – 2***
  - ***457***
  - ***401(a)***
- ***RETIREE HEALTH INSURANCE CREDIT***
- ***ADMINISTRATIVE SERVICES***
  - ***PRIOR JUDGES***
  - ***JOB SERVICE RETIREE HEALTH CREDIT***

PERS Statistics

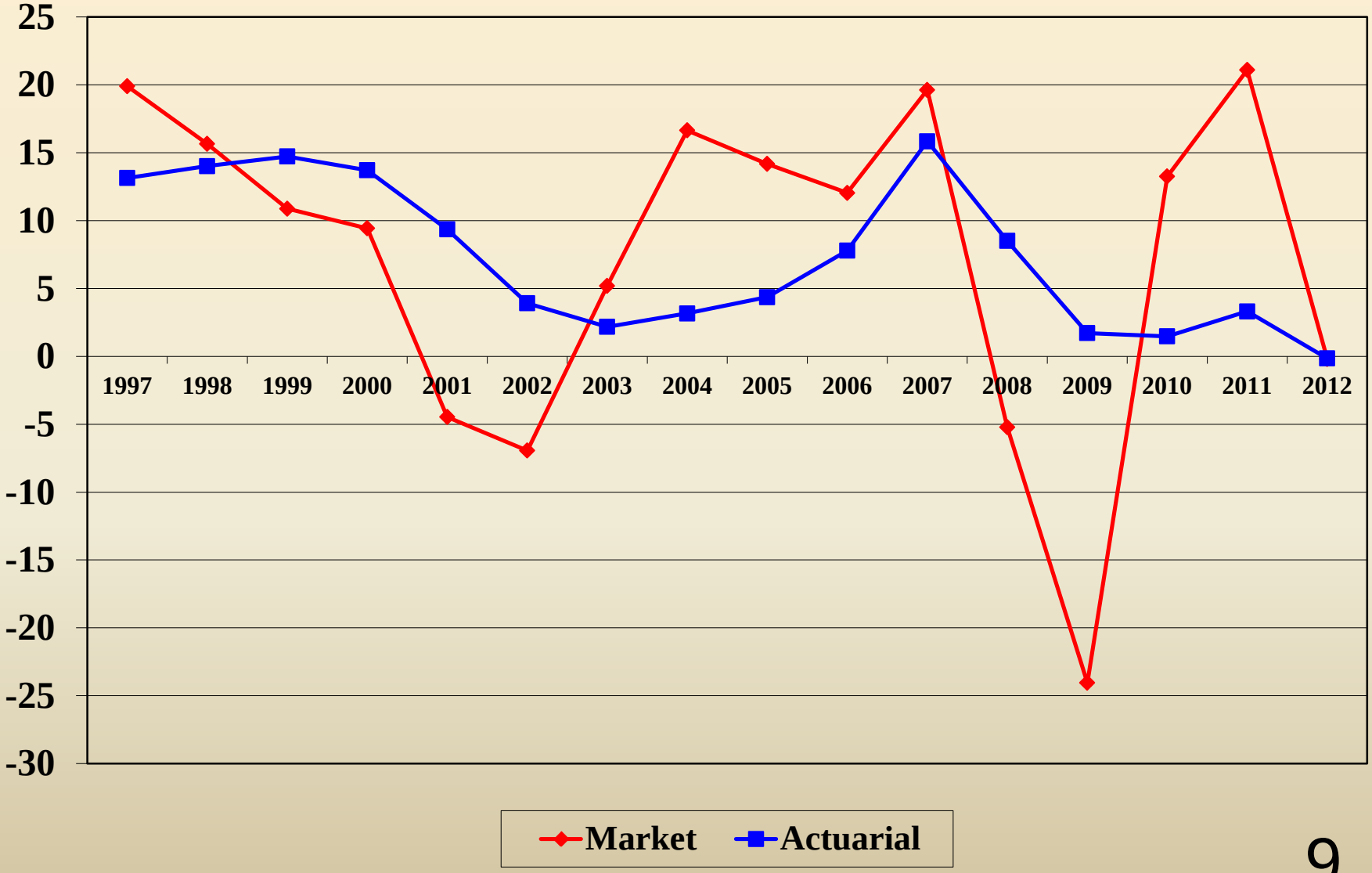
January 1, 2013		RETIREMENT PROGRAMS								
		MANAGED AND ADMINISTERED BY NDPERS								
	TOTAL RETIREMENT	*Main System*	*D.C. 401(a)*	*Highway Patrol*	*Judges*	*Guard*	*Law Enforcement*	*Job Service*	*DEFERRED COMP*	*HEALTH CREDIT*
PARTICIPATION										
AGENCY										
State	93	93	32	1	1	1	1	1	89	93
Counties	49	48					11		35	49
School Dist	114	114							18	114
Cities	81	75					6		34	81
Others	73	73							29	73
	410								***205***	***410***
EMPLOYEES										
State	10,512	10,014	219	141	47	36	37	18	4,561	10,512
Counties	3,583	3,388					129		580	3,583
School Dist	4,988	4,988							75	4,988
Cities	1,475	1,431					44		225	1,475
Others	557	457							189	557
Retirees	7,816	7,214	49	109	22	12	11	120		4,442
	28,931	***27,492***	***268***	***250***	***69***	***48***	***221***	***138***	***5,630***	***25,557***

January 1, 2013

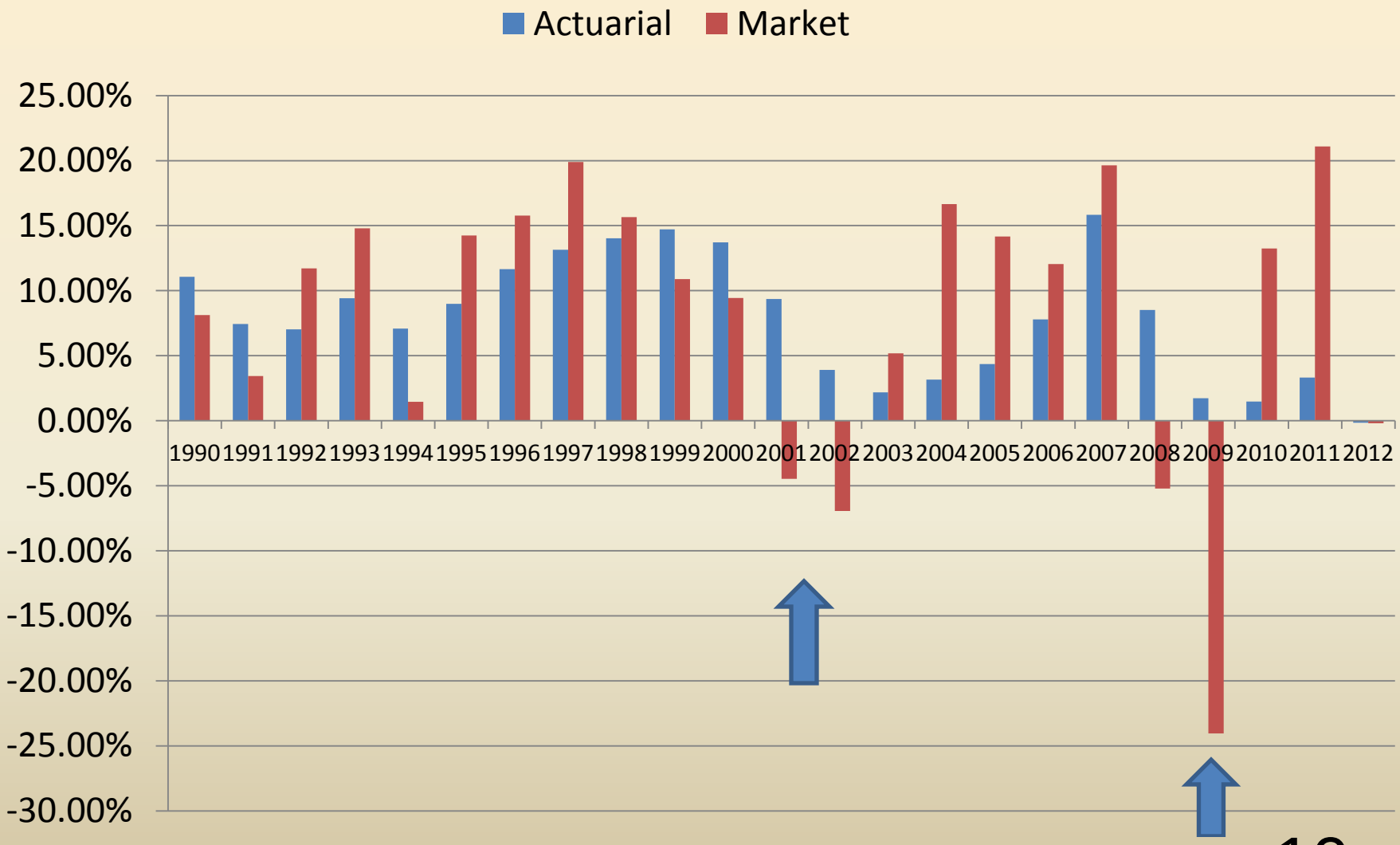
RETIREMENT PROGRAMS MANAGED AND ADMINISTERED BY NDPERS

PARTICIPATION	TOTAL RETIREMENT	PERS 54-52 Main System	Judges	Guard	Law Enforcement	39-03.1 Highway Patrol	Job Service
AGENCY							
State	93	93	1	1	1	1	1
Counties	49	48			11		
School Dist	114	114					
Cities	81	75			6		
Others	73	73					
	410	*403*	*1*	*1*	*18*	*1*	*1*
EMPLOYEES							
State	10,512	10,014	47	36	37	141	18
Counties	3,583	3,388			129		
School Dist	4,988	4,988					
Cities	1,475	1,431			44		
Others	557	457					
RETIRESS	7,816	7,214	22	12	11	109	120
	28,931	*27,492*	*69*	*48*	*221*	*250*	*138*

NDPERS Returns – (Year Ended 6/30)



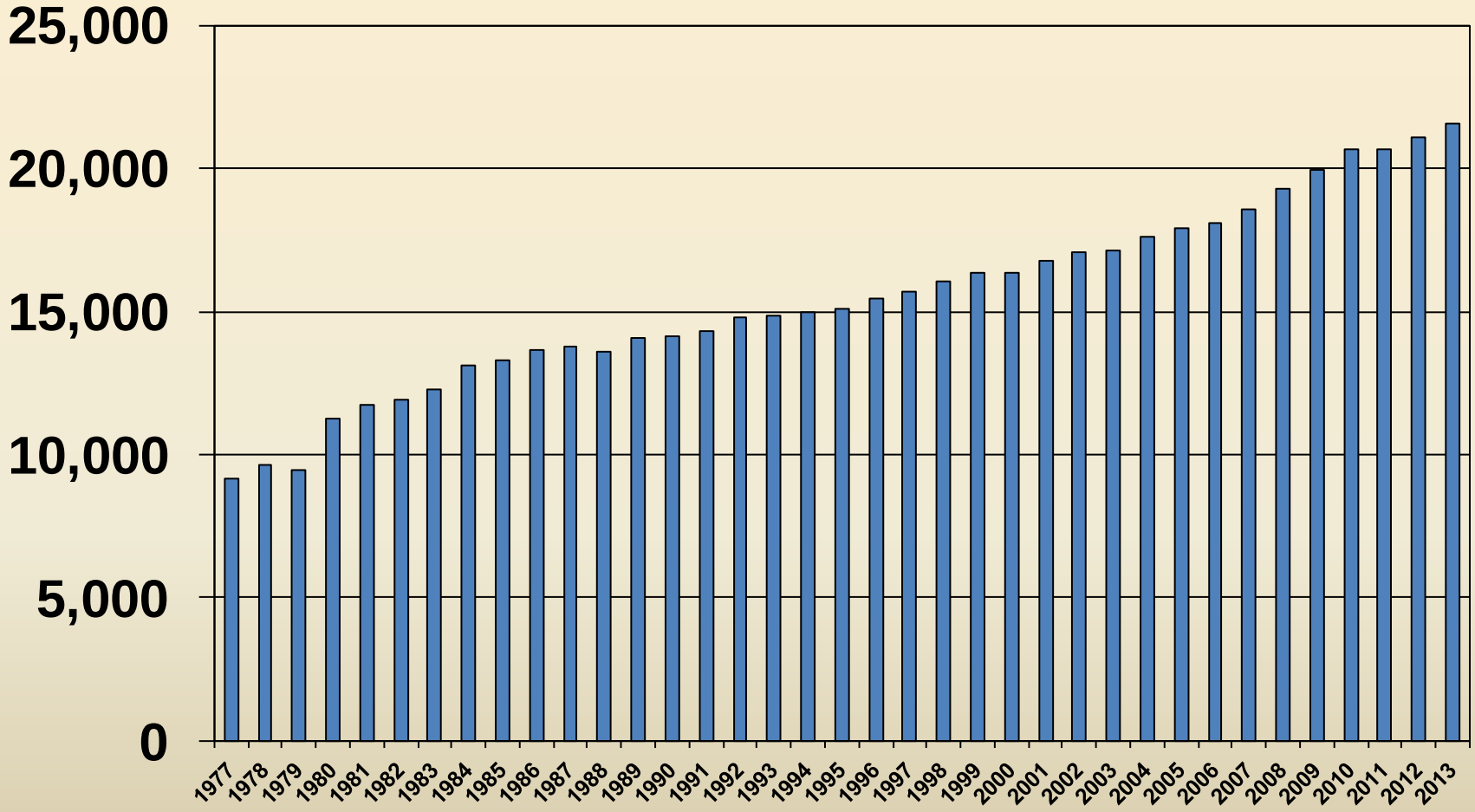
NDPERS Main System Investment Returns



The Challenge

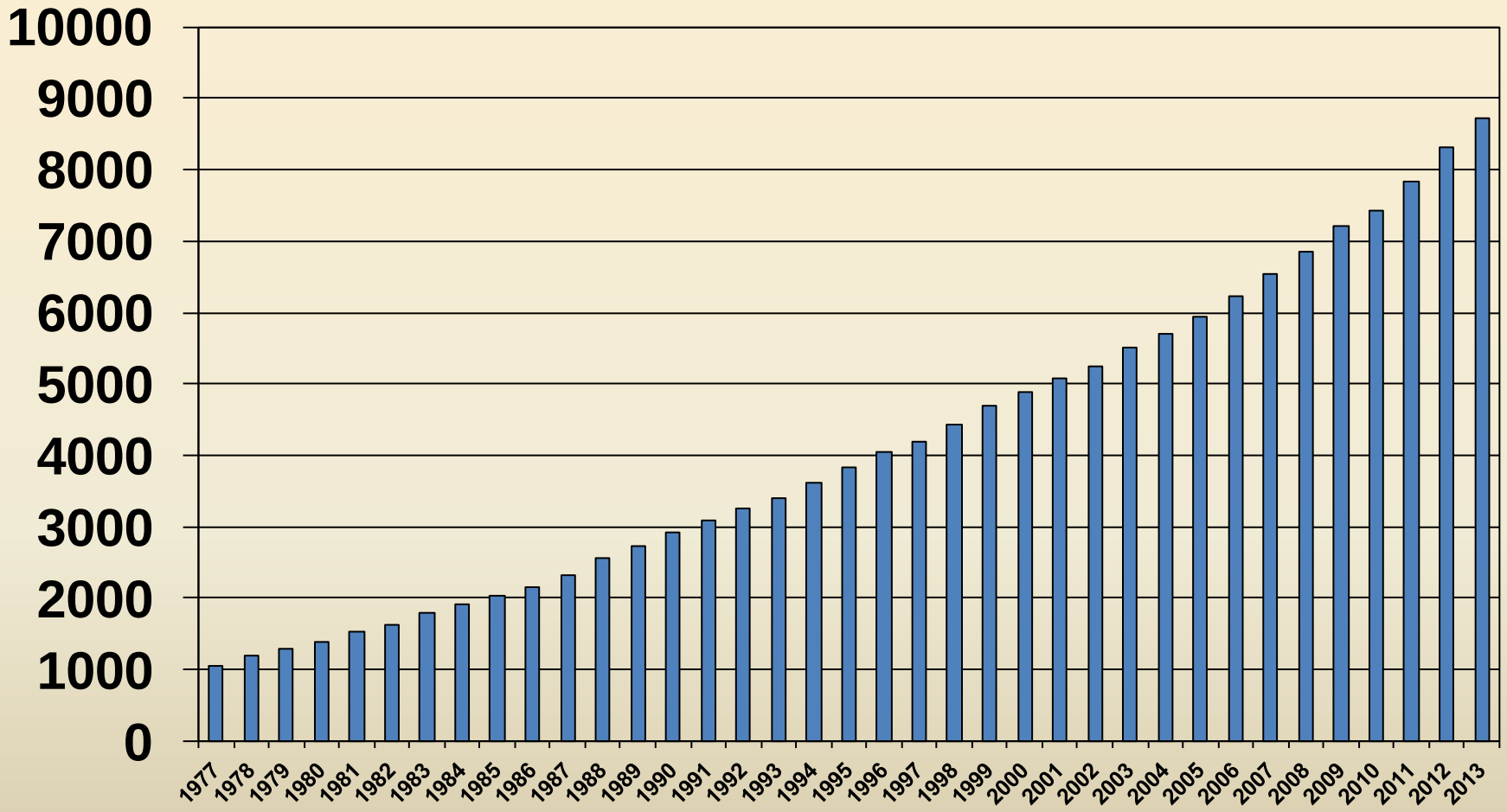
- Stop the downward trend
- Stabilize the plans
- Put them on a track back to 100%

NDPERS Retirement Actives (Main System, Judges, Guard, Law Systems)



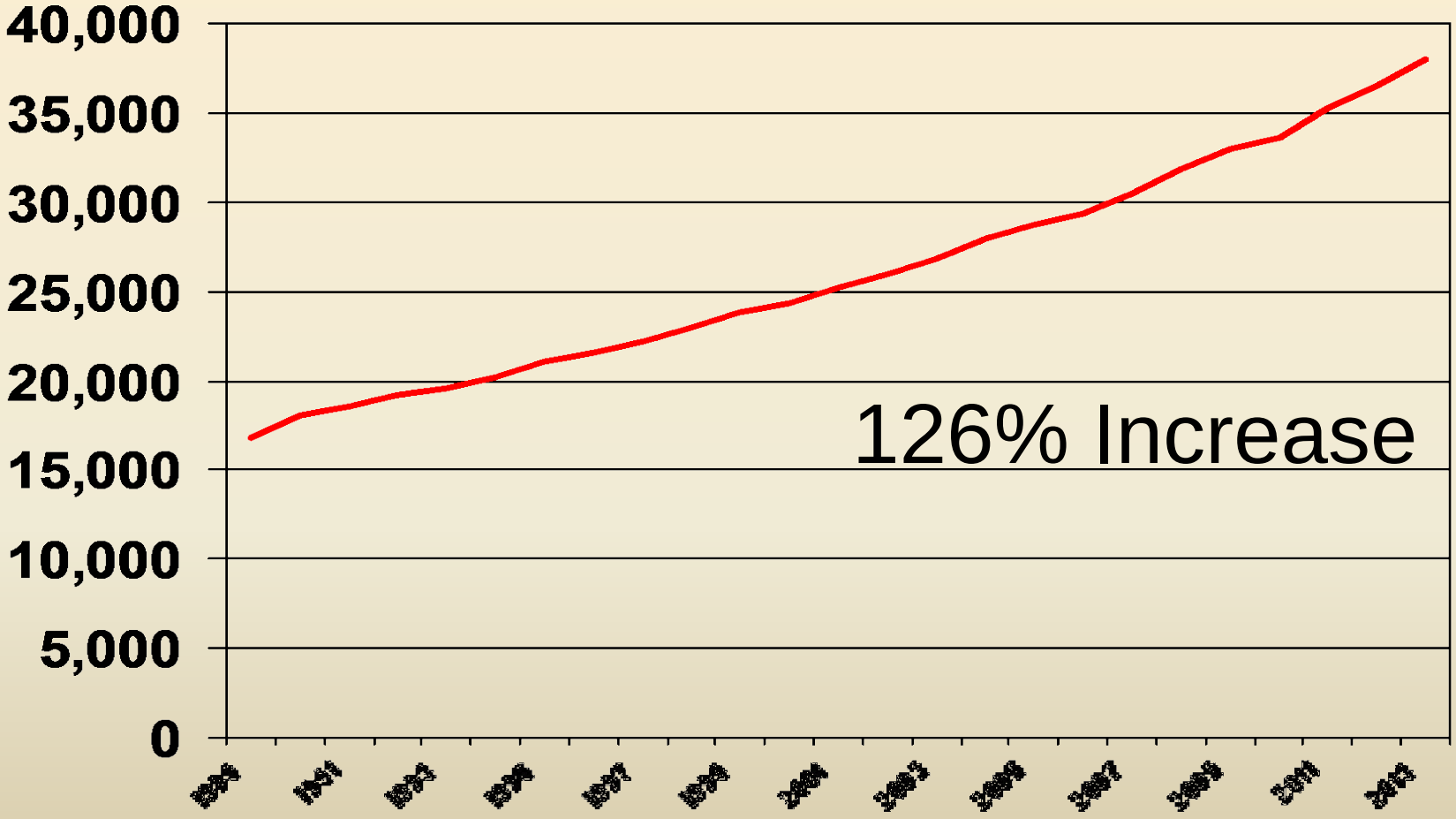
NDPERS Retirement Retirees

(Main System, Judges, Guard, Law Systems)



NDPERS

Retirement Plan Membership



Retirement

Job

Service

Retirement – Job Service

Employer Contribution: 0% of covered payroll

Employee Contribution: 7% of salary

Total Retirement Contribution: 7%

Vesting In Disability Benefit: 5 years

Vesting in Retirement Benefit: 5 years

Normal Retirement: Age 65

Age 62 with 5 years

Age 60 with 20 years

Age 55 with 30 years

Retirement - Job Service

<u>Retirement Formula:</u>

First 5 Years:

Final Average Salary x 1.50% x First 25 Years

Next 5 Years:

Final Average Salary x 1.75% x next 5 Years

Remaining Years

Final Average Salary x 2% x Remaining Years

Membership – Job Service

	2013	2012	Change
Active:			
• Number	15	19	-21.1%
• Projected payroll	$0.8 mil	$1.0 mil	-19.2%
• Average Age	59.3 years	58.6 years	+0.7 years
• Average Service	36.5 years	35.7 years	+0.8 years
Retirees and Beneficiaries			
Non Travelers			
• Number	137	133	+3.0%
• Total Monthly Benefits	$313,664	$311,193	+0.8%
• Average Monthly Benefit	$2,290	$2,340	-2.2%
Travelers			
• Number	76	79	-3.8%
• Total Monthly Benefits	$53,983	$54,571	-1.1%
• Average Monthly Benefit	$710	$691	+2.8%

Assets – Job Service

- The market value of assets increased from $84.7 million (as of June 30, 2012) to $90.4 million (as of June 30, 2013)
  - Segal determined the investment return was 12.06%, net of investment expenses
- The actuarial value of assets – which smoothes investment gains and losses over five years – increased from $75.1 million (as of June 30, 2012) to $76.3 million (as of June 30, 2013)
  - Investment return of 7.52%, net of investment expenses
  - Actuarial value is 84.5% of market
  - There is a total of $14.1 million of deferred investment gains that will be recognized in future years

➢ The assumed rate of return on investments was increased from 7.5% to 8.0% to measure results on the basis under which the Plan was first established

Valuation Results ($ in millions) – Job Service

	July 1, 2013	July 1, 2012
Actuarial Accrued Liability:		
• Active Members	$7.858	$10.197
• Inactive Members	1.915	0.661
• Retirees and Beneficiaries	56.672	61.184
Total	**$66.445**	**$72.042**
Actuarial Assets	76.325	75.118
Unfunded/(Overfunded) Accrued Liability	$(9.880)	$(3.076)
Funded Ratio*	114.9%	104.3%

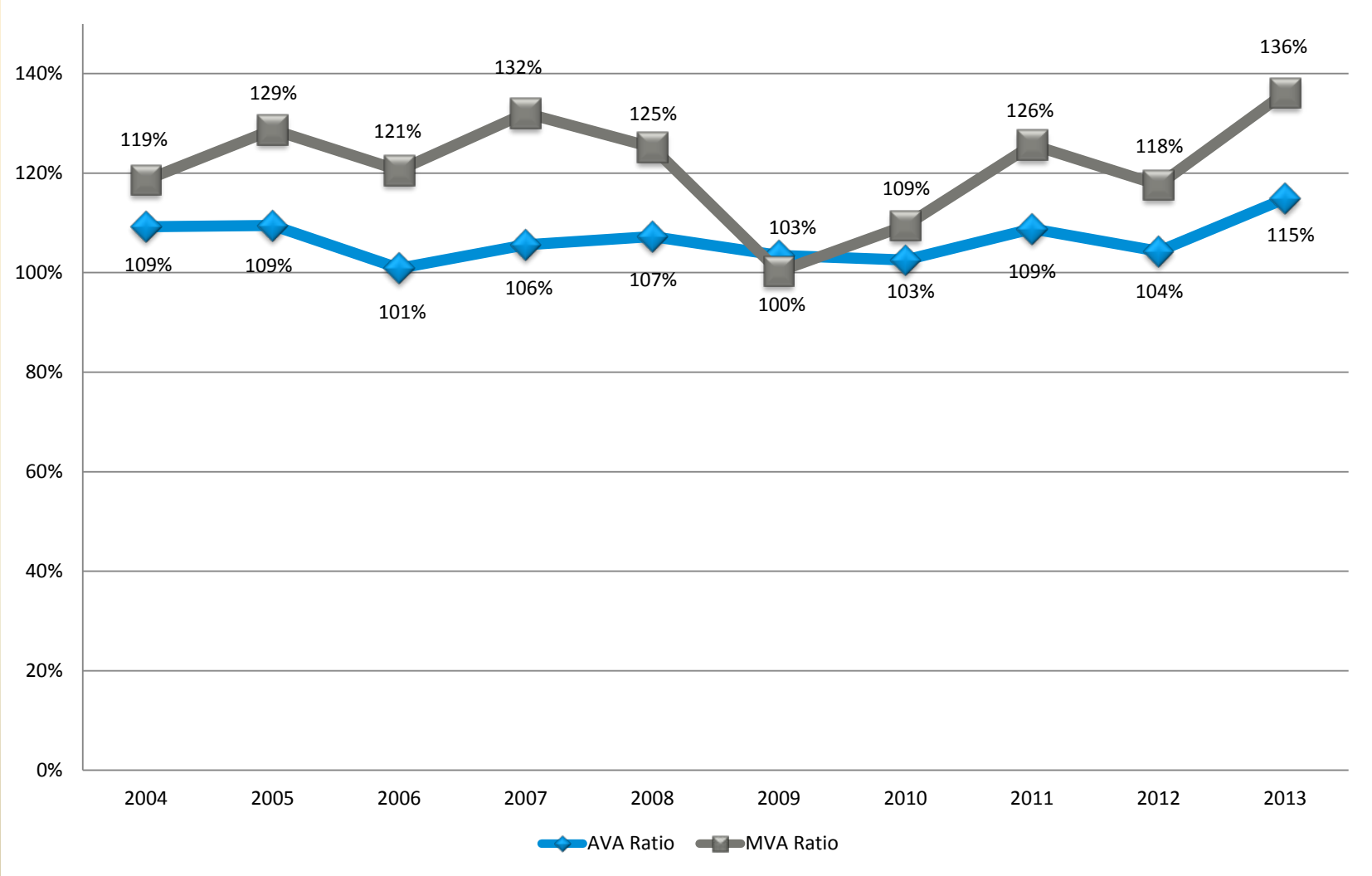
*No contributions are scheduled as long as the funded ratio exceeds 100%.

Market Value of Assets

- Market value of assets is:

$90,378,957

Funded Ratios – Job Service



Based on PVB.

COLA's

- History:

2003	2.1%
2004	2.7%
2005	4.1%
2006	3.3%
2007	2.3%
2008	5.8%
2011	3.6%
2012	1.7%

1.5% approved for 2013

The Challenge

- In the near term funding is not the challenge
- The challenges are:
  - DOL support
  - Asset Allocation

Job Service – DOL support

- From 1983- 1998 the DOL paid the required amortization of the unfunded liability of the Job Service Retirement Plan
- Fifteen years remain on the 30-year amortization schedule with a remaining balance for the unfunded liability of the North Dakota Plan in the amount of $9.7 million as of July 1998.
- In 1998 the funded status of the plan was 119%
- DOL questioned why they should make payments

Job Service – DOL support

- To resolve this issue Job Service and the United States Department of Labor agreed to the following:
  - Commencing with the 1999 payment, the United States Department of Labor will suspend the unfunded liability payments.
  - The unfunded liability payments will be reactivated and resumed by the Untied States Department of Labor at any time when the actuarial valuation indicates the Plan is in an under funded status.
  - The trigger mechanism for determining when the Plan goes into an underfunded status is when the actuarial value of assets is less than the actuarial present value of benefits. This information will be made available in the annual Plan actuarial valuation report.

June 2013 letter from DOL indicating agreement has expired

U.S. Department of Labor

Assistant Secretary for Employment and Training
Washington, D.C. 20210

RECEIVED
JUN 14 2013
ND PERS

Ms. Karen L. Daley
Executive Director
Job Service North Dakota
P.O. Box 5507
Bismarck, North Dakota 58506-5507

Dear Ms. Daley:

This letter is in regards to the State of North Dakota and U.S. Department of Labor Memorandum of Understanding developed to support the state agency's retirement plan.

The U.S. Department of Labor's (the Department) Employment and Training Administration (ETA) entered into a 30-year agreement to fund a number of state employment security agency retirement plans. The agreement between the Department and State of North Dakota was executed in October 1980. Subsequently, ETA made payments to North Dakota to fund the annual amortization costs of the state employment service retirement plan using Employment Service (Wagner-Peyser) and Unemployment Insurance (UI) program funding. Based on the Department's records, North Dakota has not made a request for Wagner Peyser or UI program funds to support the state's retirement plan in more than three years.

This letter is to notify you that the 30-year agreement between the State of North Dakota and the Department has been satisfied. To that end, no new requests for funding will be accepted by the Department. While ETA obligates over the Wagner Peyser and UI programs, any changes to SESA retirement plans are under the purview of the state and should be made in accordance with applicable state laws.

If there are questions regarding this matter, please feel free to contact me at (202) 693-2700.

Sincerely,

Jane Oates
Assistant Secretary

cc: Dennis Kelly, Grant Officer
Thomas Martin, Grant Officer
Nick Lalpuis, Acting Regional Administrator

Dec 2014 letter indicating 1999 agreement did not extend 30 yrs

U.S. Department of Labor

Assistant Secretary
Employment and Training
Washington, D.C. 20210

RECEIVED
DEC 18 2014
ND PERS

DEC 2 4 2014

Mr. Sparb Collins
Executive Director
North Dakota Public Employees Retirement System
400 East Broadway, Suite 308
Bismarck, ND 58501

Dear Mr. Collins:

Thank you for your letter dated July 16, 2014, responding to our May 24, 2013, letter regarding federal funding of the state employment security agency (SESA) retirement system under a 1980 Memorandum of Understanding (MOU) between the U.S. Department of Labor (Department) and the state of North Dakota.

In the May 24, 2013, letter to the Executive Director of North Dakota Job Service, the Employment and Training Administration (ETA) informed the state that the 30-year agreement established between North Dakota and the Department has been satisfied, and no new requests for funding will be accepted by the Department. After a thorough review of the materials you provided, this remains the Department's conclusion.

The last funding request submitted by North Dakota to the Department was in 1999. At the time, North Dakota indicated that the latest actuarial report for the Job Service North Dakota Retirement Plan showed that the present value of the fund exceeded the present value of the benefits, signifying that there was no longer an unfunded liability associated with the Plan, and the contributions from the Department were no longer needed. North Dakota was concerned about the resumption of contributions in the event future actuarial reports once again demonstrated an unfunded liability, and a compromise agreement was developed whereby the Department agreed to forgo potential requests for additional funding if actuarial reports conveyed an unfunded liability. In the years following 1999 and through fiscal year 2005, North Dakota never submitted a request for contributions from the Department, nor has the state ever provided any actuarial reports describing the status of the retirement fund.

The compromise modification of 1999 did not extend the life of the 30-year agreement, rather it made possible the amortization of any unfunded liability over the remaining years of the amortization schedule. Because there is no evidence that there was an agreement that superseded the 1980 MOU, the 30-year period of the MOU has expired.

Sincerely,

Eric M. Seleznow
Acting Assistant Secretary

Job Service – DOL support

- Next Steps
  - Administrative Phase
    - Get 30 year agreement and all records from DOL
    - Get full understanding of positions
  - Policy Phase
    - Request legislative relief

Retirement

Judges

System

Retirement - Judges

Public Employees Retirement Plan-Judge's
Chapter 54-52, NDCC

Employer Contribution:	17.52%
Employee Contribution:	8.00%
Total Retirement Contributions:	25.52%

Vesting in Disability Benefit:	180 days
Vesting In Retirement Benefit:	60 months

Normal Retirement: Age 65 or Rule of 85

RETIREMENT - JUDGES

Retirement Formula:

First Ten Years:

Final Average Salary x 3.5% x First 10 Years of Credited Service

Second Ten Years:

Final Average Salary x 2.80% x Second 10 Years of Credited Service

Remaining Years:

Final Average Salary x 1.25% x Remaining Years of Credited Service

Example: $6861 x 3.50% x 10 = $2401.35

$6861 x 2.80% x 10 = $1921.08

$6861 x 1.25% x 5 = $ 428.80

$4751.23

Membership – Judges

	2013	2012	Change
Active			
• Number	49	49	+0.0%
• Payroll*	$6.6 mil	$6.1 mil	+8.2%
• Average Age	58.6 years	58.1 years	+0.5 years
• Average Service	18.3 years	17.6 years	+0.7 years
Retirees and Beneficiaries			
• Number	36	34	+5.9%
• Total Monthly Benefits	$127,563	$122,548	+4.1%
• Average Monthly Benefit	$3,543	$3,604	-1.7%

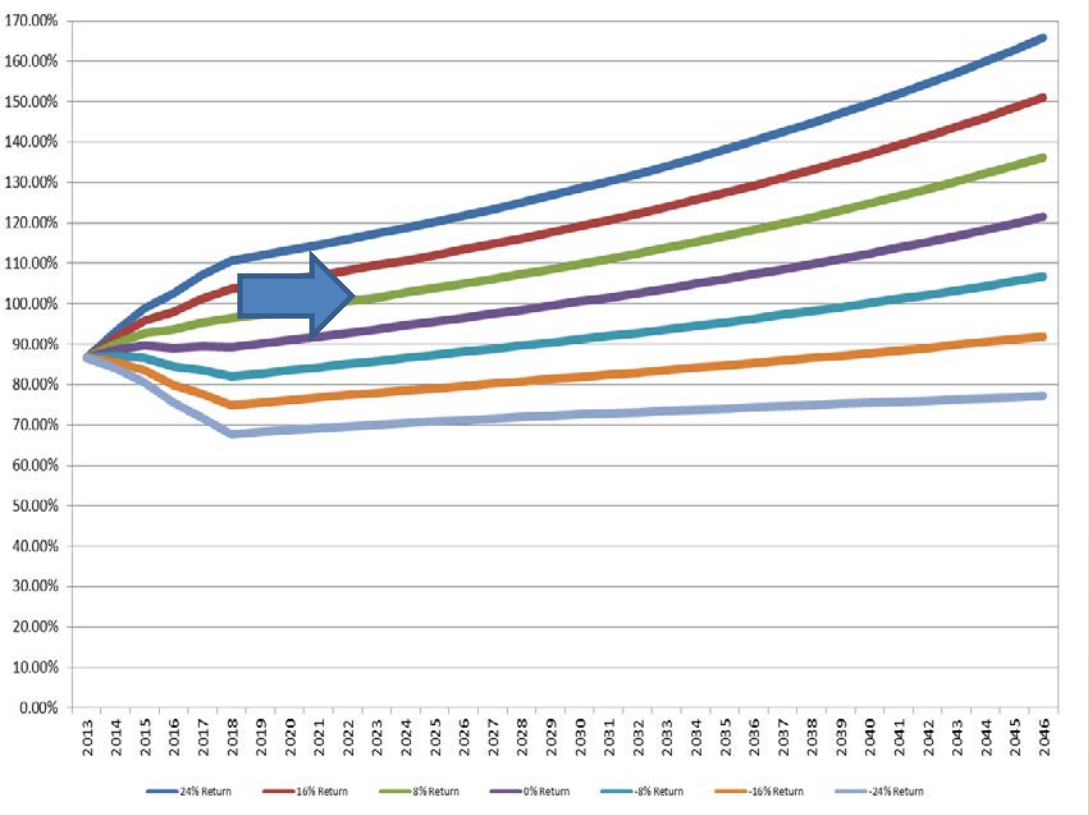
*_____% of this was a change in our data processing methodology.

Actuarially Recommended Contribution – Judges

	July 1, 2013	July 1, 2012
Normal Cost Rate	18.75%	18.73%
Member Rate	7.50%	6.50%
Employer Normal Cost Rate	11.25%	12.23%
Amortization of UAAL	5.41%	4.10%
Actuarially Recommended Contribution	16.66%	16.33%
Employer Rate	16.52-17.52%	15.52-16.52%
Contribution Sufficiency/(Deficiency)	1.36%	0.69%

If the actuarially recommended contribution is calculated using the market value of assets, the ultimate contribution sufficiency/(deficiency) is 7.00%.

Judges Retirement Plan



- Stop the downward trend ☑
- Stabilize the plans ☑
- Put them on a track back to 100% ☑

Retirement

National Guard

RETIREMENT – NATIONAL GUARD

Public Employees Retirement Plan
National Guard
Chapter 54-52, NDCC

Employer Contribution:	7.00% of covered payroll
Employee Contribution:	4.50% of salary
Total Retirement Contribution:	11.50%
Vesting In Disability Benefit:	180 days
Vesting In Retirement Benefit:	36 months

Normal Retirement:

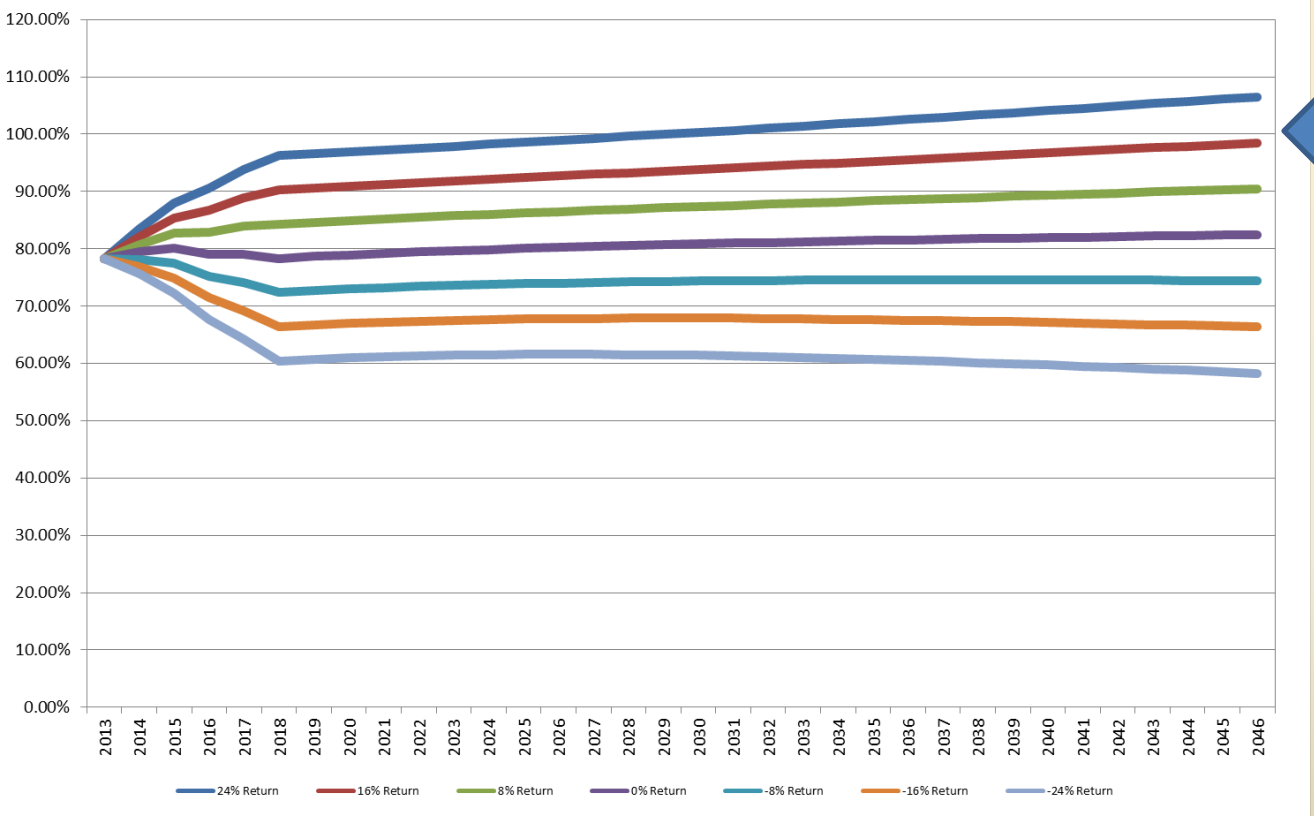
Age 55 with 3 years consecutive service

as Firefighter or Security Police Officer

Valuation Results ($ in millions) – National Guard

	July 1, 2013	July 1, 2012
Actuarial Accrued Liability:		
• Active Members	$1.535	$1.073
• Inactive Members	0.315	0.369
• Retirees and Beneficiaries	1.110	0.973
Total	**$2.960**	**$2.415**
Actuarial Assets	2.317	2.211
Unfunded Accrued Liability	$0.643	$0.204
Funded Ratio	78.2%	91.6%

National Guard Retirement Plan



- Stop the downward trend ☑
- Stabilize the plan ☑
- Put them on a track back to 100%

Retirement

Law

Enforcement

Plans

Law Enforcement Plans

<u>With Prior Service:</u>

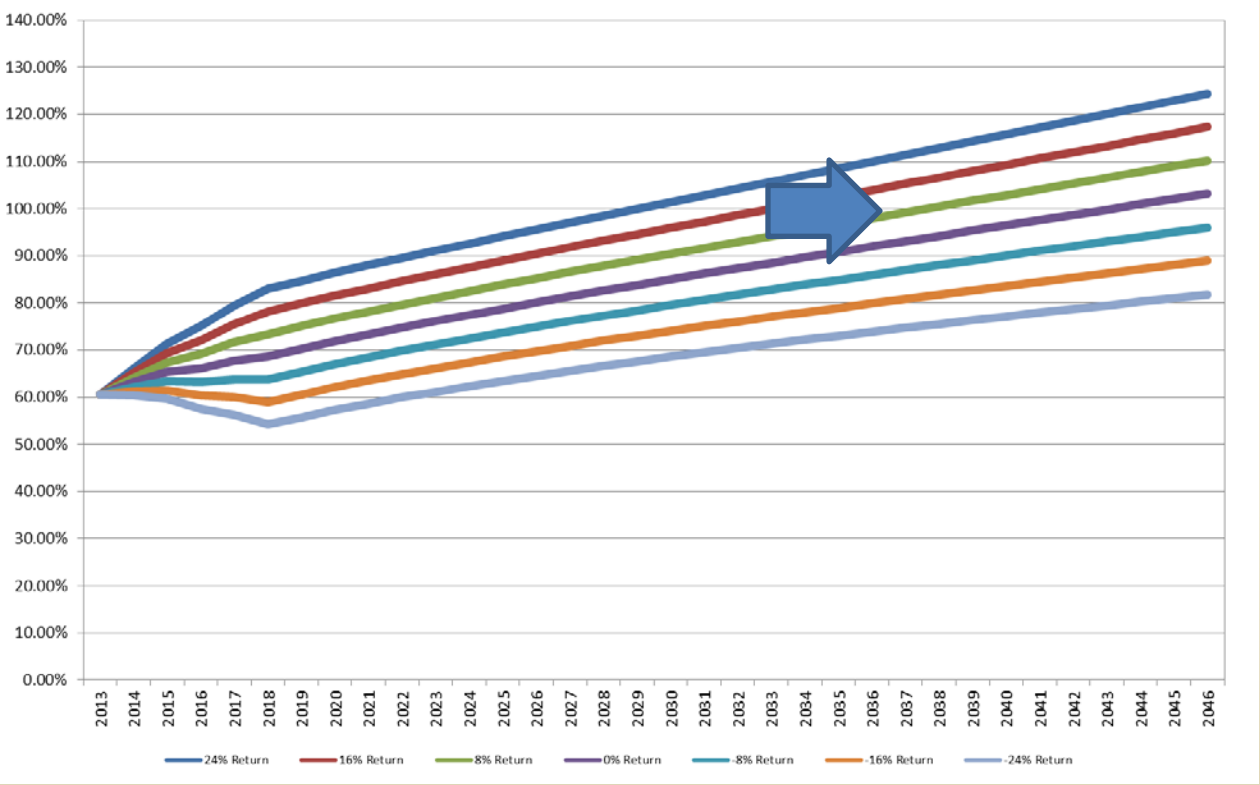
- Employee Contribution
  - 5.50% (BCI – 6%)
- Current Employer Groups
  - 9.81% Employer Contribution (BCI 10.31%)
    - Contribution based on Normal Cost and past service credit liability

<u>Without Prior Service:</u>

- Employee Contribution
  - 5.50%
- Current Employer Groups
  - 7.93% Employer Contribution
    - Contribution based on Normal Cost and no past service credit liability

Law Enforcement Retirement Plan

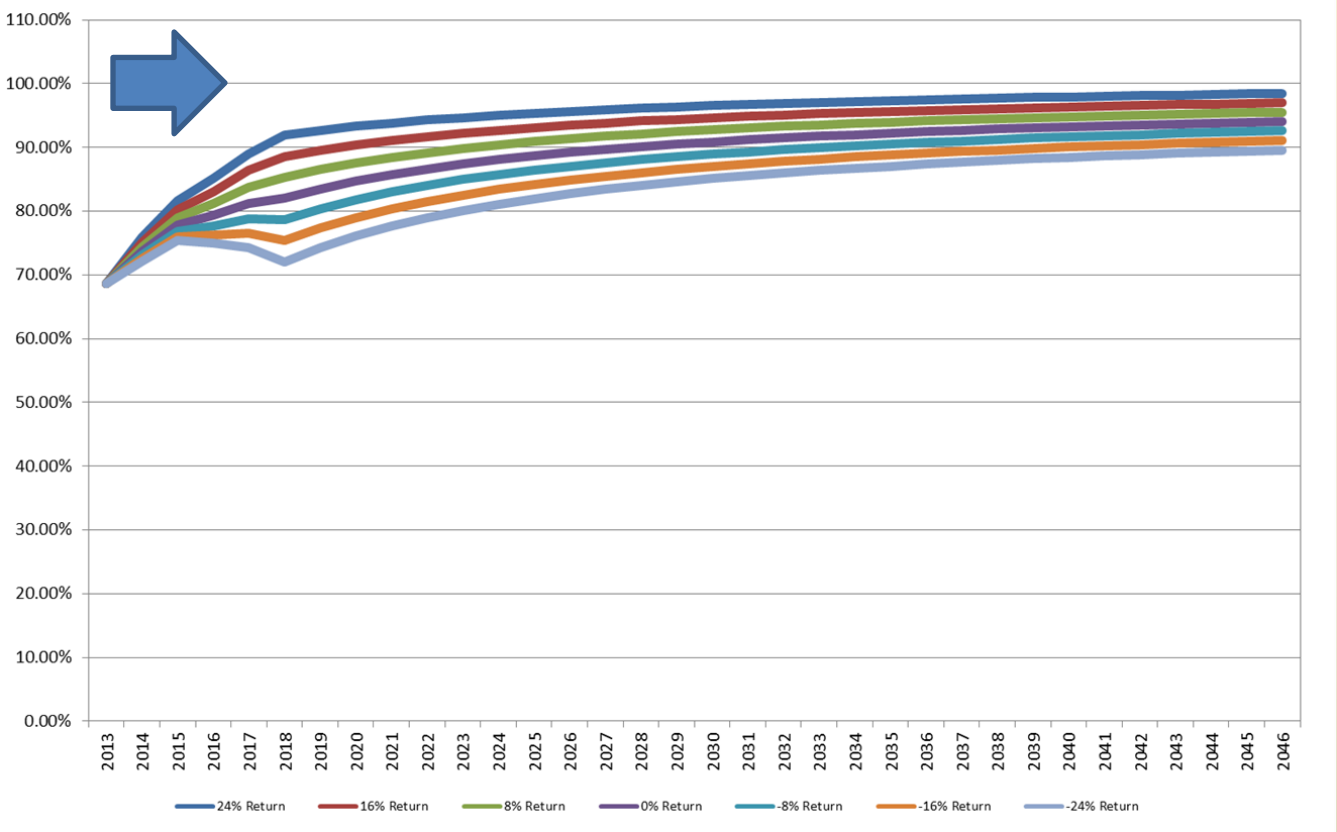
with Prior Service



- Stop the downward trend ☑
- Stabilize the plan ☑
- Put them on a track back to 100% ☑

Law Enforcement Retirement Plan

no Prior Service



- Stop the downward trend ☑
- Stabilize the plan ☑
- Put them on a track back to 100%

RETIREMENT

HIGHWAY PATROL
RETIREMENT SYSTEM

Retirement - Highway Patrol

Chapter 39-03.1, NDCC

Employer Contribution:	19.7% of covered payroll
Employee Contribution:	13.3% of salary
Total Retirement Contribution:	33.0%

Vesting In Disability Benefit:	180 days
Vesting in Retirement Benefit:	120 months

Normal Retirement: Age 55 or Rule of 80

Retirement - Highway Patrol

<u>Retirement Formula:</u>

First 25 Years:

Final Average Salary x 3.60% x First 25 Years

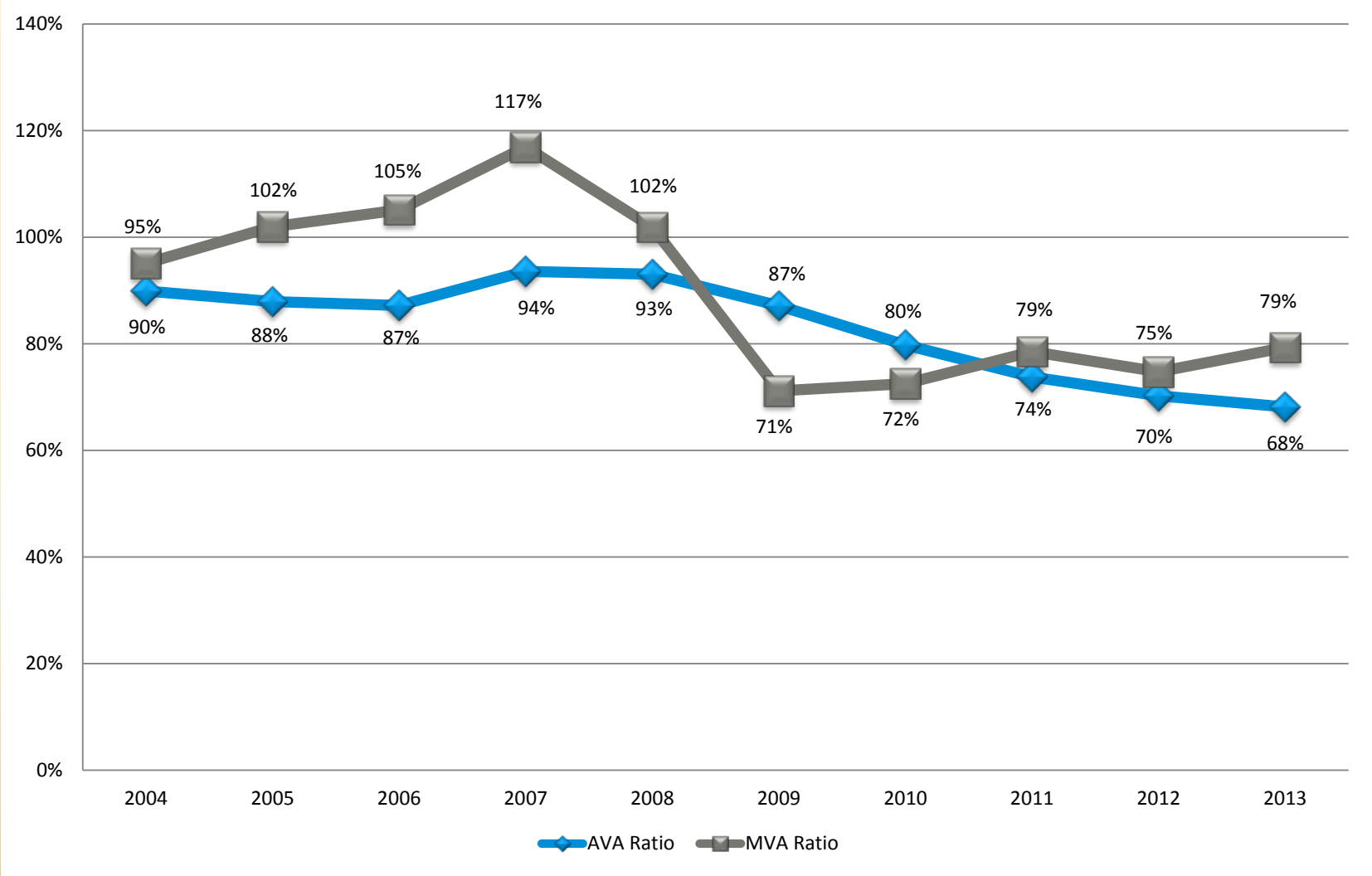
Remaining Years:

Final Average Salary x 1.75% x Remaining Years

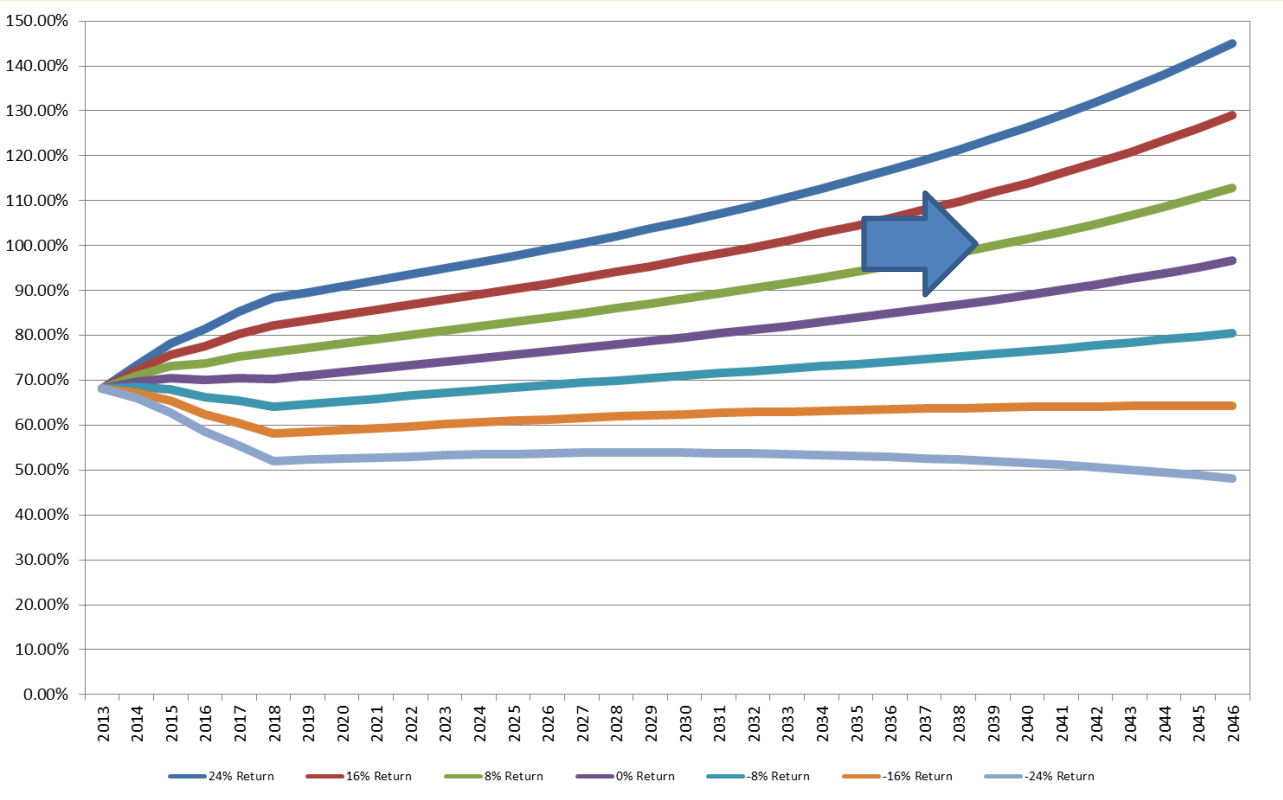
<u>Example:</u> $3000.92 x 3.60% x 25 = $2,700.83*

*Not eligible for Social Security Benefits

Funded Ratios – Highway Patrol



Highway Patrol Retirement Plan



- Stop the downward trend ☑
- Stabilize the plan ☑
- Put them on a track back to 100% ☑

Where are we at

	Judges	Nat Guard	Law Enf (with)	Law Enf (without)	Highway Patrol
Stop downward trend	✓	✓	✓	✓	✓
Stabilize Plan	✓	✓	✓	✓	✓
Get on track to 100%	✓		✓	✓	✓

Retirement

Main System

RETIREMENT - MAIN

Public Employees Retirement Plan
Chapter 54-52, NDCC

Employer Contribution:	7.12%
Employee Contribution:	7.00%
Total Retirement Contributions:	14.12%

Vesting in Disability Benefit:	180 days
Vesting in Retirement Benefit:	36 months
Normal Retirement:	Age 65 or Rule of 85

RETIREMENT - Main

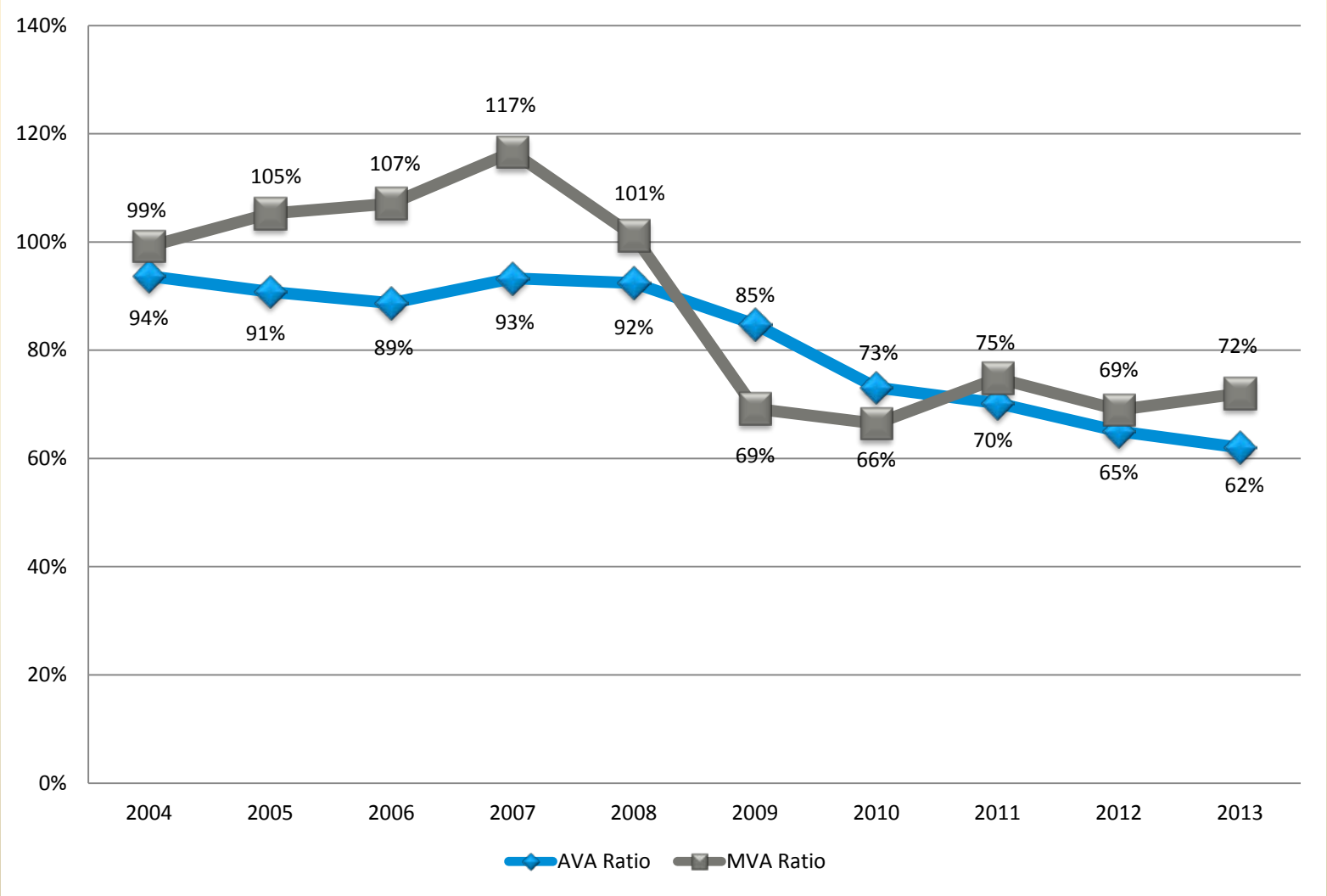
Retirement Formula:

Final Average Salary x 2% x Years of Credited Service

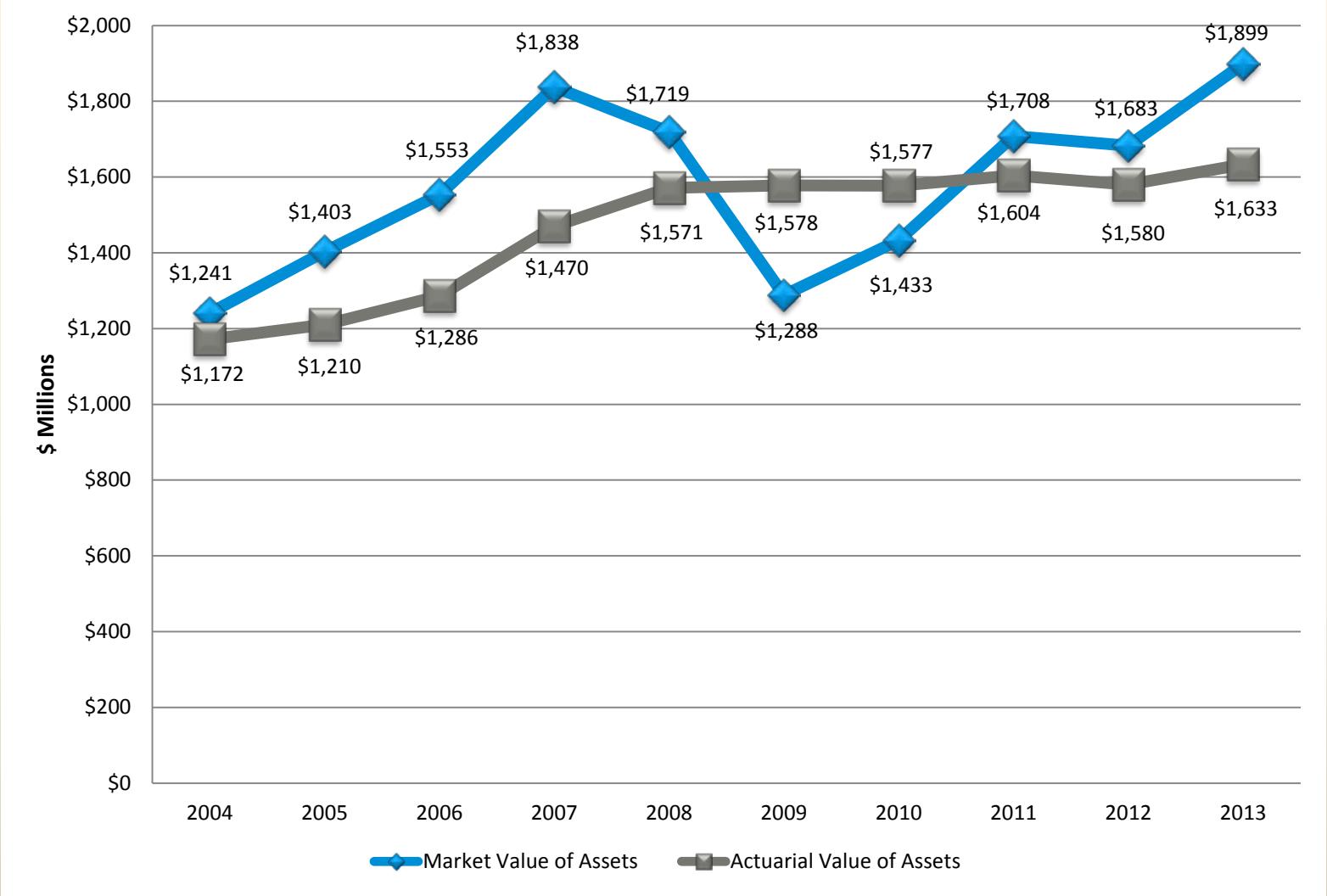
Example:

$2000 x 2% x 20 = $800

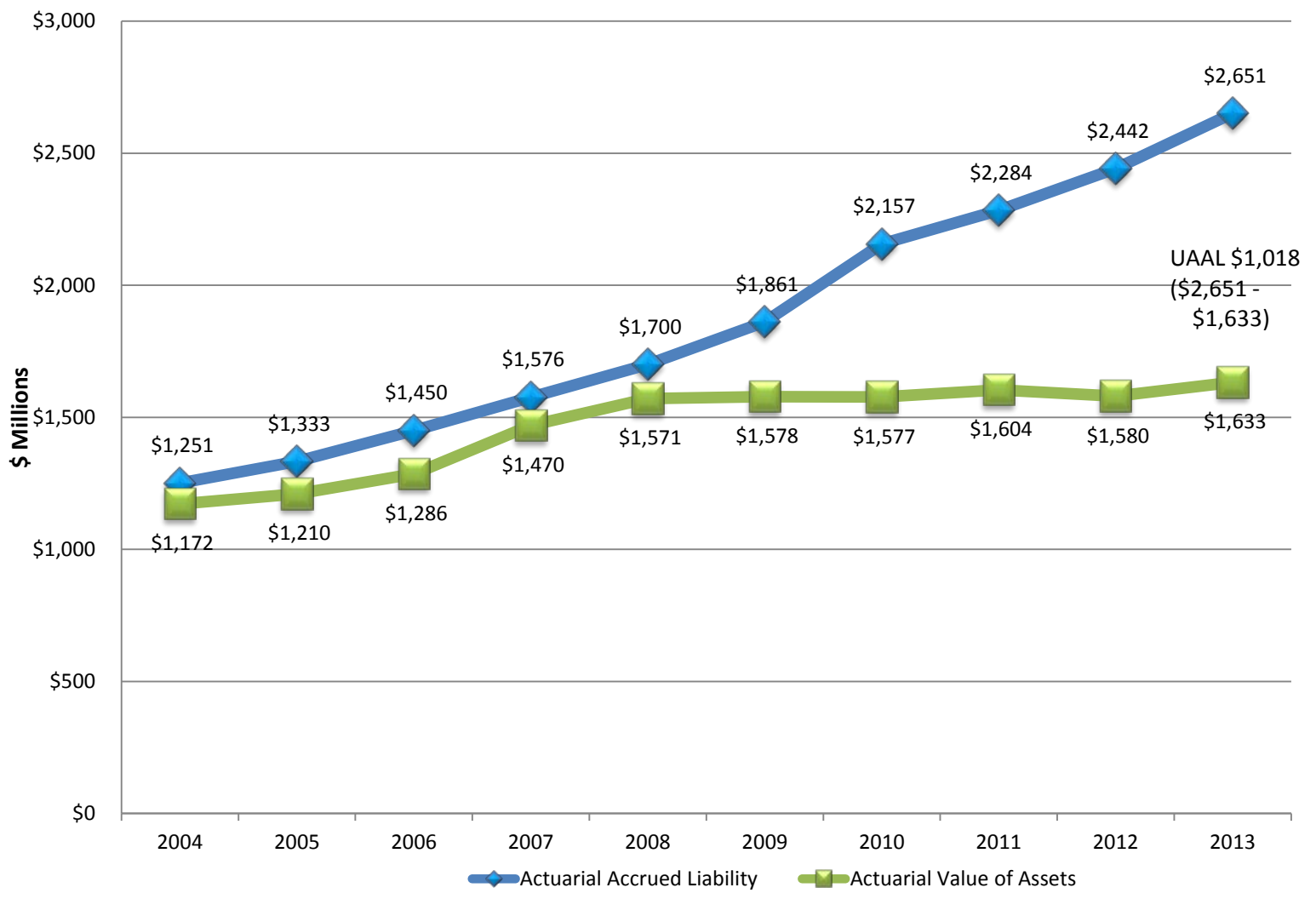
Funded Ratios – Main System



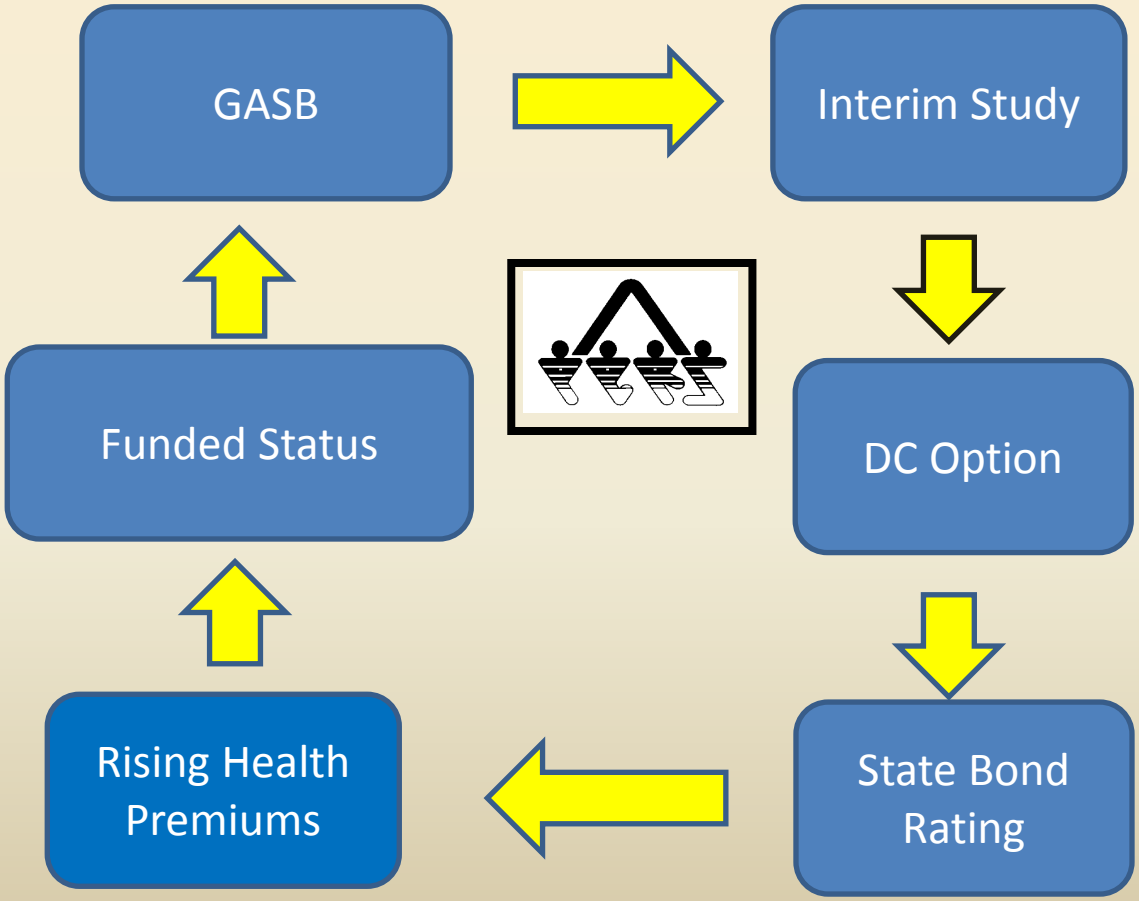
Market and Actuarial Values of Assets – Main System

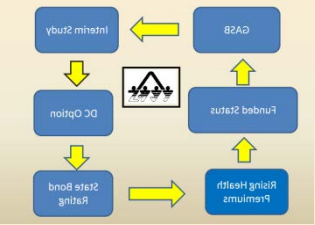


Actuarial Value of Assets and Actuarial Accrued Liability – Main System



Environment





GASB Statements 67 and 68

Governmental Accounting Standards Board

Financial Reporting Focus

- GASB establishes accounting and financial reporting, *not funding policies*
- Focus is on pension obligation, changes in obligation, and attribution of expense

GASB

Long-Term Nature of Governments

- Cost of services to long-term operation
- "Interperiod equity" matches current period resources and costs

Employer-Employee Exchange

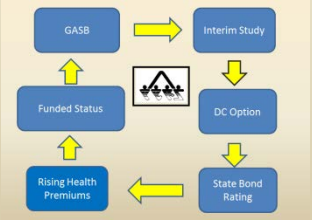
- Employer incurs an obligation to its employees for pension benefits
- Transaction is in context of a career-long relationship

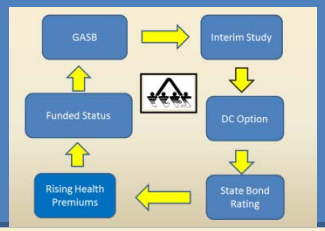
SECTION 16. LEGISLATIVE MANAGEMENT STUDY - NORTH DAKOTA RETIREMENT PLANS.

During the 2013-14 interim, the legislative management shall consider studying the feasibility and desirability of existing and possible state retirement plans. The study must include an analysis of both a defined benefit plan and a defined contribution plan with considerations and possible consequences for transitioning to a state defined contribution plan. The study may not be conducted by the employee benefits programs committee. The legislative management shall report its findings and recommendations, together with any legislation needed to implement the recommendations, to the sixty-fourth legislative assembly.

Interim Study

May decide to use a different actuary

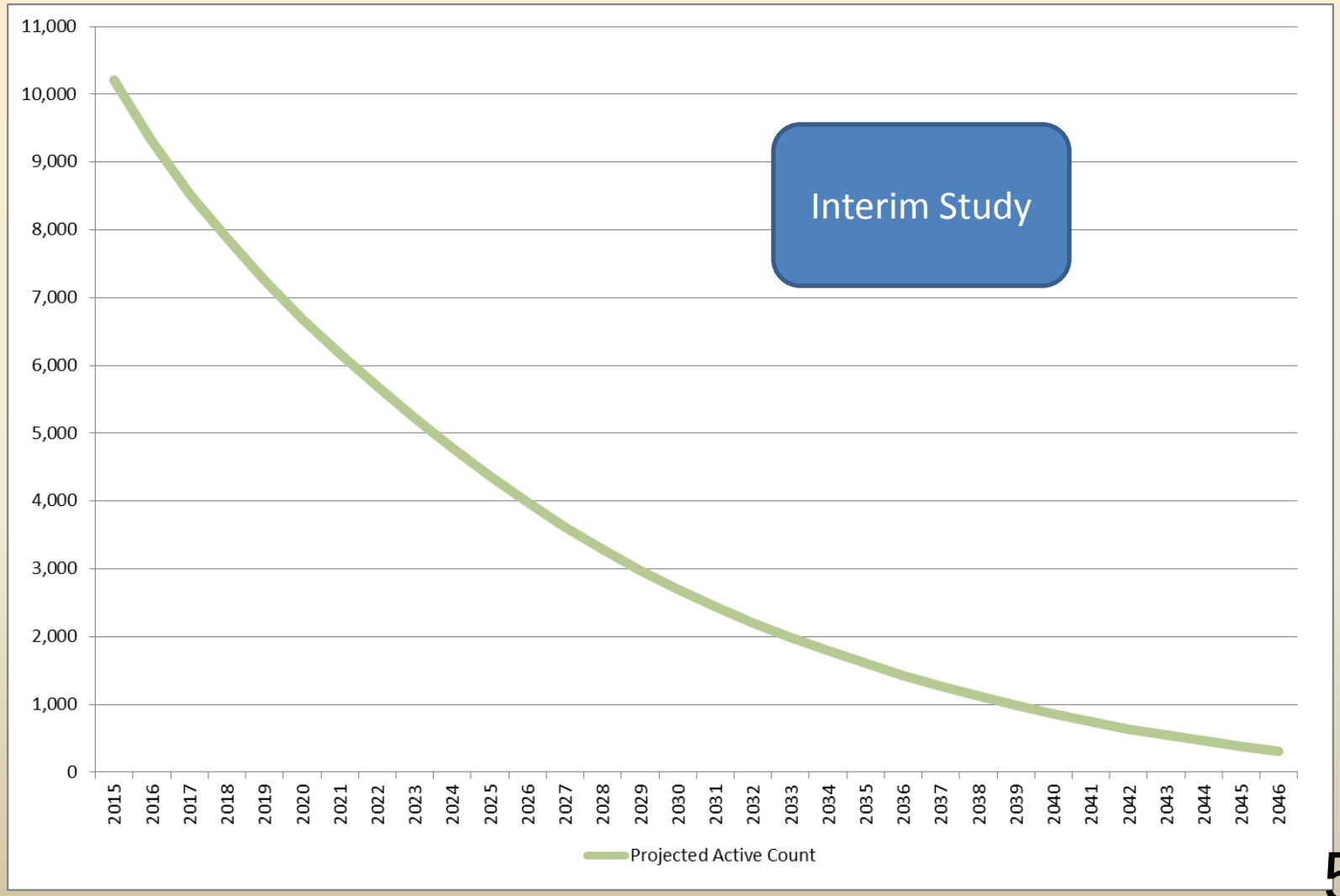




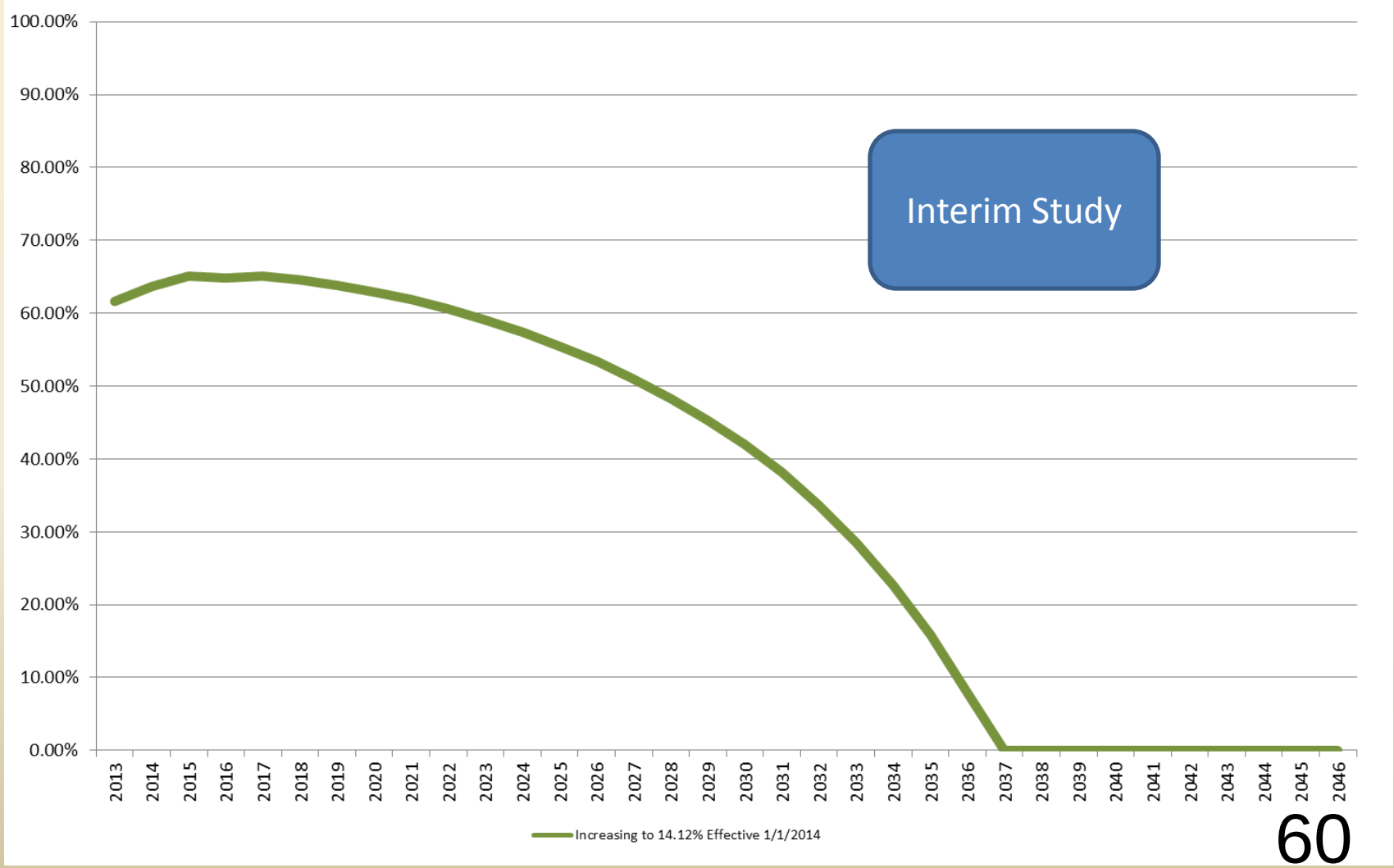
Interim Study

	Additional Contribution Rate as of January 1, 2016 Required To Achieve 100% Funding Target in		
	20 Years (2033)	25 Years (2038)	30 Years (2043)
Current Plan	4.9%	3.3%	2.5%
Closed Plan for State Employees	26.5%	24.7%	23.4%
Continuing Plan for Non-State Employees	4.2%	2.8%	2.0%
Combined Plan for State Employees (Closed) and Non-State Employees (Continuing)	10.8%	9.0%	7.2%

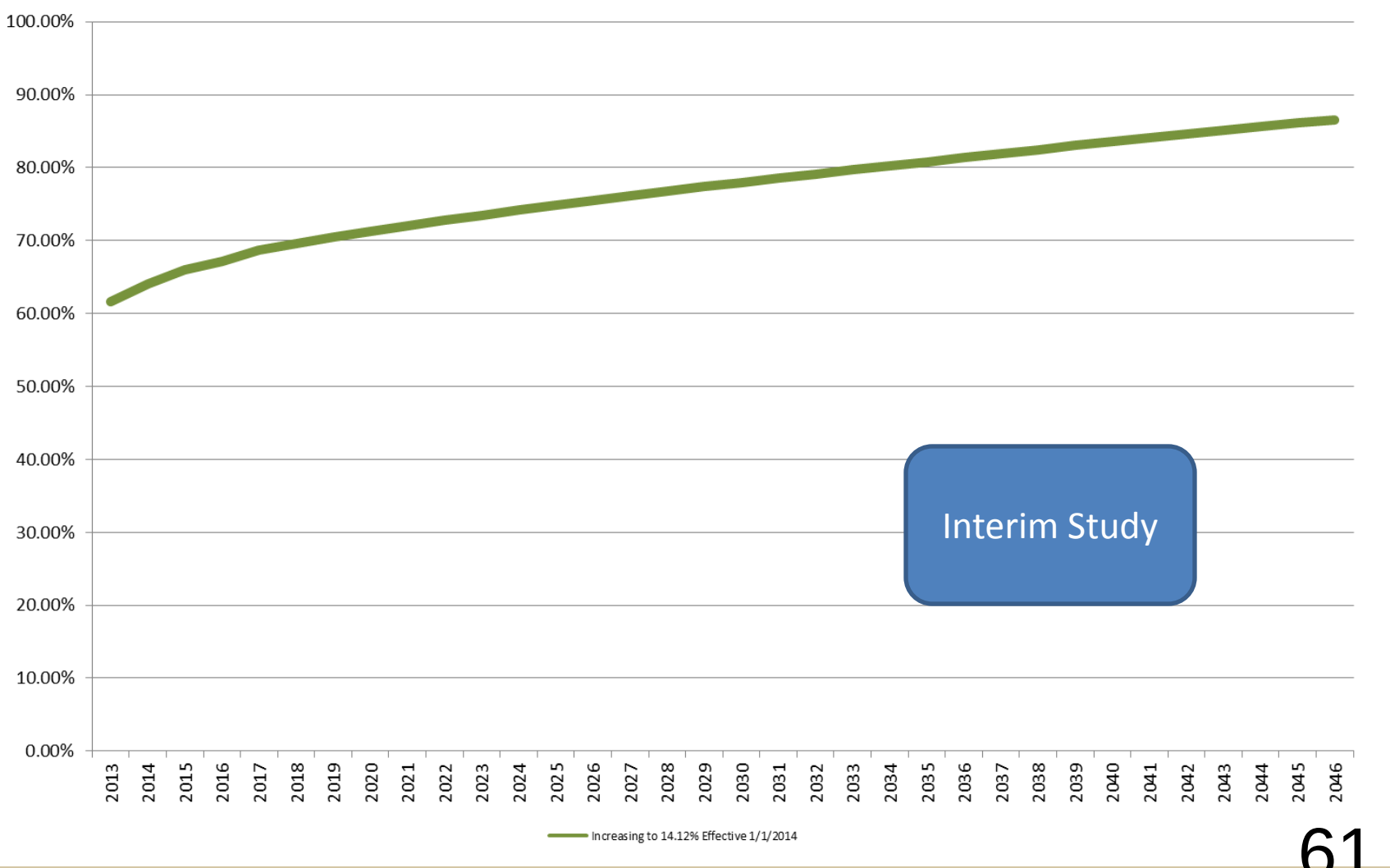
Active Population – Main System: Closed Plan for State Employees



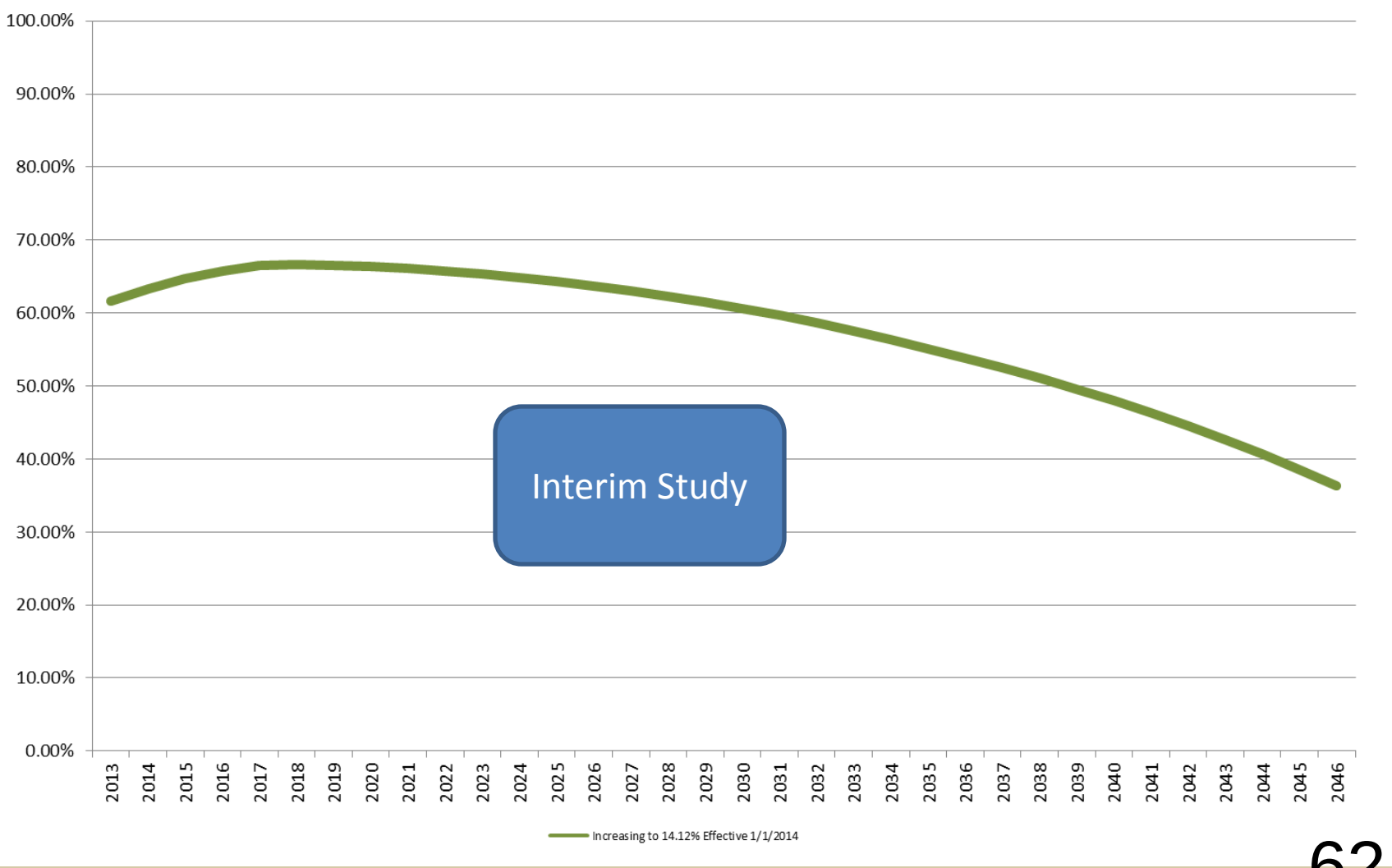
Projected Funded Ratios (AVA Basis) – Main System: Closed Plan for State Employees

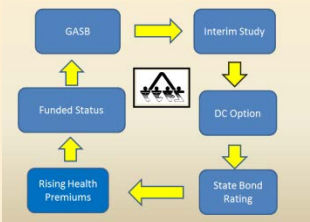


Projected Funded Ratios (AVA Basis) – Main System: Continuing Plan for Non-State Employees



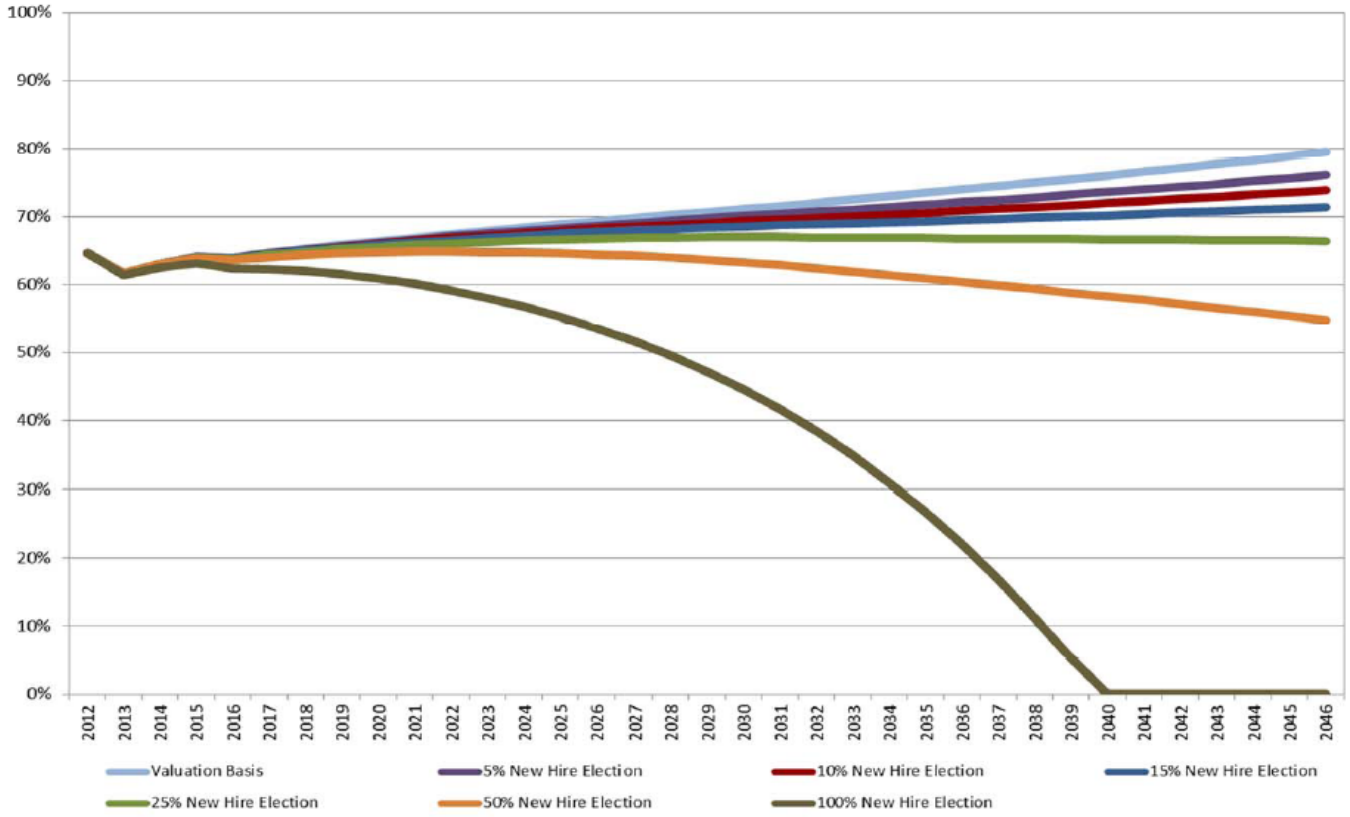
Projected Funded Ratios (AVA Basis) – Main System: Combined Plan for State Employees (Closed) and Non-State Employees (Continuing)

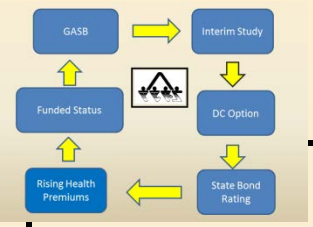




DC option

Projected Funded Ratios Under HB 1452 with Partial Recovery Plan
New Hires May Elect to Participate in DC Plan (with No PERS DB Contribution)
Main System (AVA Basis) – 1% Increases on 1/2013 and 1/2014





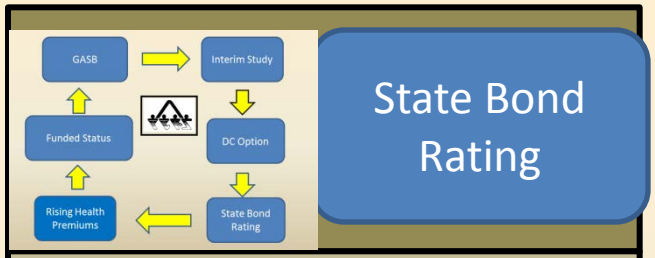
Rising Health Premiums

Active State Renewal Rate

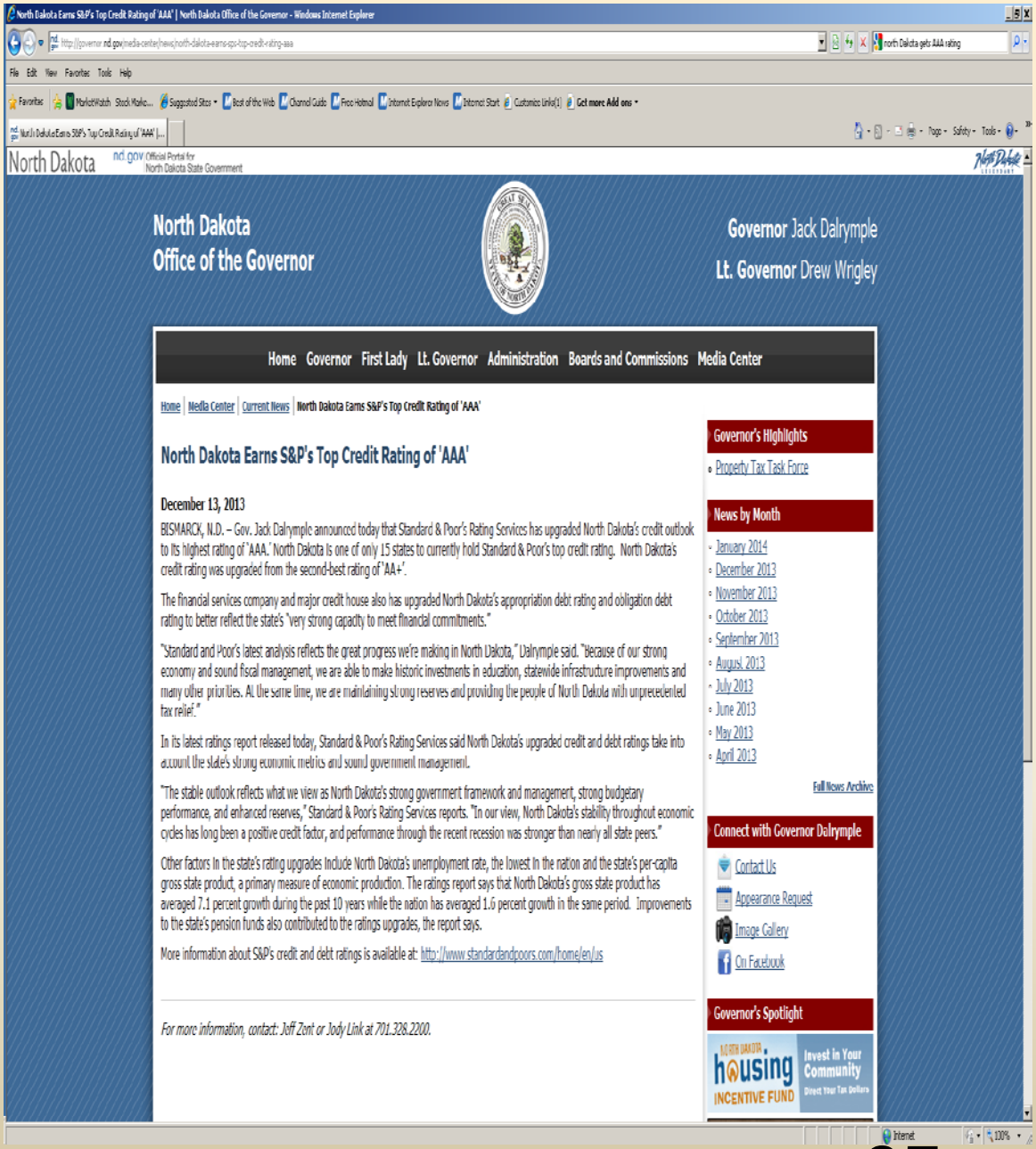
NDPERS 2013- 2015 Allocation and 2015-2017 Projection	NDPERS 2015-2017 Planning Projections			
	5.0% Trend	7.0% Trend	9.0% Trend	10.0% Trend
2009-2011 rate	$825.66	$825.66	$825.66	$825.66
2011-2013 rate	$886.62	$886.62	$886.62	$886.62
2013-2015 rate ($998.92 BCBS)	$981.68	$981.68	$981.68	$981.68
2013-2015 % increase	10.72%	10.72%	10.72%	10.72%
Projected 2015-2017 rate	$1101.31	$1143.66	$1186.82	$1208.69
2015-2017 $ increase	$102.39	$144.74	$187.90	$209.77
2015-2017 % increase	12.19%	16.50%	20.09%	23.12%
Total State additional funds*	$29,488,000	$41,685,000	$54,115,000	$60,414,000
Total additional general funds**	$16,218,000	$22,927,000	$29,763,000	$33,228,000

* - For biennium assuming 12,000 State FTE's
** - Assumed to be 55% of total funds

* Additional $ estimate assumes same level of buy down as this biennium



North Dakota Earns S&P's Top Credit Rating of "AAA"



North Dakota Office of the Governor

Governor Jack Dalrymple
Lt. Governor Drew Wrigley

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Home | Media Center | Current News | North Dakota Earns S&P's Top Credit Rating of 'AAA'

North Dakota Earns S&P's Top Credit Rating of 'AAA'

December 13, 2013

BISMARCK, N.D. – Gov. Jack Dalrymple announced today that Standard & Poor's Rating Services has upgraded North Dakota's credit outlook to its highest rating of "AAA." North Dakota is one of only 15 states to currently hold Standard & Poor's top credit rating. North Dakota's credit rating was upgraded from the second-best rating of 'AA+'.

The financial services company and major credit house also has upgraded North Dakota's appropriation debt rating and obligation debt rating to better reflect the state's "very strong capacity to meet financial commitments."

"Standard and Poor's latest analysis reflects the great progress we're making in North Dakota," Dalrymple said. "Because of our strong economy and sound fiscal management, we are able to make historic investments in education, statewide infrastructure improvements and many other priorities. At the same time, we are maintaining strong reserves and providing the people of North Dakota with unprecedented tax relief."

In its latest ratings report released today, Standard & Poor's Rating Services said North Dakota's upgraded credit and debt ratings take into account the state's strong economic metrics and sound government management.

"The stable outlook reflects what we view as North Dakota's strong government framework and management, strong budgetary performance, and enhanced reserves," Standard & Poor's Rating Services reports. "In our view, North Dakota's stability throughout economic cycles has long been a positive credit factor, and performance through the recent recession was stronger than nearly all state peers."

Other factors in the state's rating upgrades include North Dakota's unemployment rate, the lowest in the nation and the state's per-capita gross state product, a primary measure of economic production. The ratings report says that North Dakota's gross state product has averaged 7.1 percent growth during the past 10 years while the nation has averaged 1.6 percent growth in the same period. Improvements to the state's pension funds also contributed to the ratings upgrades, the report says.

More information about S&P's credit and debt ratings is available at: http://www.standardandpoors.com/home/en/us

For more information, contact: Jeff Zent or Jody Link at 701.328.2200.

Governor's Highlights
- Property Tax Task Force

News by Month
- January 2014
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- April 2013

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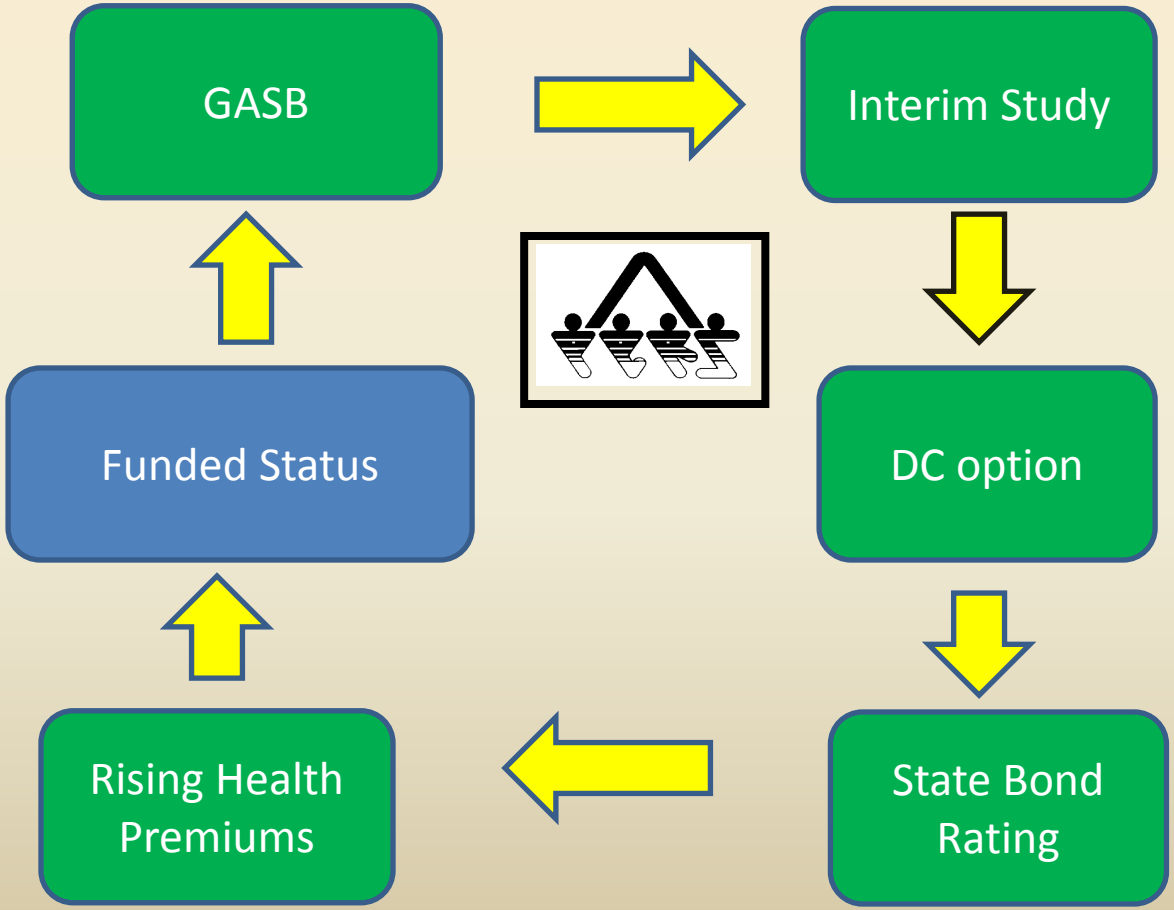
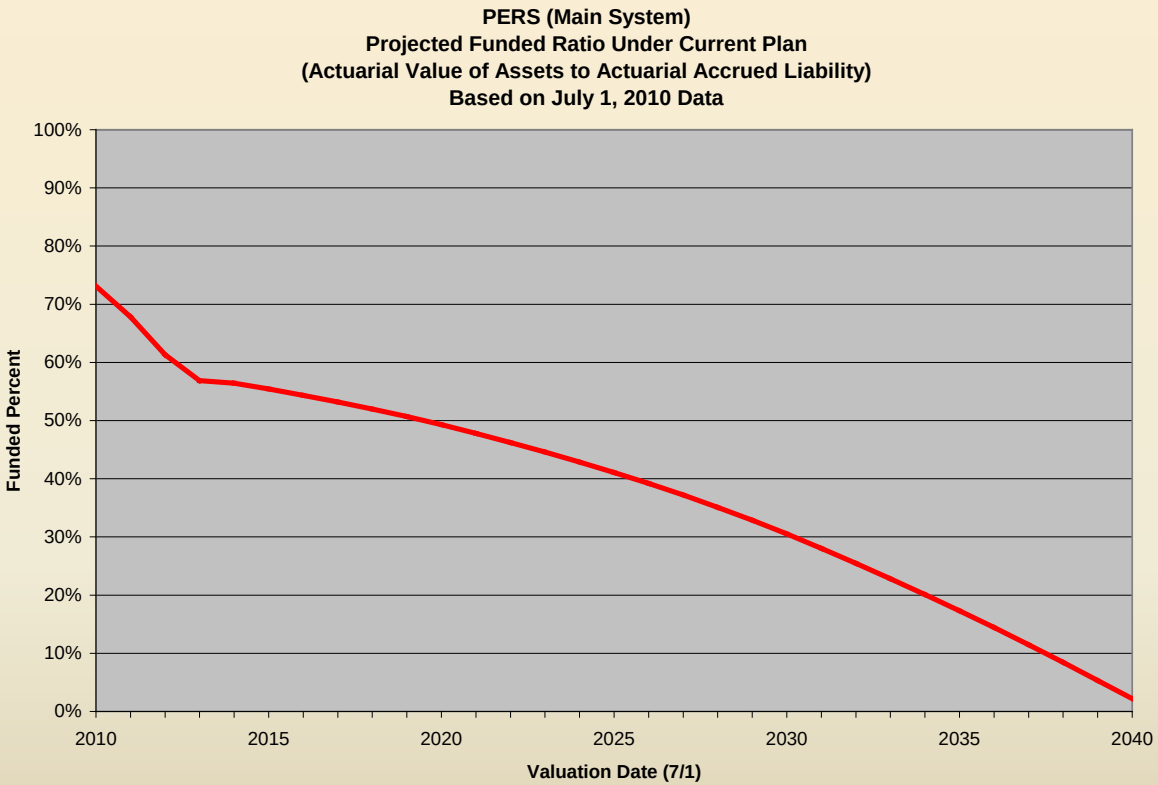
Governor's Spotlight

Environment



THE CHALLENGE AND ACCOMPLISHMENTS

The challenge



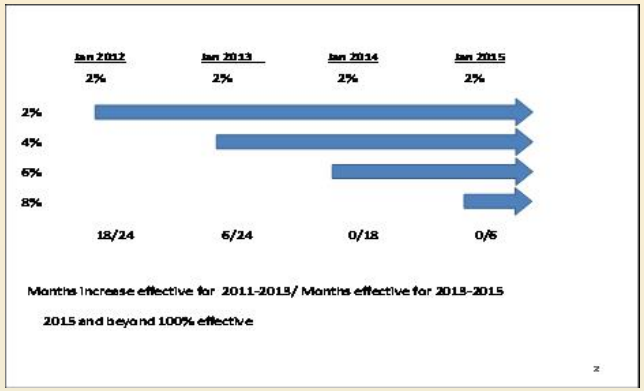
<u>Goals for a recovery plan</u>

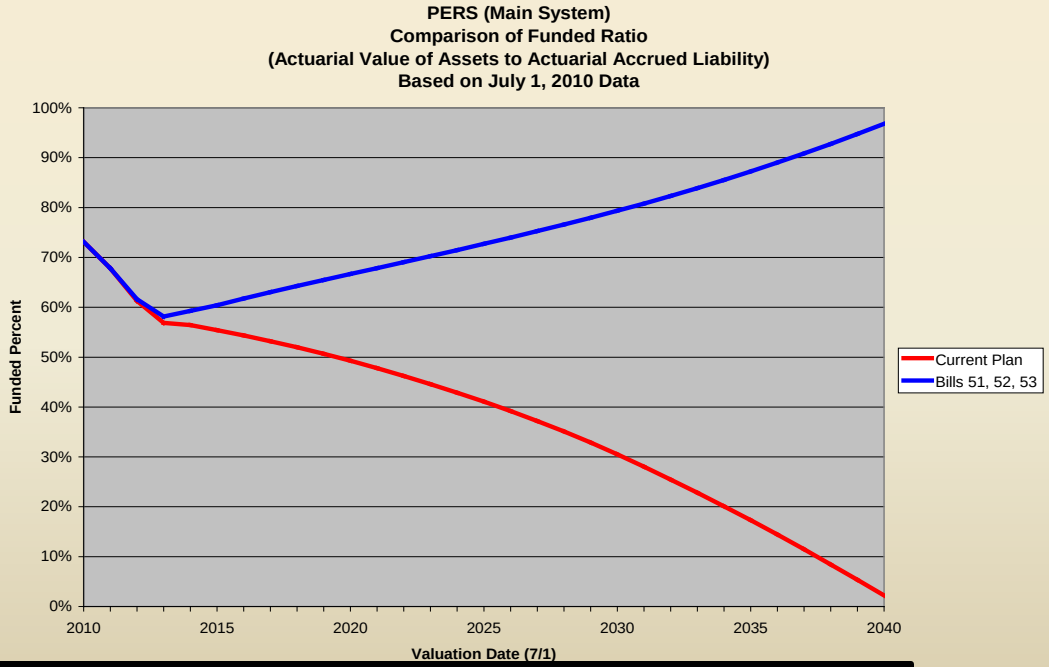
- *Stop the downward trend*
- *Stabilize the plan*
- *Put them on a track back to 100%*

The Challenge

- Stop the downward trend
- Stabilize the plans
- Put them on a track back to 100%

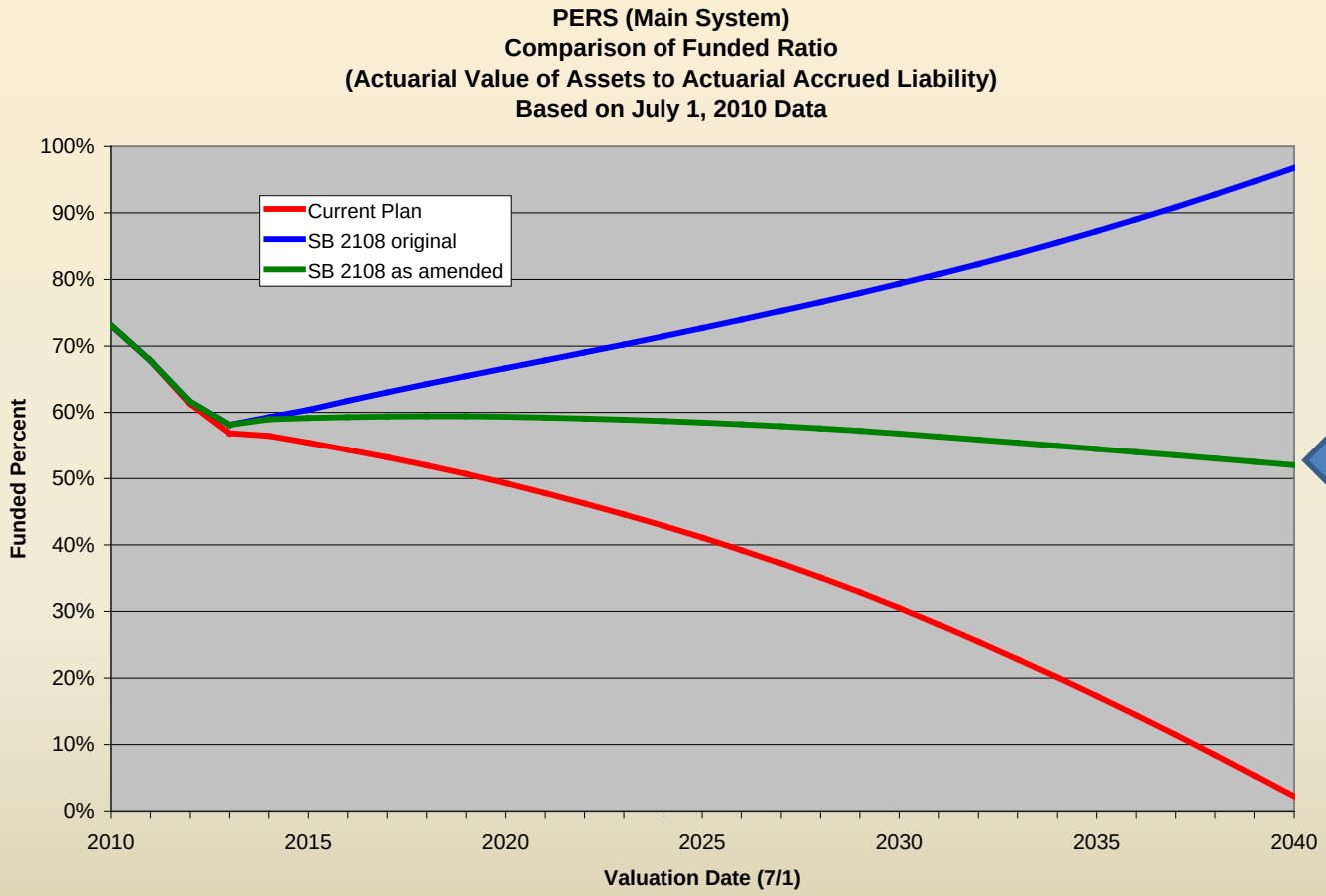
2011 Session Recovery Plan





SHARED RECOVERY PLAN

2011 Considerations

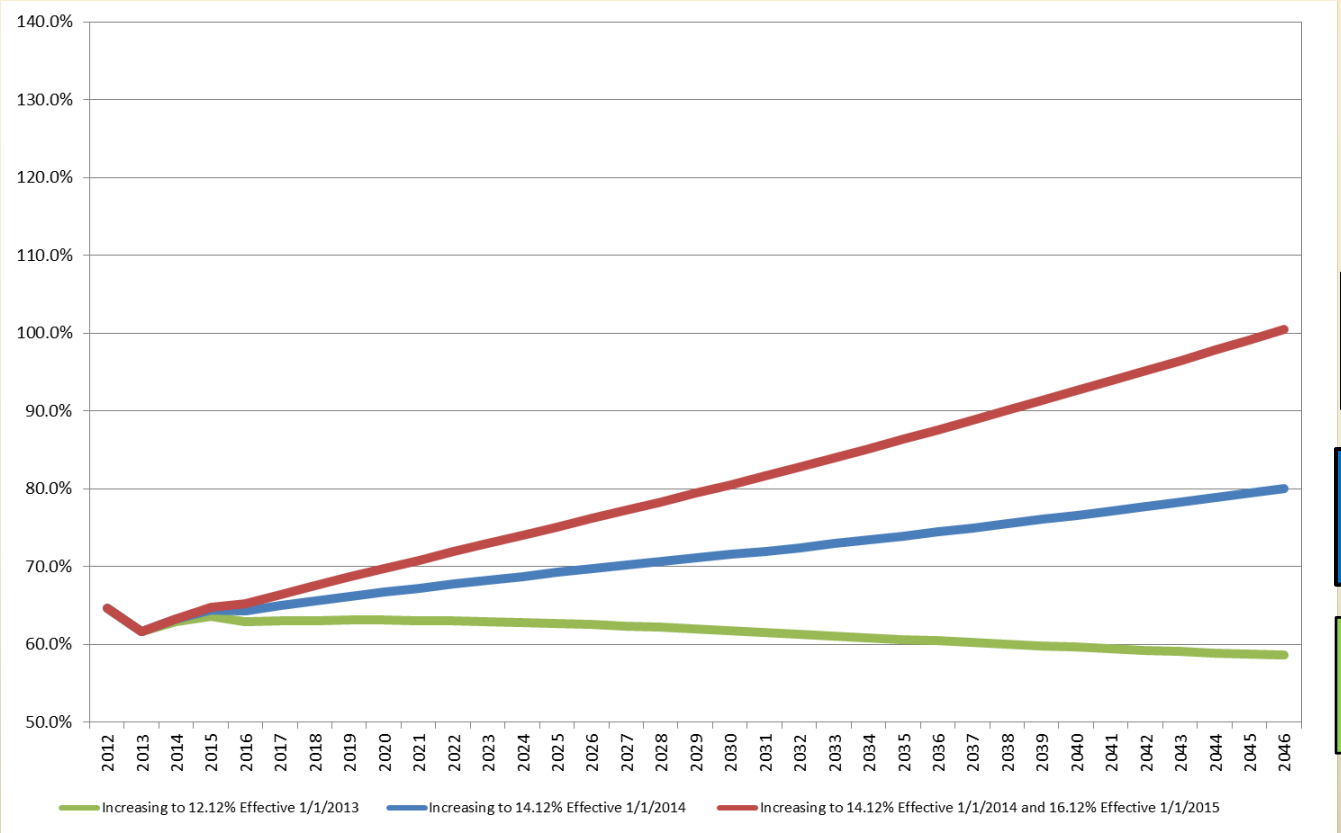


Passed 2 years of the 4 year recovery plan – deferred consideration of last 2 years to the 2013 session

2013 Considerations

(projects assume DC plan option is funded in 2017 or not continued)

- Proposed last two years of recovery plan - Approved 1 year



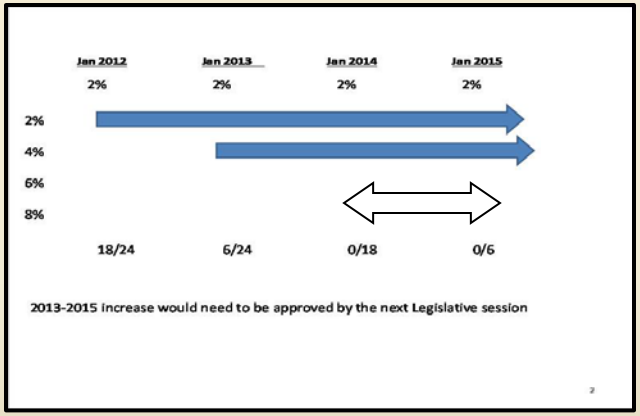
As proposed in 2013

As approved in 2013

As approved in 2011

Recovery Plan

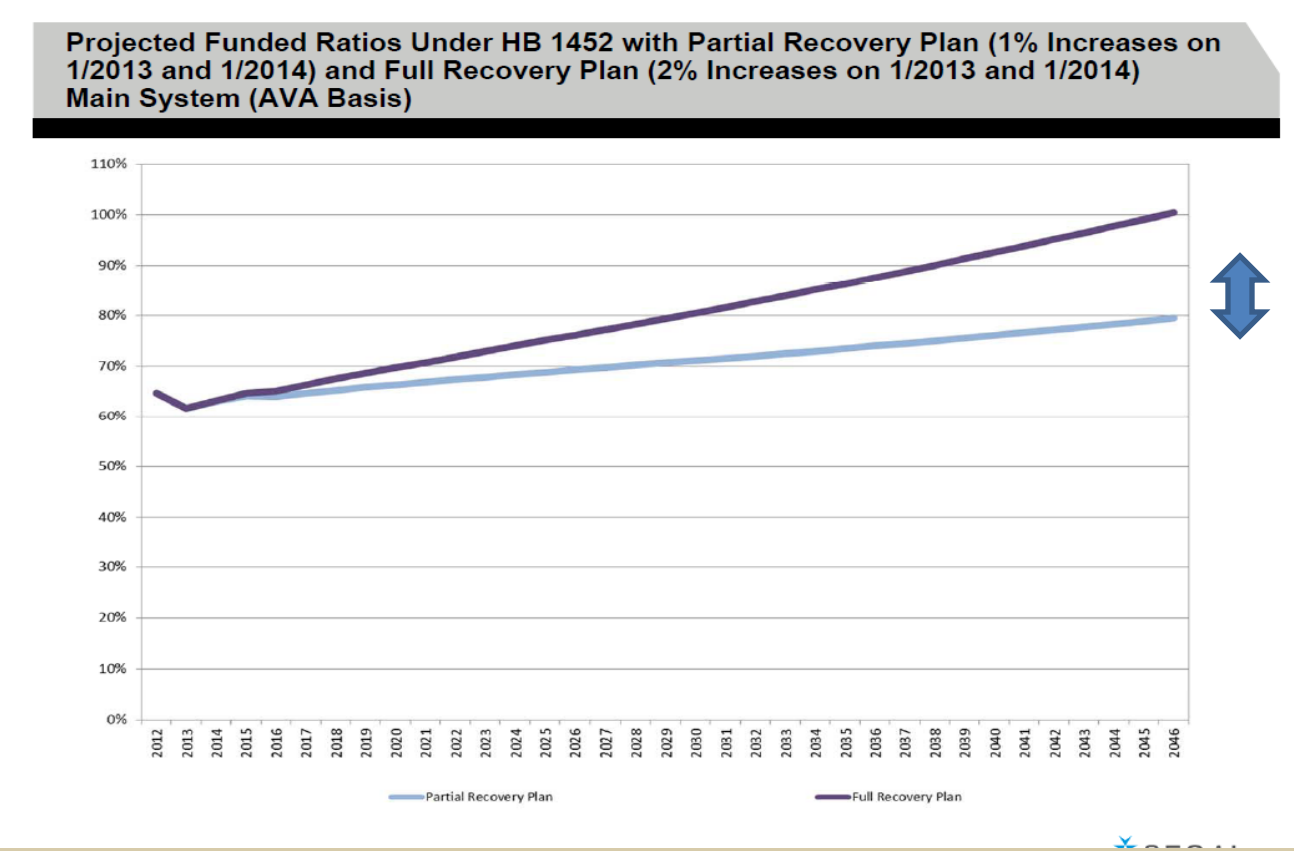
- *Last two years*
- *Recommended by:*
  - *Legislative Employee Benefits Committee*
  - *In the Executive Recommendation*
- *Submitted as SB 2059*
  - *Passed the Senate (35-12)*
  - *Defeated in the House (32 -59)*
- *Provisions put in HB 1452*
  - *Passed the Senate*
  - *Not concurred by the House*
- *Conference Committee*
  - *Amended to provide third year of recovery but not the fourth year & DC option to 2017*



Going Forward

(projections assume DC plan option is funded in 2017 or not continued)

- How do we close the gap and get to 100%?

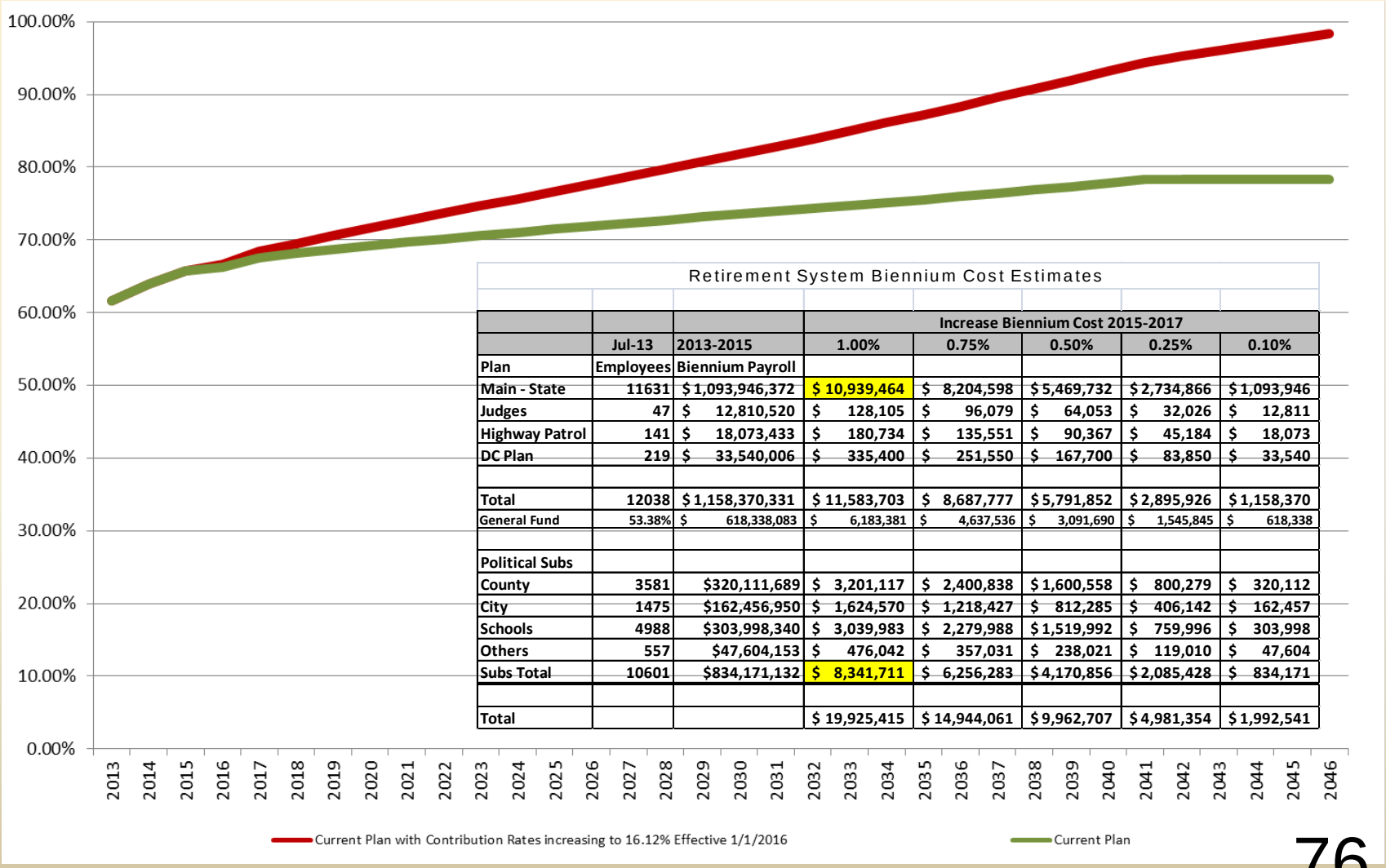


Going Forward

(projections assume DC plan option is funded in 2017 or not continued)

- *How do we get to 100%?:*
  1. **Option #1** - ***Submit a bill for last of recovery plan contributions***

2013 Session Recovery Plan (last half)



Retirement System Biennium Cost Estimates

			Increase Biennium Cost 2015-2017				
	Jul-13	2013-2015	1.00%	0.75%	0.50%	0.25%	0.10%
Plan	Employees	Biennium Payroll					
Main - State	11631	$ 1,093,946,372	$ 10,939,464	$ 8,204,598	$ 5,469,732	$ 2,734,866	$ 1,093,946
Judges	47	$ 12,810,520	$ 128,105	$ 96,079	$ 64,053	$ 32,026	$ 12,811
Highway Patrol	141	$ 18,073,433	$ 180,734	$ 135,551	$ 90,367	$ 45,184	$ 18,073
DC Plan	219	$ 33,540,006	$ 335,400	$ 251,550	$ 167,700	$ 83,850	$ 33,540
Total	12038	$ 1,158,370,331	$ 11,583,703	$ 8,687,777	$ 5,791,852	$ 2,895,926	$ 1,158,370
General Fund	53.38%	$ 618,338,083	$ 6,183,381	$ 4,637,536	$ 3,091,690	$ 1,545,845	$ 618,338
Political Subs							
County	3581	$320,111,689	$ 3,201,117	$ 2,400,838	$ 1,600,558	$ 800,279	$ 320,112
City	1475	$162,456,950	$ 1,624,570	$ 1,218,427	$ 812,285	$ 406,142	$ 162,457
Schools	4988	$303,998,340	$ 3,039,983	$ 2,279,988	$ 1,519,992	$ 759,996	$ 303,998
Others	557	$47,604,153	$ 476,042	$ 357,031	$ 238,021	$ 119,010	$ 47,604
Subs Total	10601	$834,171,132	$ 8,341,711	$ 6,256,283	$ 4,170,856	$ 2,085,428	$ 834,171
Total			$ 19,925,415	$ 14,944,061	$ 9,962,707	$ 4,981,354	$ 1,992,541

Cost to

Member

2013 Average Classified S	$ 50,844.00
1% savings (1-year)	$ 508.44
1% savings (5-years)	$ 2,699.38
1% savings (10-years)	$ 5,828.69
1% savings (15-years)	$ 9,456.43
1% savings (20-years)	$ 13,661.97
1% savings (25-years)	$ 18,537.35
Invested @5% (25-years)	$ 32,859.89

Employer

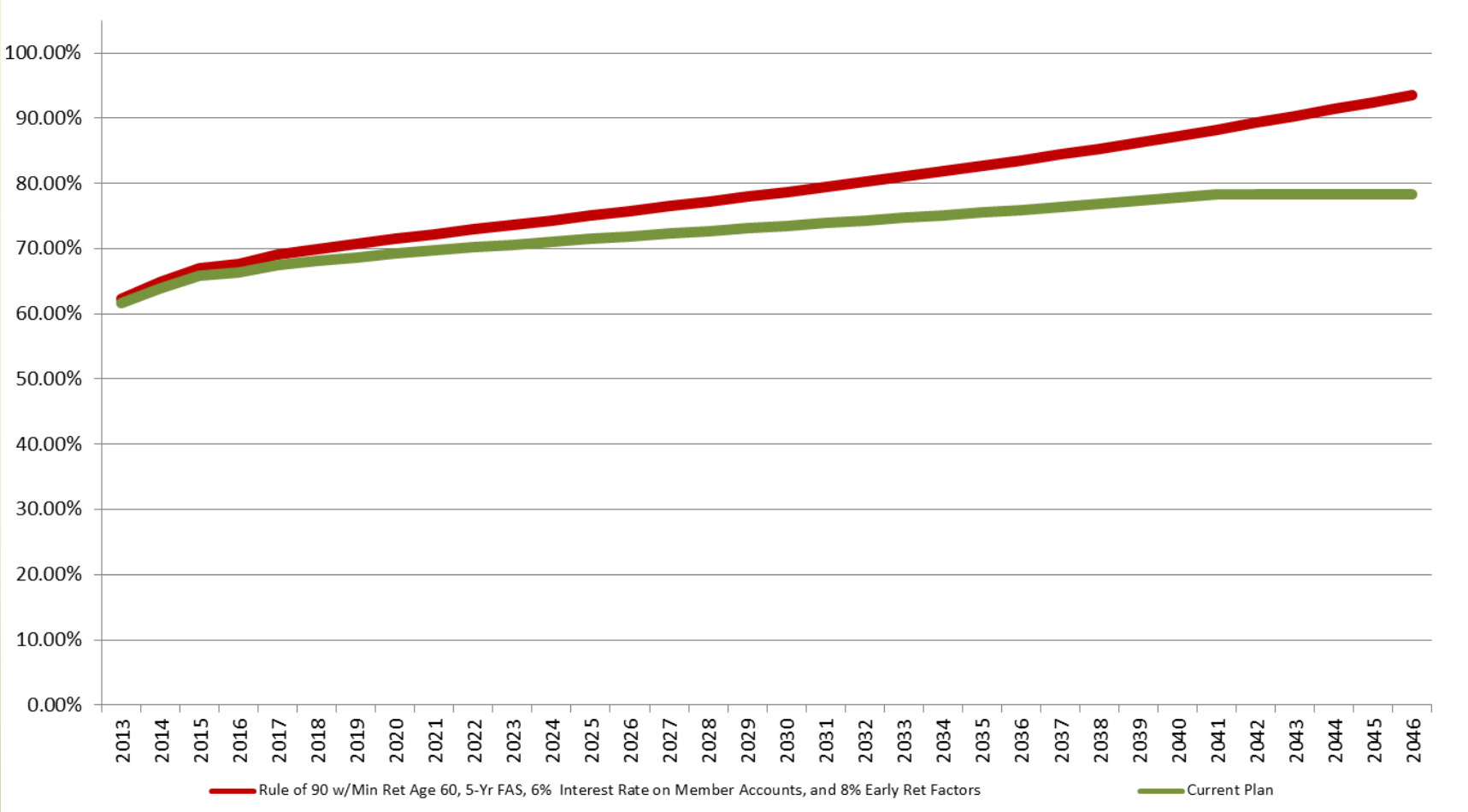
1-Year	$ 19,921,710
5-years	$ 105,767,064
10-years	$ 228,380,079
15-years	$ 370,522,169
20-years	$ 535,303,808
25-years	$ 726,330,891

Going Forward

(projections assume DC plan option is funded in 2017 or not continued)

- *How do we get to 100%?:*
  - Option #1 - Submit a bill for last of recovery plan contributions or
  - **Option #2** - ***Submit a bill to enact some of the changes made by TFFR except have them apply to new employees only***
    - ***Decrease interest on member accounts to 6%***
    - ***Change early retirement reduction from 6% per year to 8% per year***
    - ***Change FAS to high 5 years instead of 3 years***
    - ***Change rule of 85 to 90 with minimum age of 60 (within 10 years)***

Projected Funded Ratios (AVA Basis) – Main System: 5-Year Final Average Salary, Rule of 90 with Minimum Retirement Age 60, 6% Interest Rate on Member Accounts, and 8% Early Retirement Factors - Current Employees included except for 5-Year Final Average Salary (FAS)



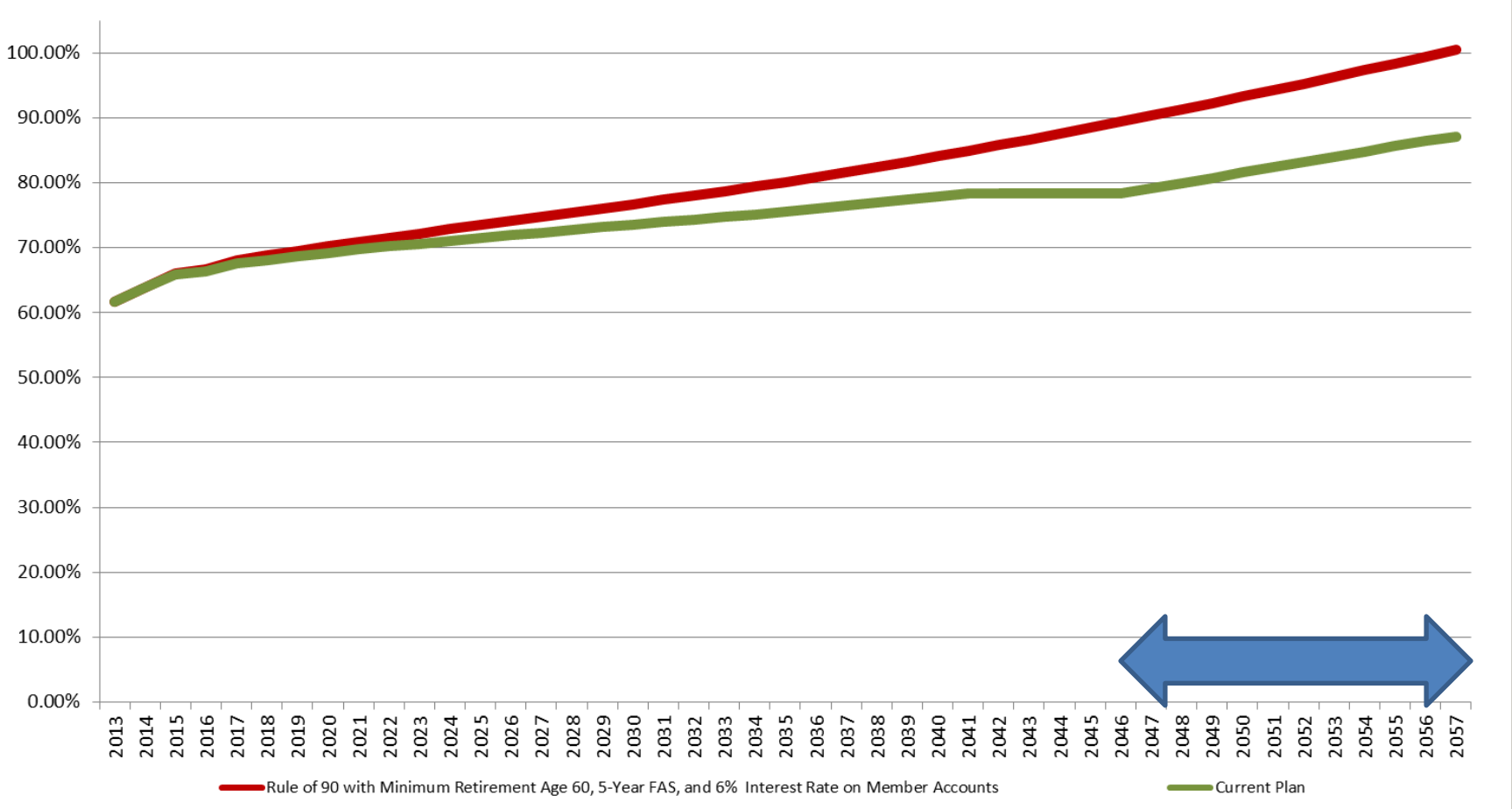
Legal Considerations?

MEMBER BENEFIT CHANGES

Red (clearly illegal) ⟷ Green (clearly legal)

RETIREES	ACTIVE AND INACTIVE EMPLOYEES					NEW EMPLOYEES
No Benefit Changes	Vested Retirement Eligible (Normal)	Vested Retirement Eligible (Early)	Vested Accrued Benefits	Vested Future Benefits	Nonvested Any Benefits	Any Benefits
6,836	1,631	3,317	12,232		5,300	1,700 per Year

Projected Funded Ratios (AVA Basis) – Main System: 5-Year Final Average Salary, Rule of 90 with Minimum Retirement Age 60 (within 10 years), and 6% Interest Rate on Member Accounts



The effect of moving to a Rule of 90

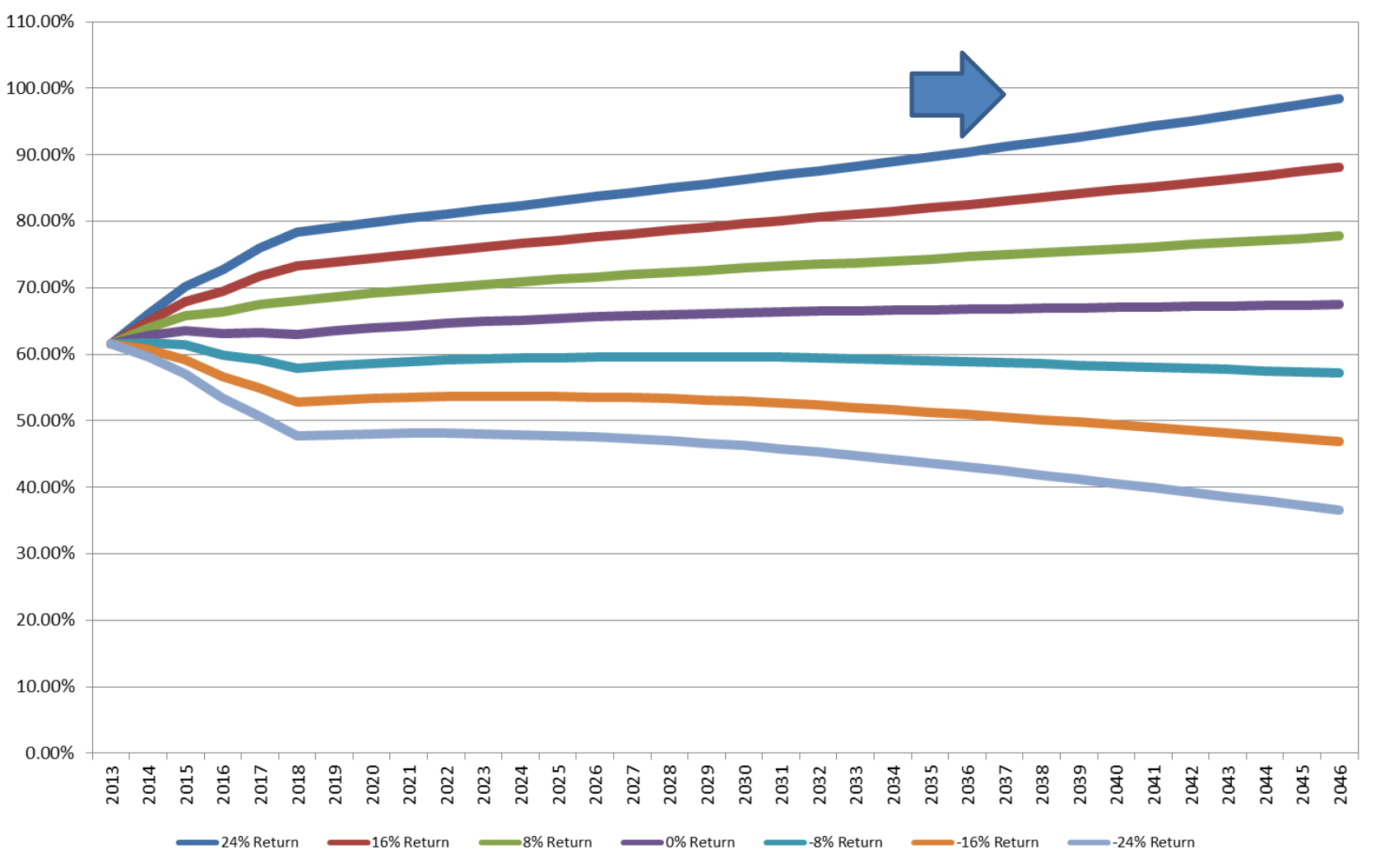
- For someone just out of college at age 22 they can work 31.5 years and retire at age 53.5, but under a Rule of 90 they would have to work 34 years and retire at age 56 (2.5 years in age and service). Note that the extra 2.5 years of service would make their benefit 5% higher. A Rule of 90 is also no benefit to anyone starting employment above age 39 where a Rule of 85 benefits no one above age 44. If you have any questions, let me know.

Going Forward

(projections assume DC plan option is funded in 2017 or not continued)

- *How do we get to 100% ?:*
  - Option #1 - Submit a bill for last of recovery plan contributions or
  - Option #2 - Submit a bill to change to enact some of the changes made by TFFR except have them apply to new employees only
    - Decrease interest on member accounts to 6%
    - Change early retirement reduction from 6% per year to 8% per year
    - Change FAS to high 5 years instead of 3 years
    - Change rule of 85 to 90 with minimum age of 60
  - **Option # 3** – Make no changes - rely on investment returns

Projected Funded Ratios (AVA Basis) – Main System



Target Funded Ratios – Main System

Target Funded Ratio	Rate of Return Required for All Years Beginning on and after 2014/2015 To Achieve Target in 2033						
	Assumed 2013/2014 Return						
	24.0%	16.0%	8.0%	0.0%	-8.0%	-16.0%	-24.0%
70%	6.8%	7.3%	7.7%	8.3%	8.8%	9.5%	10.2%
80%	7.5%	7.9%	8.4%	9.0%	9.5%	10.2%	10.9%
90%	8.1%	8.6%	9.1%	9.6%	10.2%	10.8%	11.5%
100%	8.7%	9.1%	9.6%	10.1%	10.7%	11.4%	12.1%

Where are we at

	Judges	Nat Guard	Law Enf (with)	Law Enf (without)	Highway Patrol	Main Retirement Plan
Stop downward trend	✓	✓	✓	✓	✓	✓
Stabilize Plan	✓	✓	✓	✓	✓	✓
Get on track to 100%	✓		✓	✓	✓	✓

What to do next session

Option #1	Option #2	Option #3	Option #4
Finish recovery plan	Standardize the plan with TFFR except apply to new employees only	Submit both Option #1 and #2 to LEBC for study and recommendation	No Legislation
Proactive Plan to get back to 100%	Proactive Plan to get back to 100%	Both #1 & #2	No proactive plan
Substantial cost to employees/employers	No cost to employees/ employers	Funding for Option 1	No cost to employees/ employers

OTHER OPTIONS

- *Consultant*
- *Experience Study*
- *Actuarial Audit*
- *De risk the Plan - Reduce Return Assumption*
- *Address FAS*

Consultant

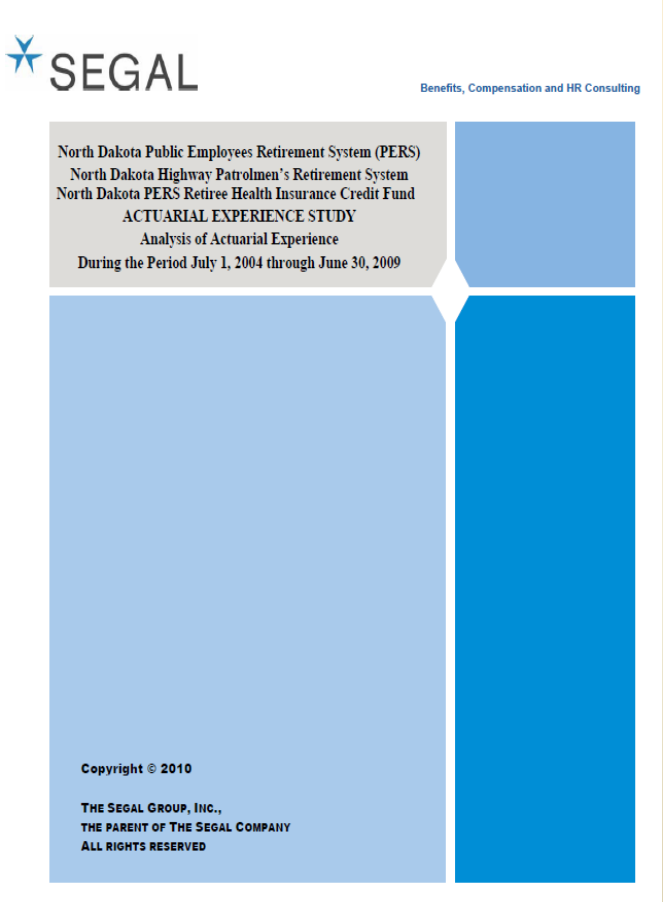
- Renewed in 2012 for 2 years
- Rates were revised in 2013
- Efforts
  - DC considerations
  - Cash balance
  - GASB
  - TFFR
- Should we renew for two years?

Consultant

Continue	Bid
• Continuity • DC pricing experience • GASB experience with PERS	• Check pricing • New perspective

Ask for 2014-2017 rates

Experience study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Benefits, Compensation and HR Consulting

North Dakota Public Employees Retirement System (PERS)
North Dakota Highway Patrolmen's Retirement System
North Dakota PERS Retiree Health Insurance Credit Fund
ACTUARIAL EXPERIENCE STUDY
Analysis of Actuarial Experience
During the Period July 1, 2004 through June 30, 2009

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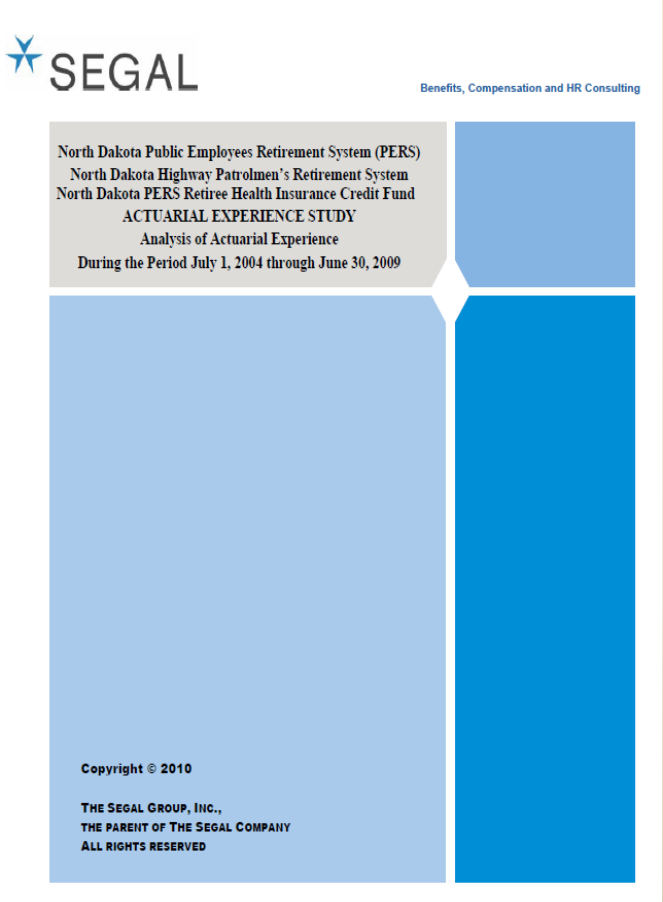
- **NDCC section 54-52-04 states:**

  The board shall arrange for actuarial and medical advisers for the system. The board shall cause a qualified, competent actuary to be retained on a consulting basis. The actuary shall make an annual valuation of the liabilities and reserves of the system and a determination of the contributions required by the system to discharge its liabilities and pay the administrative costs under this chapter, and to recommend to the board rates of employer and employee contributions required, based upon the entry age normal cost method, to maintain the system on an actuarial reserve basis; ***once every five years make a general investigation of the actuarial experience under the system including mortality, retirement, employment turnover, and other items required by the board, and recommend actuarial tables for use in valuations and in calculating actuarial equivalent values based on such investigation;*** and perform other duties as may be assigned by the board. (Emphasis added)
- Last one for 2004-2009

Experience study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- Have Segal do it
- Have another firm

Ask for estimate

Actuarial Audit

- Done periodically
  - Replicate the number of the existing actuary
  - Review the actuarial assumptions and methods
  - Get perspective of another actuarial expert to review the work of the existing actuary
- Last time we had it done was as of June 30, 2004
- GRS did the last audit

De risk Plan - Reduce Return Assumptions – Update Asset allocation

Assumed Investment Rate of Return	8% (Current)	7%	6%
Actuarial accrued liability	$2,650,525,018	$2,970,691,376	$3,358,336,173
Assets at actuarial value	1,632,915,720	1,632,915,720	1,632,915,720
Unfunded actuarial accrued liability	$1,017,609,298	$1,337,775,656	$1,725,420,453
Funded ratio	61.6%	55.0%	48.6%

De risk Plan Reduce Return Assumptions

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Funded ratio	61.6%	55.0%	48.6%

	7%	6%
Additional contributions in 2016 and 2017	$273,700,000	$662,300,000
Additional contributions in 2016, 2017, 2018, and 2019	146,080,000	350,410,000

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Funding Option #1

	7%	6%
Additional contributions in 2016 and 2017	$273,700,000	$662,300,000
Additional contributions in 2016, 2017, 2018, and 2019	146,080,000	350,410,000

De risk Plan Reduce Return Assumptions

Assumed Investment Rate of Return	8% (Current)	7%	6%
Actuarial accrued liability	$2,650,525,018	$2,970,691,376	$3,358,336,173
Assets at actuarial value	1,632,915,720	1,632,915,720	1,632,915,720
Unfunded actuarial accrued liability	$1,017,609,298	$1,337,775,656	$1,725,420,453
Funded ratio	61.6%	55.0%	48.6%

Funding Option #2

	Year 100% Funded		
Interest Rate	2036	2041	2046
6%	27.8%	25.6%	24.2%
7%	22.8%	21.1%	20.1%

FAS - If Option #2

- Address FAS issue for 26 payroll employers
- The following are types of payroll
  - Straight monthly (12 pay periods)
  - Bi-monthly (24 pay periods)
  - Bi-weekly (26 pay periods); 2 months with 3
  - Hourly salary (52 weeks); 4 months with higher

FAS - If Option #2

- Effect:
  - Normal monthly/ bi-monthly – no effect
  - Bi weekly – 30 month of higher that average in 36 months
  - Hourly – includes all 36 months

FAS - If Option #2

	Salary Paid Monthly	Salary Paid Bi-Monthly	Hourly Paid Monthly	Hourly Paid Bi-Monthly	Salary Paid Every 2 Weeks	Hourly Paid Every 2 Weeks	Total Reporting
Employers	217	100	141	80	35	47	361
	60.11%	**27.70%**	**39.06%**	**22.16%**	**9.70%**	**13.02%**	
Employees	10,876	8,077	2,408	1,749	1,187	1,672	25,969
	41.88%	**31.10%**	**9.27%**	**6.73%**	**4.57%**	**6.44%**	

Notes:

1. Some employers use a combination of payroll methods including state.
2. Salary paid monthly will have 12 payrolls per year with salaries that are fairly stable throughout with the exception of the first or last month, or the month they receive a pay increase/promotion or change employers.
3. Salary paid bi-monthly will have 24 payrolls per year with salaries that are fairly stable throughout with the exception of the first or last month, or the month they receive a pay increase/promotion or change employers.
4. Hourly employees who report their time on weekly timesheets and are paid monthly will have 4 months in a year with higher salary reported (4 months x 15 years = 60 months: all higher months will be included in final highest 36)
5. Salary employees who are paid every two weeks will have 2 months in a year with higher salary reported (2 months x 15 years = 30 months: 30 of the 36 months will be the months with 3 payroll periods)

FAS - If Option #2

Segal Consulting

5990 Greenwood Plaza Boulevard Suite 118 Greenwood Village, CO 80111-4708
T 303.714.9900 www.segalco.com

January 17, 2014

Mr. Sparb Collins, Executive Director
State of North Dakota Public
Employees' Retirement System
400 East Broadway, Suite 505
Bismarck, ND 58502

RE: North Dakota PERS – Final Average Salary

Dear Sparb:

At your request, we have performed an analysis of the effects of changing the NDPERS final average salary to an alternate definition.

NDPERS provisions specify that a participant's benefit is determined as a percentage of Final Average Salary. Under the current definition, Final Average Salary is defined to be:

The average salary earned in the highest 36 months employed during the 120 months immediately preceding retirement (180 months preceding retirement after August 1, 2010).

This definition provides that a three-year average of salary is used in the benefit calculation. It has been suggested that the final average salary definition be changed to provide a five-year average of salary for new plan participants. In addition, a change to the calculation method is being considered that will reduce benefits for participants paid biweekly as discussed below.

A participant who is paid on every other Friday (i.e. biweekly) receives three paychecks in approximately two months of every year. Under the current methodology, each of these months would be counted as "highest months" for the purposes of the calculation since those months contain three paychecks. This calculation methodology has the effect of creating higher benefits for participants paid biweekly, as opposed to participants paid twice per month that earn the same level of pay. This effect is illustrated by the example shown in the first two columns of Exhibit 1.

- *The average salary earned in the five highest periods of twelve consecutive months employed during the 180 months immediately preceding retirement*

This would lower the final average salary to a level closer to and more consistent with the average annual amount for participants paid monthly or bimonthly

RETIREE HEALTH CREDIT PROGRAM & PRE-MEDICARE HEALTH

RETIREMENT - RETIREE HEALTH CREDIT PROGRAM

BENEFIT FORMULA:

$5.00 for each year of credited service

Example: $5*.00 x 25 = $125.00*

CONTRIBUTION

1.14% of payroll

Membership – Retiree Health Insurance Credit Fund

	2013	2012	Change
Active:			
• Number	21,955	21,462	+2.3%
• Payroll*	$914.4 mil	$824.9 mil	+10.8%
• Average Age	46.9 years	47.0 years	-0.1 years
• Average Service	10.3 years	10.3 years	0.0 years
Retirees and Beneficiaries			
• Number	4,635	4,442	+4.3%
• Total Annual Benefits	$6.6 mil	$6.3 mil	+4.8%
• Average Monthly Benefit	$119	$118	+0.8%

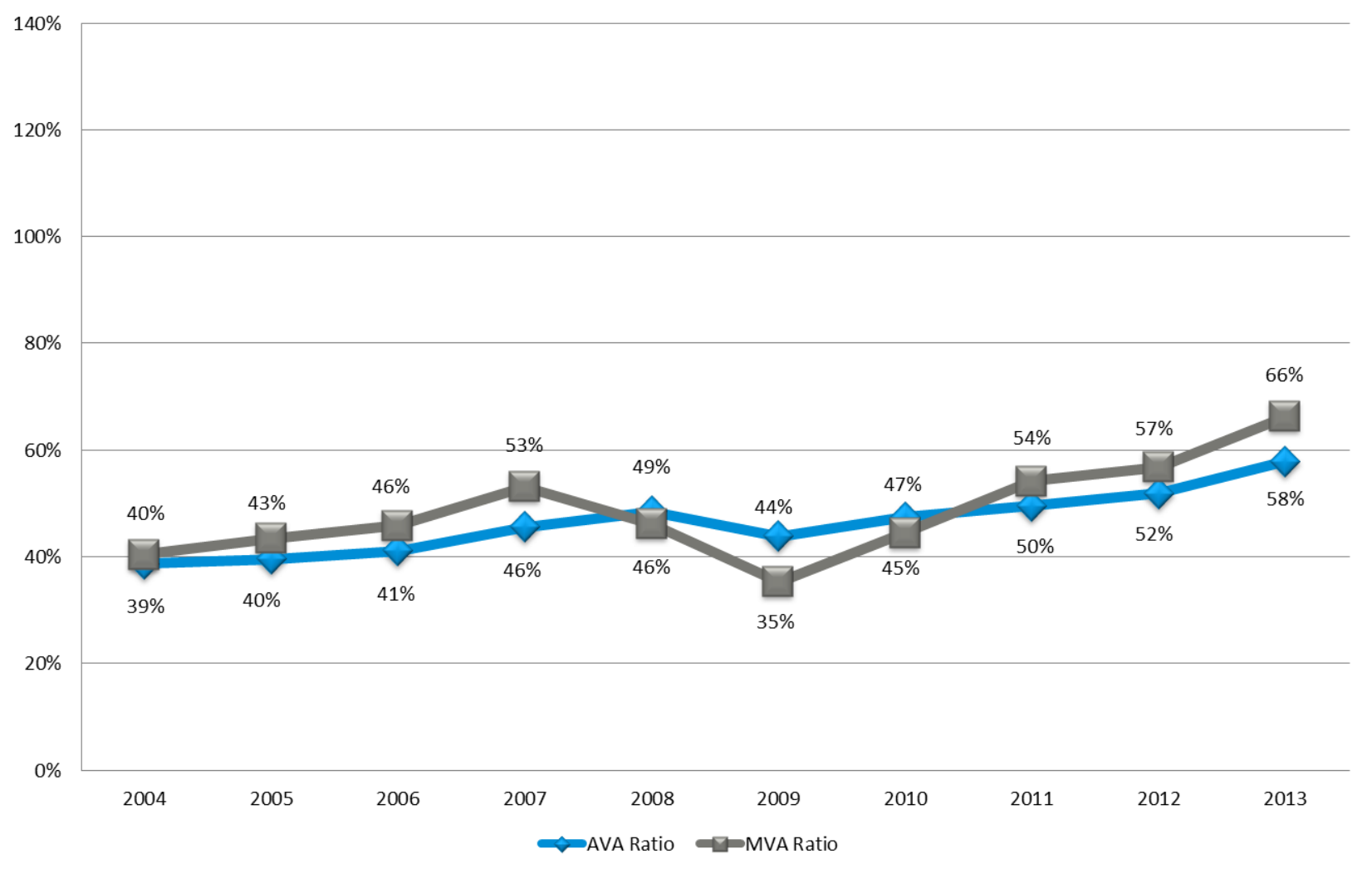
*_____% of this was a change in our data processing methodology.

Actuarially Recommended Contribution – Retiree Health Insurance Credit Fund

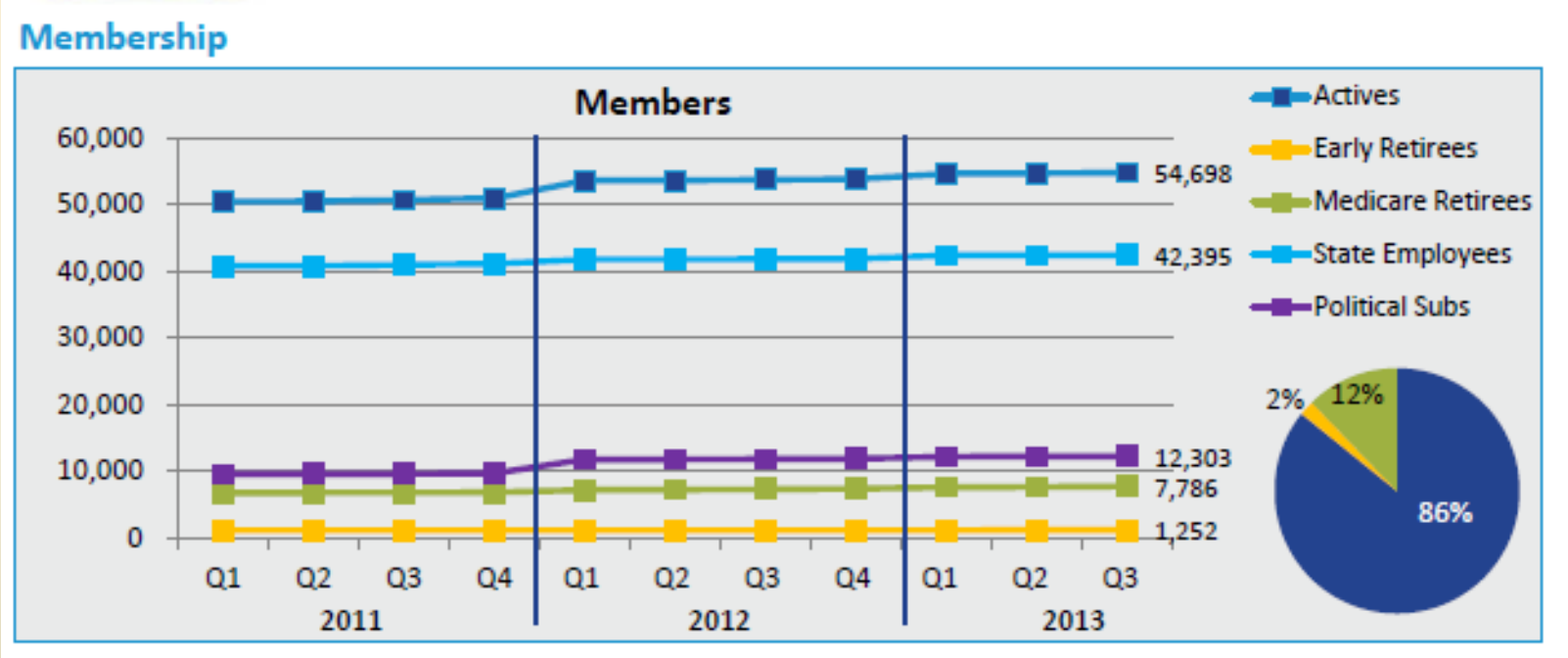
	July 1, 2013	July 1, 2012
Normal Cost Rate	0.35%	0.40%
Amortization of UAAL	0.42%	0.50%
Actuarially Recommended Contribution	0.77%	0.90%
Employer Rate	1.14%	1.14%
Contribution Sufficiency/(Deficiency)	0.37%	0.24%

If the actuarially recommended contribution is calculated using the market value of assets, the ultimate contribution sufficiency/(deficiency) is 0.46%.

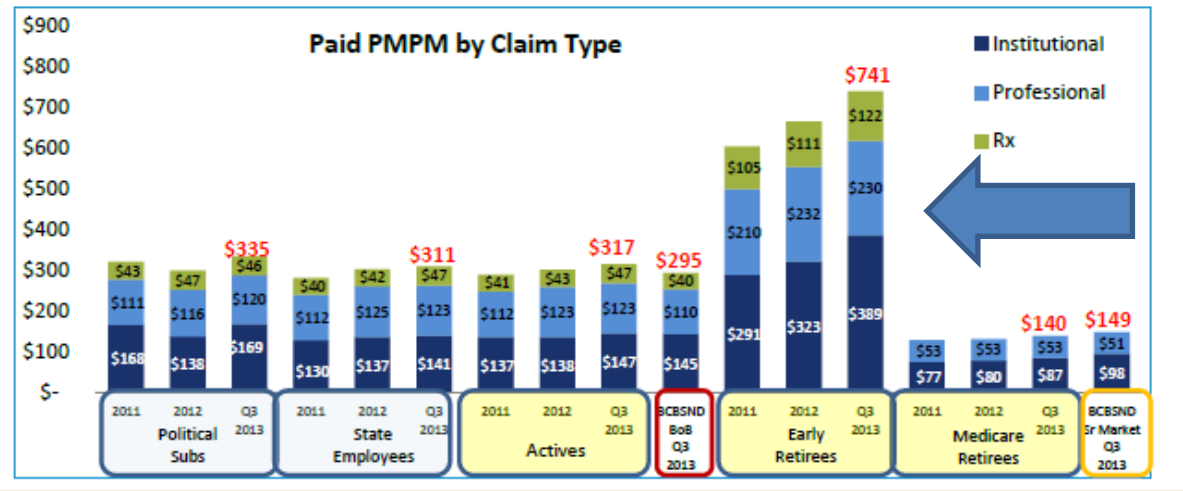
Funded Ratios – Retiree Health Insurance Credit Fund

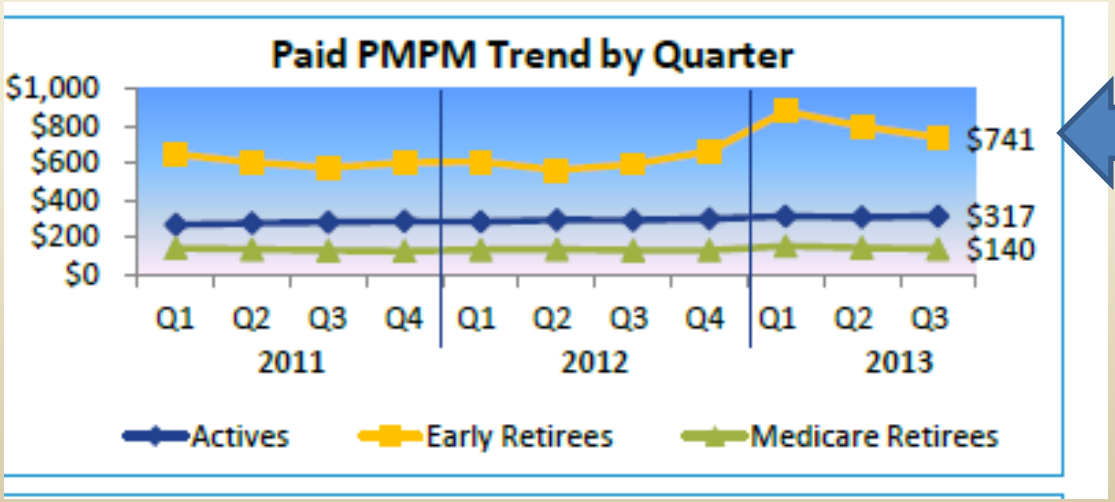


PRE-MEDICARE HEALTH



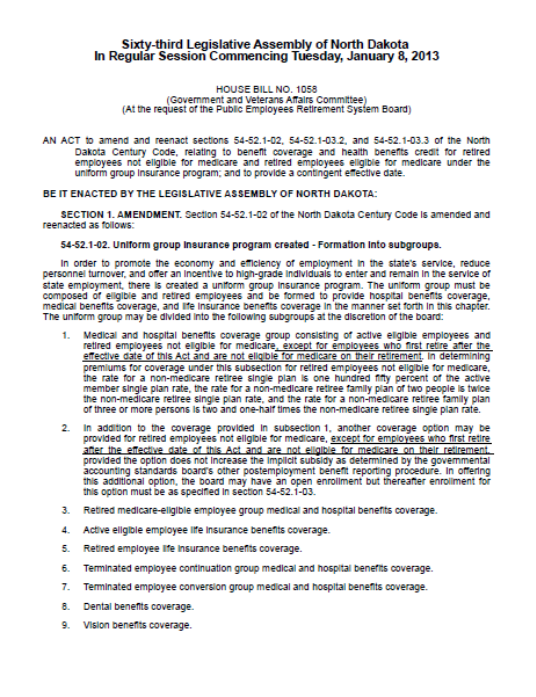
PRE-MEDICARE HEALTH





PERS Pre-Medicare Coverage - HB 1058

- Pre-Medicare Retiree can stay on the PERS plan
  - COBRA @ 102% of premium
  - Thereafter at 150% for single, 2 to 2.5 times the single rate for family coverage



Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013

HOUSE BILL NO. 1058
(Government and Veterans Affairs Committee)
(At the request of the Public Employees Retirement System Board)

AN ACT to amend and reenact sections 54-52.1-02, 54-52.1-03.2, and 54-52.1-03.3 of the North Dakota Century Code, relating to benefit coverage and health benefits credit for retired employees not eligible for medicare and retired employees eligible for medicare under the uniform group insurance program; and to provide a contingent effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-52.1-02 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-02. Uniform group insurance program created - Formation into subgroups.

In order to promote the economy and efficiency of employment in the state's service, reduce personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the service of state employment, there is created a uniform group insurance program. The uniform group must be composed of eligible and retired employees and be formed to provide hospital benefits coverage, medical benefits coverage, and life insurance benefits coverage in the manner set forth in this chapter. The uniform group may be divided into the following subgroups at the discretion of the board:

1. Medical and hospital benefits coverage group consisting of active eligible employees and retired employees not eligible for medicare, except for employees who first retire after the effective date of this Act and are not eligible for medicare on their retirement. In determining premiums for coverage under this subsection for retired employees not eligible for medicare, the rate for a non-medicare retiree single plan is one hundred fifty percent of the active member single plan rate, the rate for a non-medicare retiree family plan of two people is twice the non-medicare retiree single plan rate, and the rate for a non-medicare retiree family plan of three or more persons is two and one-half times the non-medicare retiree single plan rate.
2. In addition to the coverage provided in subsection 1, another coverage option may be provided for retired employees not eligible for medicare, except for employees who first retire after the effective date of this Act and are not eligible for medicare on their retirement, provided the option does not increase the implicit subsidy as determined by the governmental accounting standards board's other postemployment benefit reporting procedure. In offering this additional option, the board may have an open enrollment but thereafter enrollment for this option must be as specified in section 54-52.1-03.
3. Retired medicare-eligible employee group medical and hospital benefits coverage.
4. Active eligible employee life insurance benefits coverage.
5. Retired employee life insurance benefits coverage.
6. Terminated employee continuation group medical and hospital benefits coverage.
7. Terminated employee conversion group medical and hospital benefits coverage.
8. Dental benefits coverage.
9. Vision benefits coverage.

- Closes the plan in 2015
- Main reason is "guarantee issue" that is a PERS member will also be able to get health insurance
- Credit is tied to PERS health insurance to encourage a broader cross section of retirees to take plan thereby helping rates
- Also an indirect subsidy for rates, shows on states financials ($95 per month for retiree plan and $5 per month for active plan)
- Implicit Subsidy on state financials of about 54 million and growing – not presently funded

OPEB

Table 1: Retiree health care liabilities by state, 2010-2012[25]

State	Unfunded Liabilities (millions)	Unfunded Actuarial Accrued Liability - Per Capita[26]	Date of Report	State	Unfunded Liabilities (millions)	Unfunded Actuarial Accrued Liability - Per Capita	Date of Report
AL	$3,261	$676	2012	MT	$337	$335	2012
AK	$4,039	$5,522	2012	NE*	$0	$0	2012
AZ	$257	$39	2012	NV	$947	$343	2011
AR	$1,953	$662	2012	NH	$2,258	$1,710	2012
CA	$63,840	$1,678	2012	NJ	$18,078	$2,039	2012
CO	$1,429	$275	2011	NM	$3,347	$1,605	2011
CT	$17,905	$4,987	2012	NY	$59,668	$3,049	2012
DE	$5,641	$6,151	2012	NC	$29,610	$3,036	2012
FL	$4,903	$254	2012	ND	$54	$77	2012
GA	$4,312	$435	2012	OH	$18,211	$1,577	2011
HI	$11,706	$8,408	2012	OK	$359	$94	2008**
ID	$24	$15	2012	OR	$161	$41	2011
IL	$33,295	$2,586	2011	PA	$12,907	$1,011	2012
IN	$(7)	$(1)	2012	RI	$775	$738	2012
IA	$378	$123	2012	SC	$9,145	$1,936	2011
KS	$283	$98	2012	SD	$66	$79	2012
KY	$2,679	$612	2012	TN	$1,476	$229	2012
LA	$4,862	$1,057	2012	TX	$20,823	$799	2012
ME	$1,180	$888	2012	UT	$375	$131	2012
MD	$9,371	$1,592	2012	VT	$998	$1,594	2012
MA	$16,299	$2,452	2012	VA	$1,849	$226	2012
MI	$14,251	$1,442	2012	WA	$3,492	$506	2012
MN	$799	$149	2012	WV	$6,987	$3,766	2011
MS	$665	$223	2012	WI	$953	$166	2012
MO	$1,511	$251	2012	WY	$219	$380	2012

*Note: NE carries an OPEB liability that is described as immaterial for purposes of reporting [27]

**2008 is the latest year that published data is available for Oklahoma OPEB liabilities[28]

How we compare

Will be decreasing over time as a result of House Bill 1058

Pre-Medicare Report to PERS Bd

- Its been suggested that we should move back the implementation from July of 2015 to July of 2017 based upon the slow start of the ACA

RETIREMENT

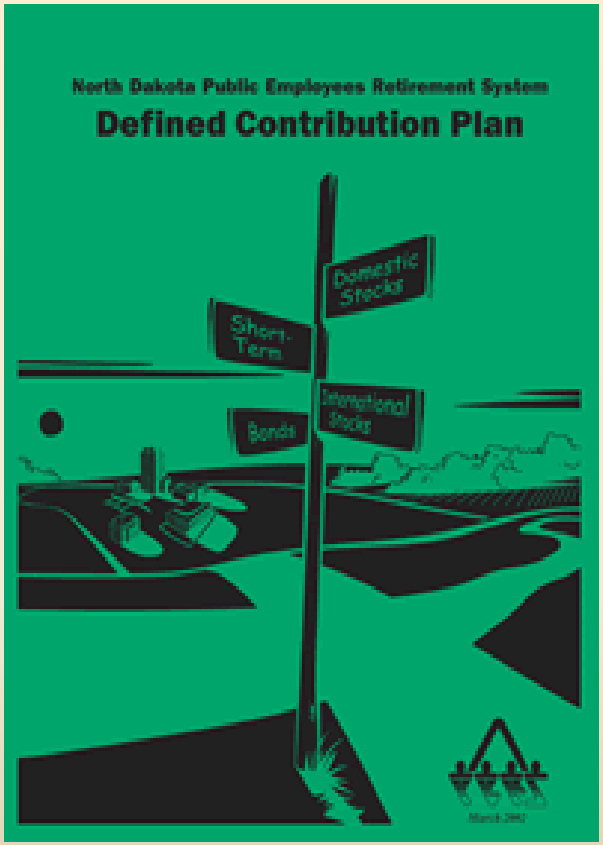
Defined Contribution Plans

457 plan

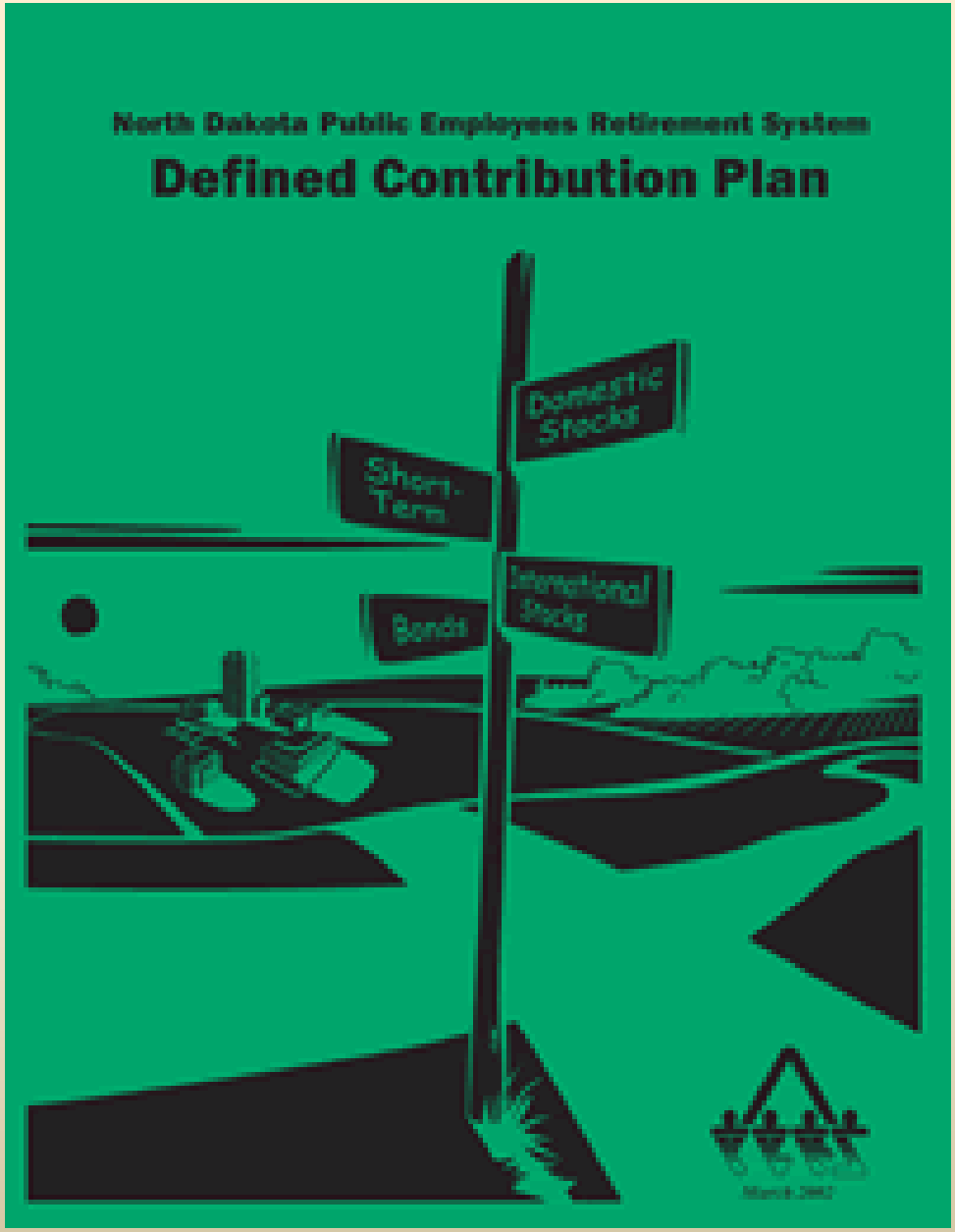
401(a) plan

DC Plans

Deferred Compensation Plan



Defined Contribution Plan



DEFINED CONTRIBUTION PLAN

DC 401(a) Plan – June 2013

- Active participants: 213
- Suspended: 54
- Retired: 12
- Withdrawn: 121

DC Plan Challenge

Ratio of Projected DC to DB Benefits	Future Contribution Rate: Current Plan 14.12% effective January 1, 2014	Increase to 16.12% effective July 1, 2015	Increase to 20.00% effective July 1, 2015
Less than 50%	49	41	32
50% - 75%	149	131	106
75% - 100%	27	52	69
100% and Over	2	3	20
Total	227	227	227

DC Considerations

Issues	Responsible
Plan Administration	Plan
Who should be covered?	Employer
Pension Adequacy?	Employer/Plan
Plan Features/Design?	Employer/Plan

DC Plan Provider

1. Are you satisfied with the investment funds available?	47% Yes 49% No
2. Are you satisfied with the availability of plan information?	43% Yes 52% No
3. Are you confident that you are on the right track for retirement?	29% Yes 68% No
4. Do you feel that you made the right decision to move to the Defined Contribution 401(a) plan from the Defined Benefit Pension Plan?	13% Yes 65% No 23% Unknown
5. If given the option, would you elect to drop the D.C. plan and rejoin the Defined Benefit Plan?	81% Yes 13% No
6. Have you ever met with a TIAA-CREF investment advisor?	39% Yes 61% No
7. Do you use an investment advisor or financial planner (other than TIAA-CREF) to help you with your investment decisions?	61% Yes 37% No

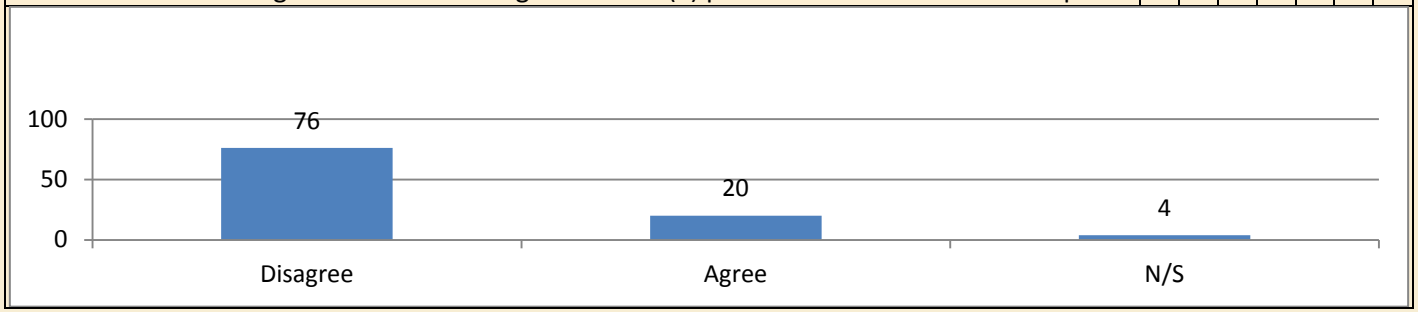
WHO SHOULD BE COVERED

SECTION 16. LEGISLATIVE MANAGEMENT STUDY - NORTH DAKOTA RETIREMENT PLANS.

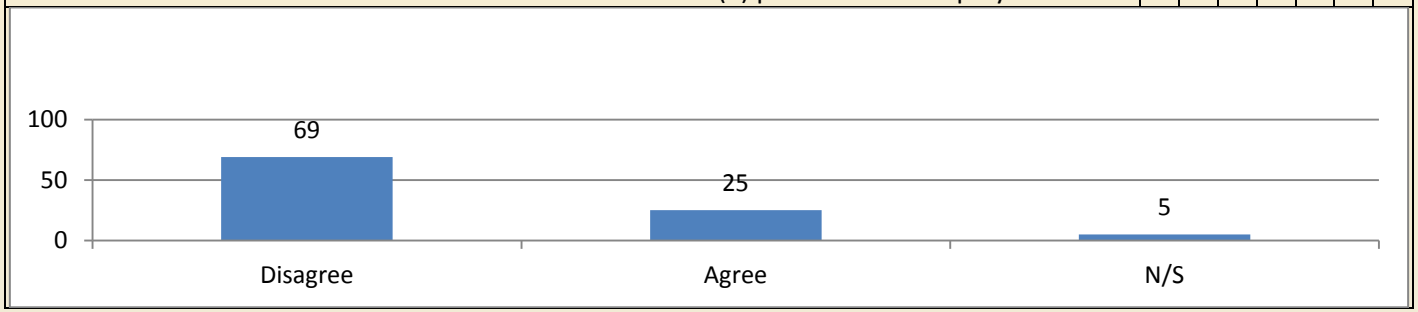
During the 2013-14 interim, the legislative management shall consider studying the feasibility and desirability of existing and possible state retirement plans. The study must include an analysis of both a defined benefit plan and a defined contribution plan with considerations and possible consequences for transitioning to a state defined contribution plan. The study may not be conducted by the employee benefits programs committee. The legislative management shall report its findings and recommendations, together with any legislation needed to implement the recommendations, to the sixty-fourth legislative assembly.

DC Questions

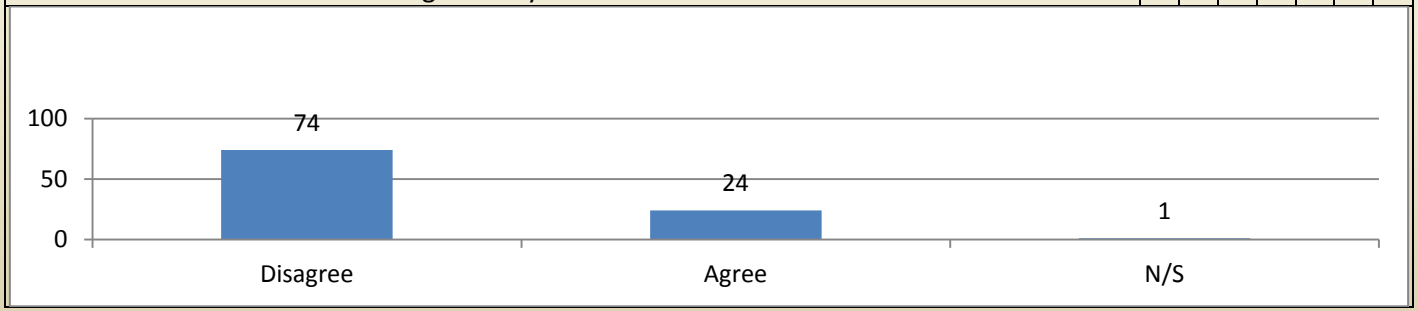
14. I feel I made the right decision selecting the DC 401(a) plan over the Defined Benefit plan.	54	9	13	7	8	5	4



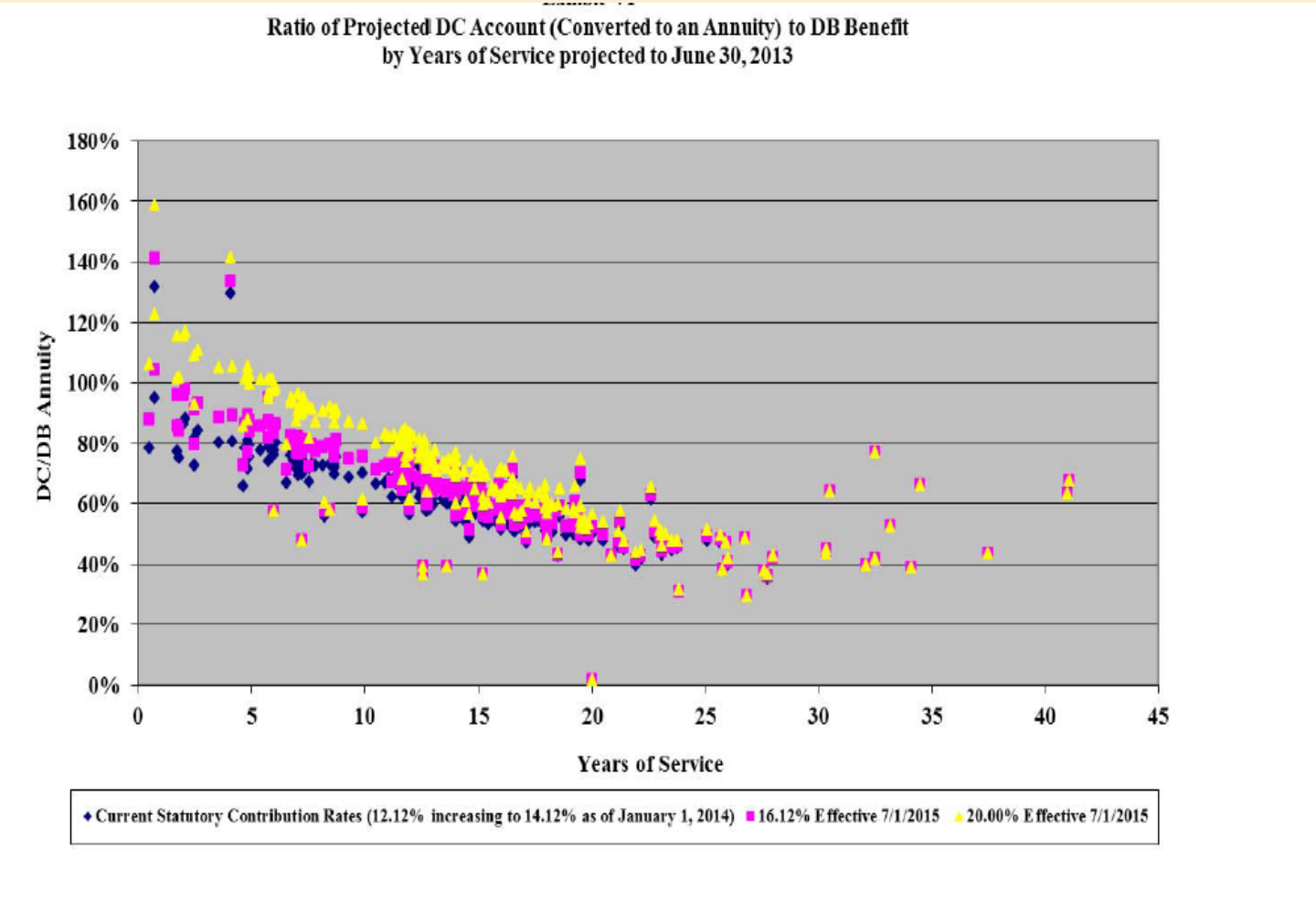
17. I would recommend the PERS Defined Contribution 401(a) plan to other employees?	47	15	7	15	9	1	5



18. I am confident I will have enough money to retire.	47	13	14	6	16	2	1



PENSION ADEQUACY



14.12 is providing about 80% of DB plan
16.12 would be closer to providing DB benefit.

Concerning the above, the Segal report stated: *Overall, this analysis shows that the majority of the current DC Plan members are projected to receive significantly less retirement income under the DC Plan than projected under the DB Plan. In particular, the ratio of DC Plan to DB Plan benefits declines somewhat as age increases, and declines dramatically as length of service increases. The DC Plan benefits are projected to be higher with an increase in the contribution rate but are still less than 100% of the DB Plan benefits for most participants. Under existing contribution levels, the only way that DC Plan benefits would consistently reach the level of DB Plan benefits would be to earn long term investment returns above the assumed 8%.*

Options #1	Option #2 (assuming no Hybrid increase)	Option #2 (assuming no Hybrid increase)	Option #3 (assuming no Hybrid increase)
No action on Pension Adequacy	Increase employee contributions for DC plan by 2%	Increase employer contributions for DC plan by 2%	Increase employer/ employee contributions for DC plan by 1%

PLAN FEATURES/DESIGN

Plan Features Considerations

- **Disability – DC plan is balance only; Hybrid plan is 25% of FAS @ 6 months**

Plan Features Considerations

- Disability – DC plan is balance only; Hybrid plan is 25% of FAS @ 6 months
- **Leave time for financial planning – People in DC plan need to regularly engage in financial planning in order to be successful**

Plan Features Considerations

- Disability – DC plan is balance only; Hybrid plan is 25% of FAS @ 6 months
- Leave time for financial planning – People in DC plan need to regularly engage in financial planning in order to be successful
- **Death Benefit – DC is cash balance; Hybrid plan is 50% of accrued benefit for life of spouse.**

DC Plan Features

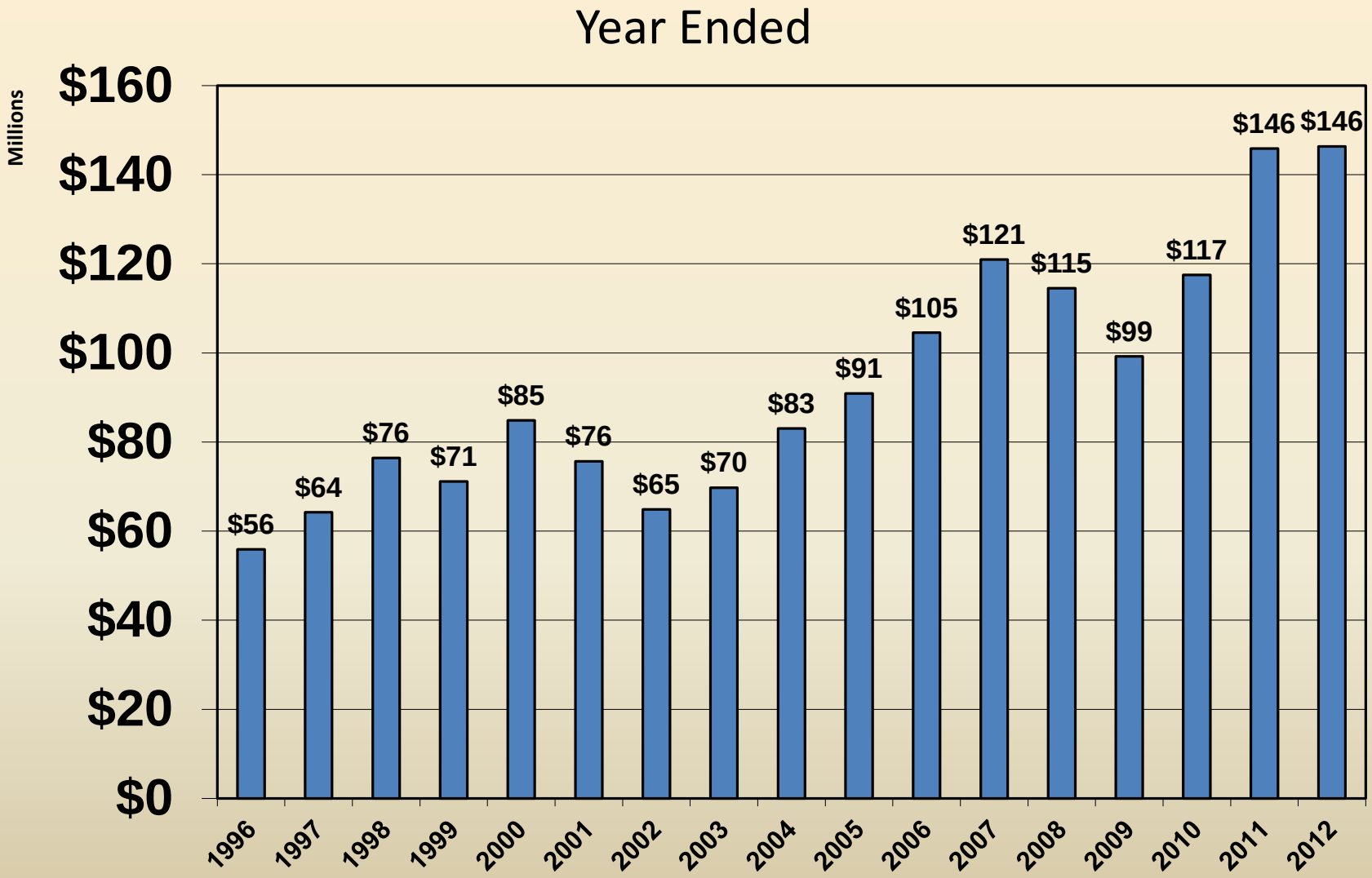
Option #1	Option #2	Option #3
Provide statutory language to provide time for financial planning	Increase life insurance paid by employer	Add employer paid disability coverage

Deferred Compensation Plan

DEFINED CONTRIBUTION PLAN - DEFERRED COMPENSATION PROGRAM

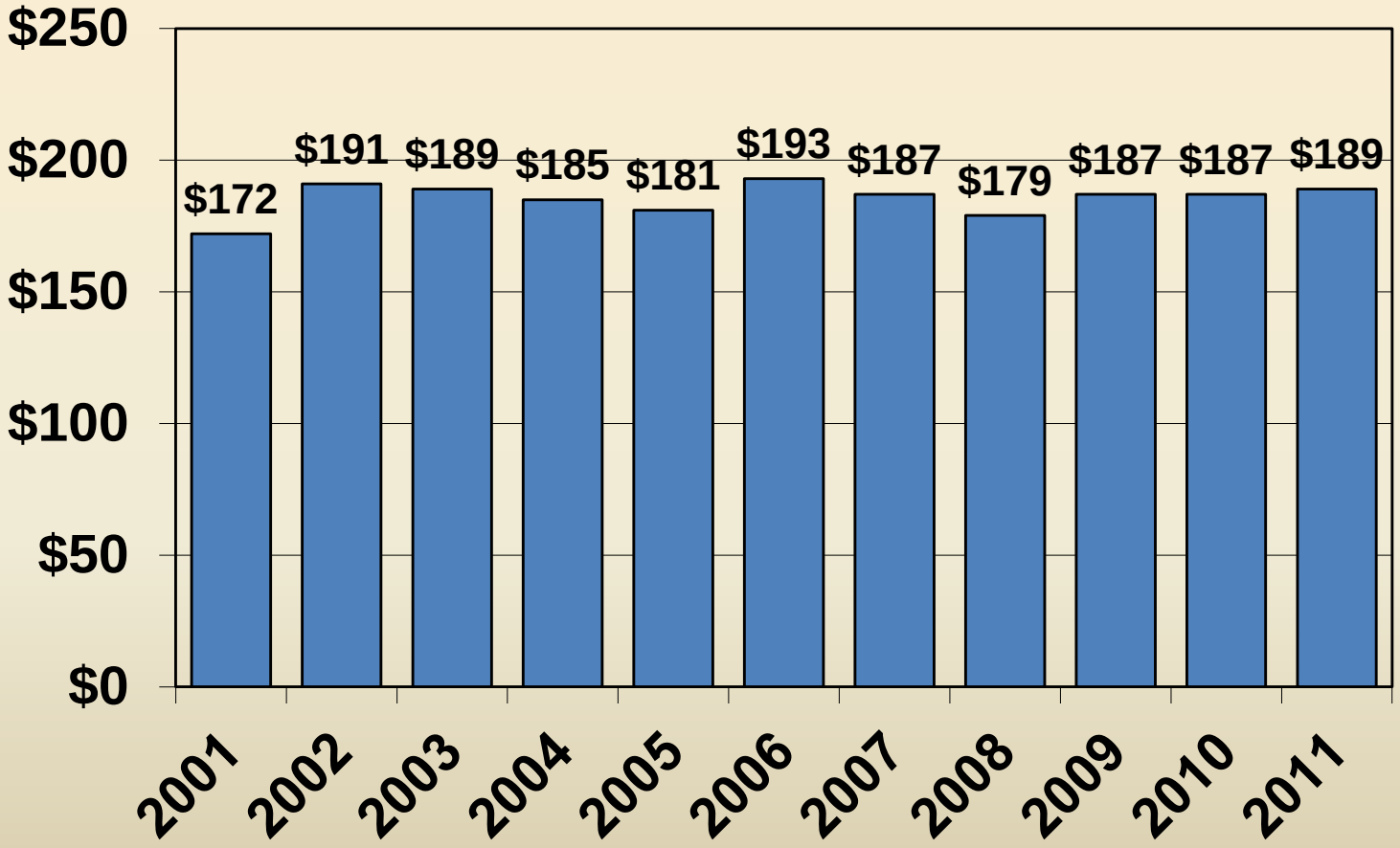
The deferred compensation plan is a voluntary, supplemental retirement plan which allows a member to make pretax deductions from their salary with the intent to receive the deferred amount at a later date, such as retirement.

NDPERS 457 Plan Assets



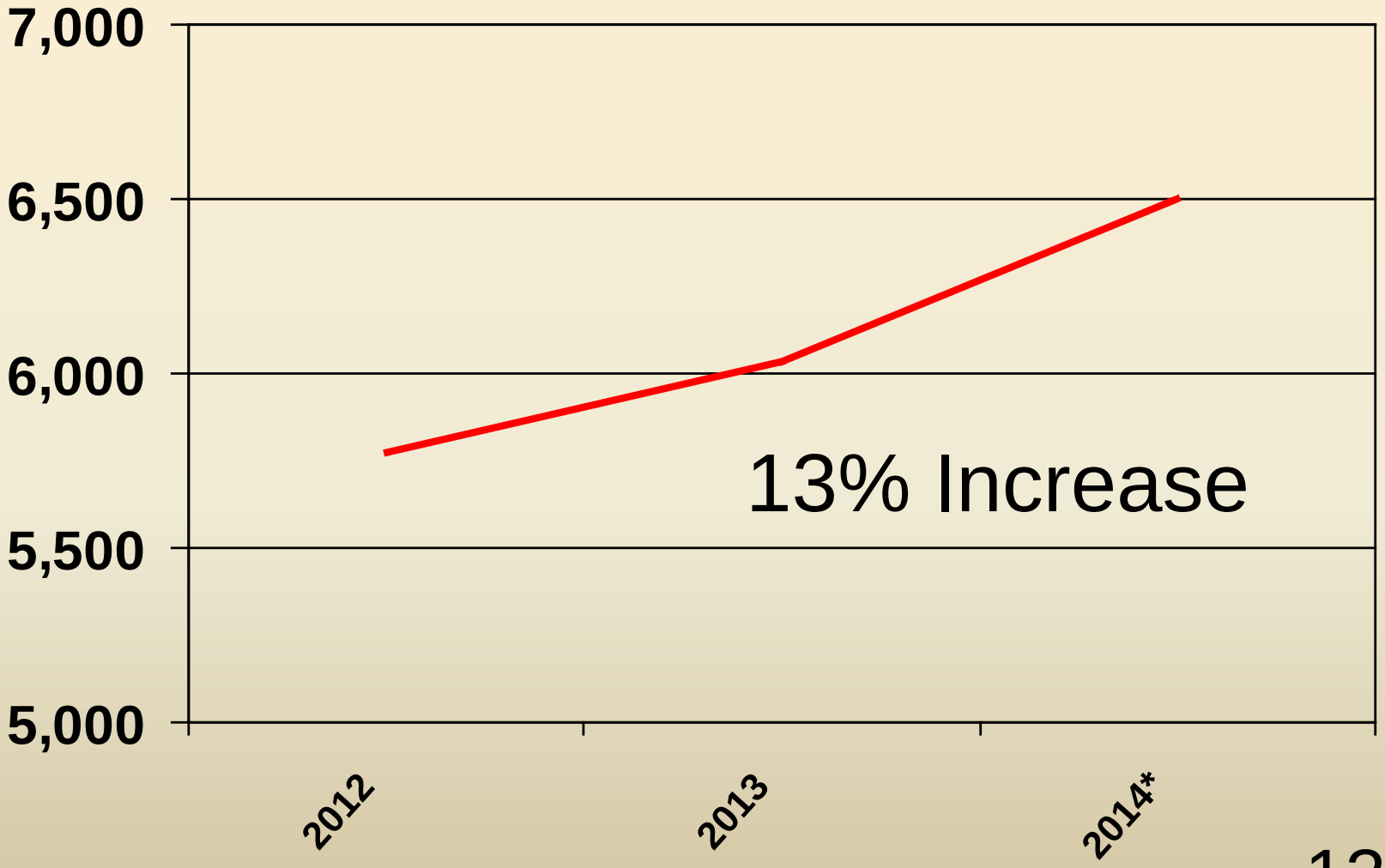
NDPERS 457 Plan

Average Monthly Contribution



NDPERS

Deferred Compensation Plan Membership



PERS Companion Plan & DC Plan Provider

NDPERS 457 Deferred Compensation Companion Plan Survey

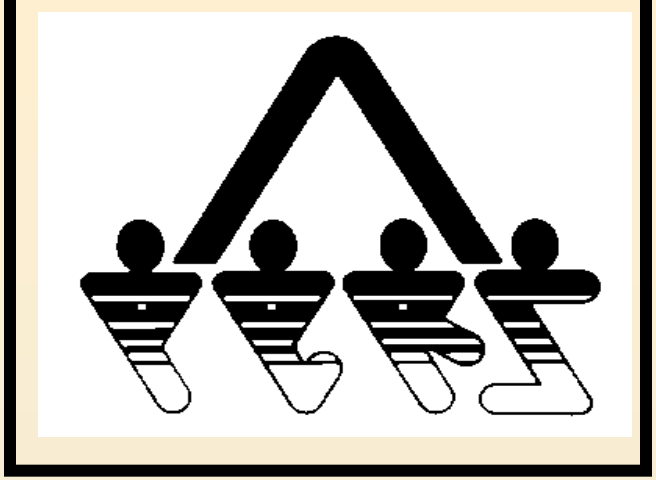
1. Are you satisfied with the investment funds available?	84% Yes 12% No
2. Are you satisfied with the availability of plan information?	88% Yes 6% No
3. Are you confident that you are on the right track for retirement?	72% Yes 24% No
4. Have you ever met with a TIAA-CREF investment advisor?	32% Yes 64% No
5. Do you use an investment advisor or financial planner (other than TIAA-CREF) to help you with your investment decisions?	40% Yes 58% No

PERS Companion Plan & DC Plan Provider

NDPERS 457 Deferred Compensation Companion Plan Survey

1. Are you satisfied with the investment funds available?	84% Yes 12% No
2. Are you satisfied with the availability of plan information?	88% Yes 6% No
3. Are you confident that you are on the right track for retirement?	72% Yes 24% No
4. Have you ever met with a TIAA-CREF investment advisor?	32% Yes 64% No
5. Do you use an investment advisor or financial planner (other than TIAA-CREF) to help you with your investment decisions?	40% Yes 58% No

1. Are you satisfied with the investment funds available?	47% Yes 49% No
2. Are you satisfied with the availability of plan information?	43% Yes 52% No
3. Are you confident that you are on the right track for retirement?	29% Yes 68% No
4. Have you ever met with a TIAA-CREF investment advisor?	39% Yes 61% No
5. Do you use an investment advisor or financial planner (other than TIAA-CREF) to help you with your investment decisions?	61% Yes 37% No



Group Insurance Programs

Group Insurance Plans

Health

Dental

Vision

Life Insurance

Long Term Care

Employee Assistance

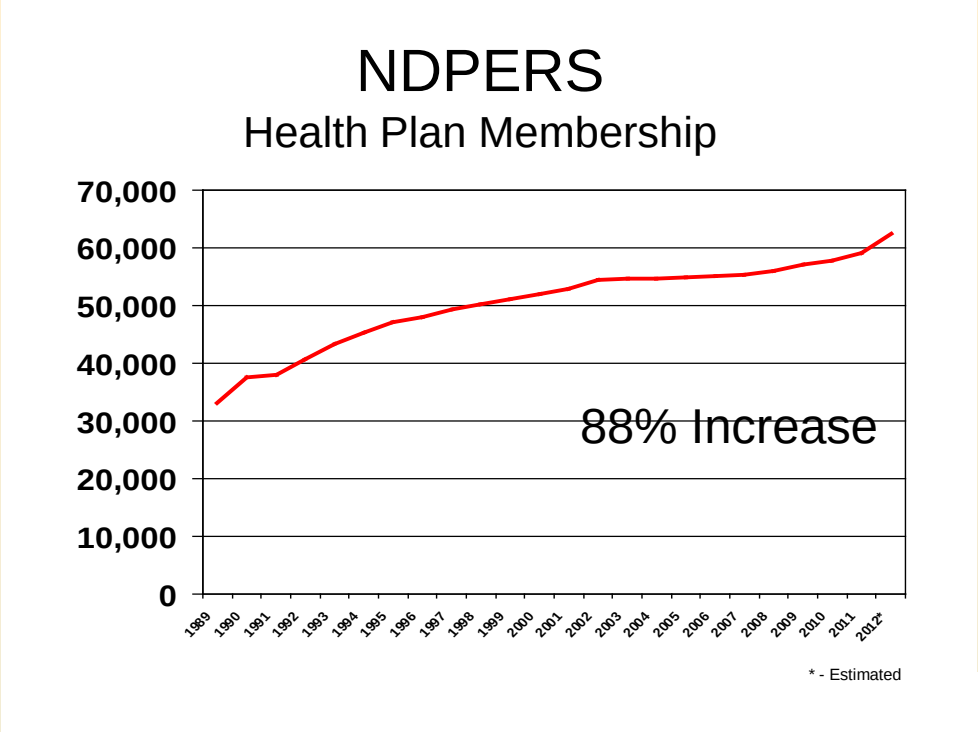
Flex Comp Plan

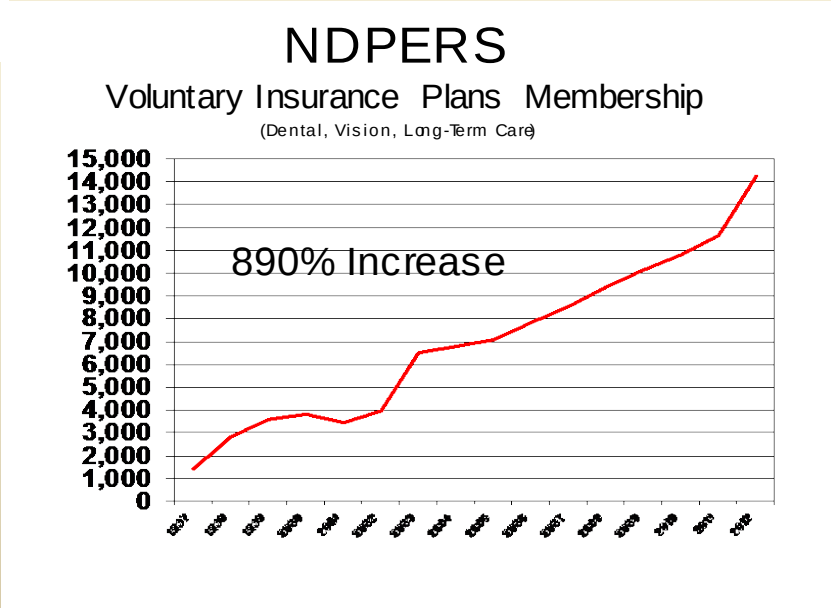
January 1, 2013

GROUP INSURANCE PROGRAMS

MANAGED AND ADMINISTERED BY NDPERS

	HEALTH	LIFE	DENTAL	VISION	EAP	FLEX COMP	LT Care
PARTICIPATION							
AGENCY							
State	95	95	85	90	95	77	95
Counties	51	51					
School Dist	68	65					
Cities	65	55					
Others	70	34			20	3	
	379	***335***	***85***	***90***	***115***	***80***	***95***
EMPLOYEES							
State	14,774	15,137	5,636	6,696	16,067	2,755	55
Counties	2,270	2,569					
School Dist	1,273	327					
Cities	1,642	270					
Others	540	340					
Retirees	6,389	2,800	1,531	1140			
COBRA	354		41	44			
	27,242	***21,443***	***7,208***	***7,880***	***16,067***	***2,755***	***55***


NDPERS
Health Plan Membership
70,000
60,000
50,000
40,000
30,000
20,000
10,000
0
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012*
88% Increase
* - Estimated


NDPERS
Voluntary Insurance Plans Membership
(Dental, Vision, Long-Term Care)
15,000
14,000
13,000
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
890% Increase

GROUP INSURANCE PROGRAMS

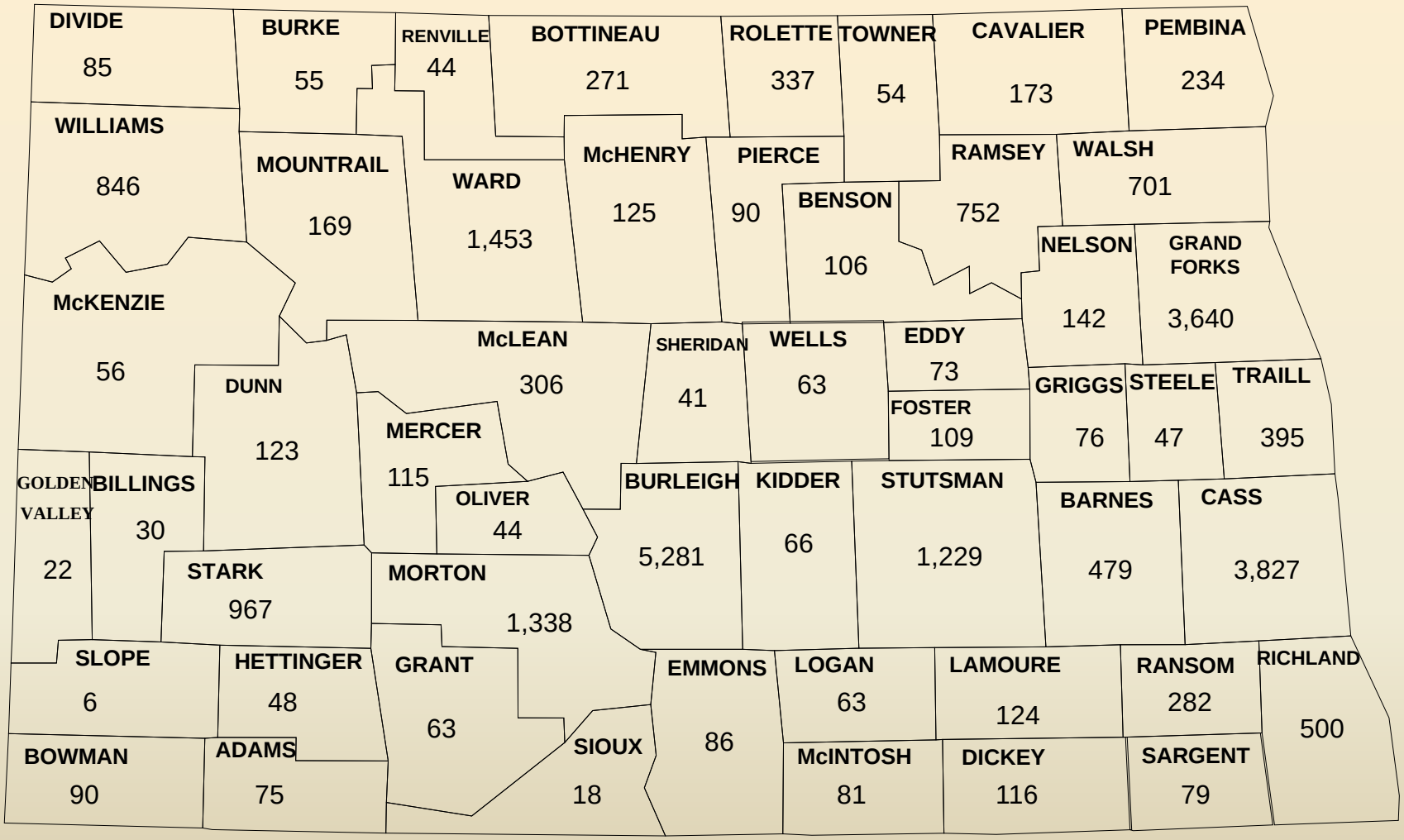
Health Insurance Plan

View

- Background Information
- Near term
  - Now through 2015
- Longer view
  - 2015 to 2017

NDPERS Health Contracts

June 2013



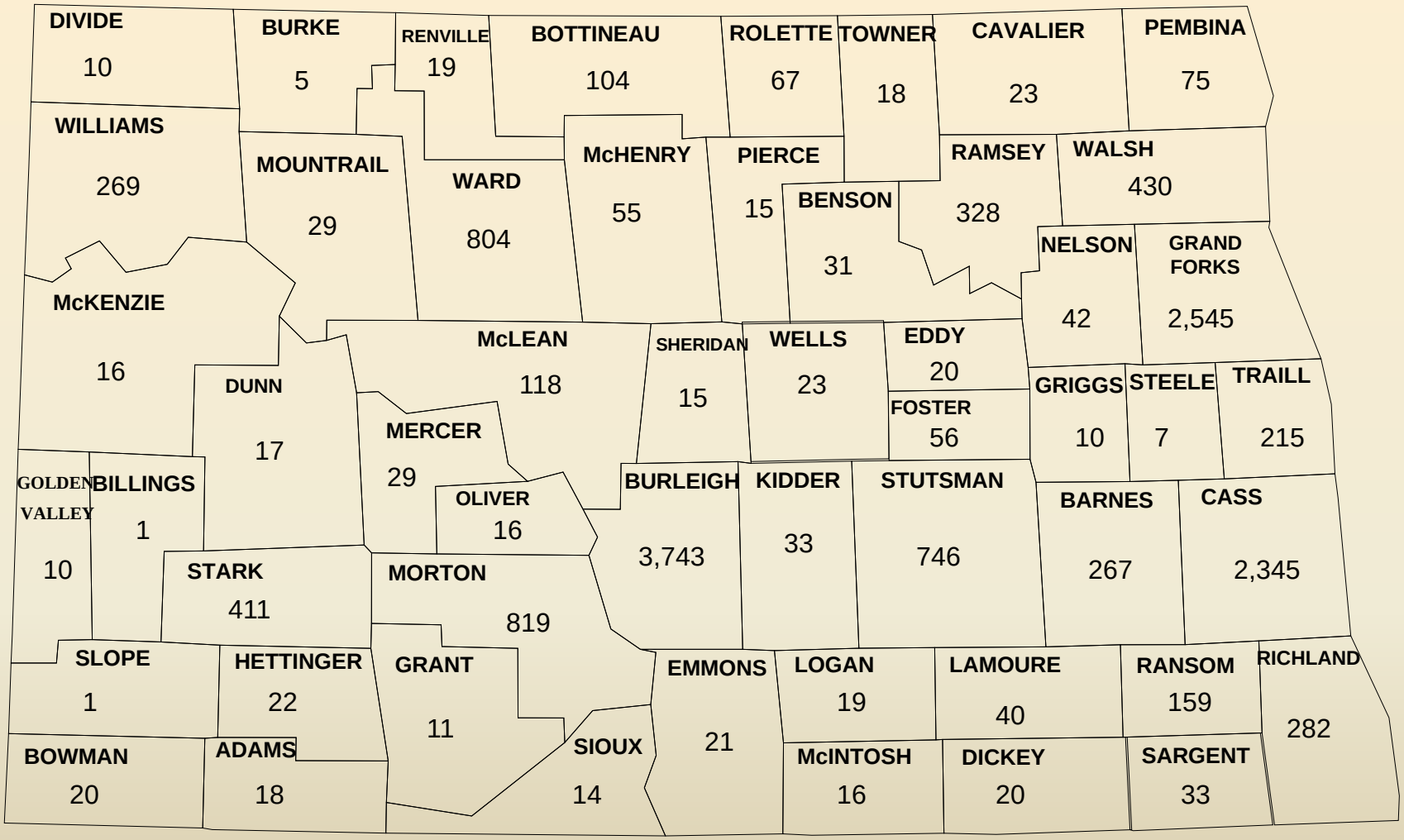
Out-of-State – 2,476

Total – 28,068

Average Contract Size = 2.27

NDPERS State Active Employees

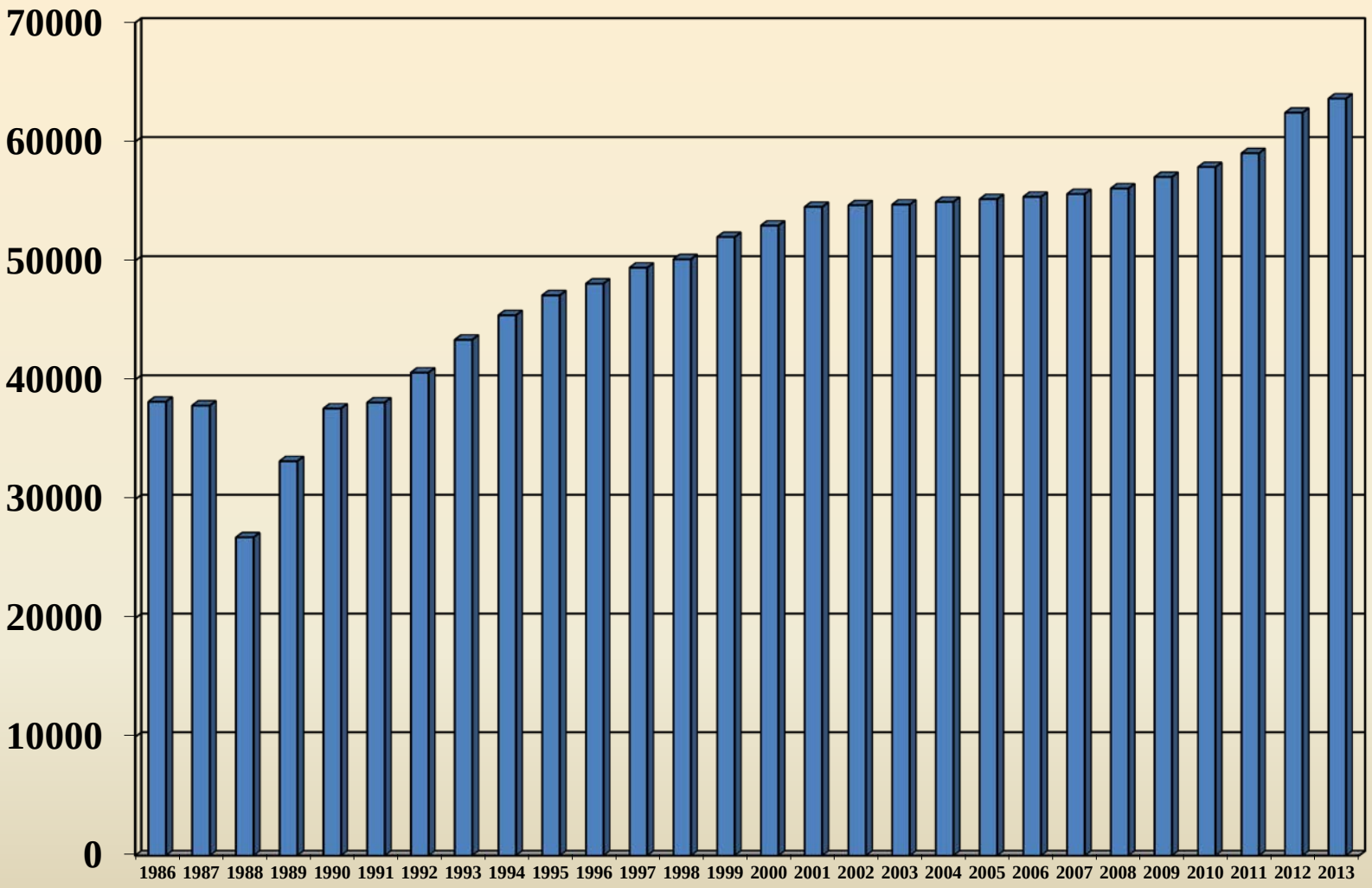
April 2013



Out-of-State – 1,125

Total – 15,588

NDPERS Health Plan Membership



2013-15 Premiums

BCBS Premium	Sanford Premium
12.98%	**25.49%**
$1001.72	$1112.62

2009-11 Premium

$825.66

2011-13 Premium

$886.62

2013-15 PREMIUM

$981.68

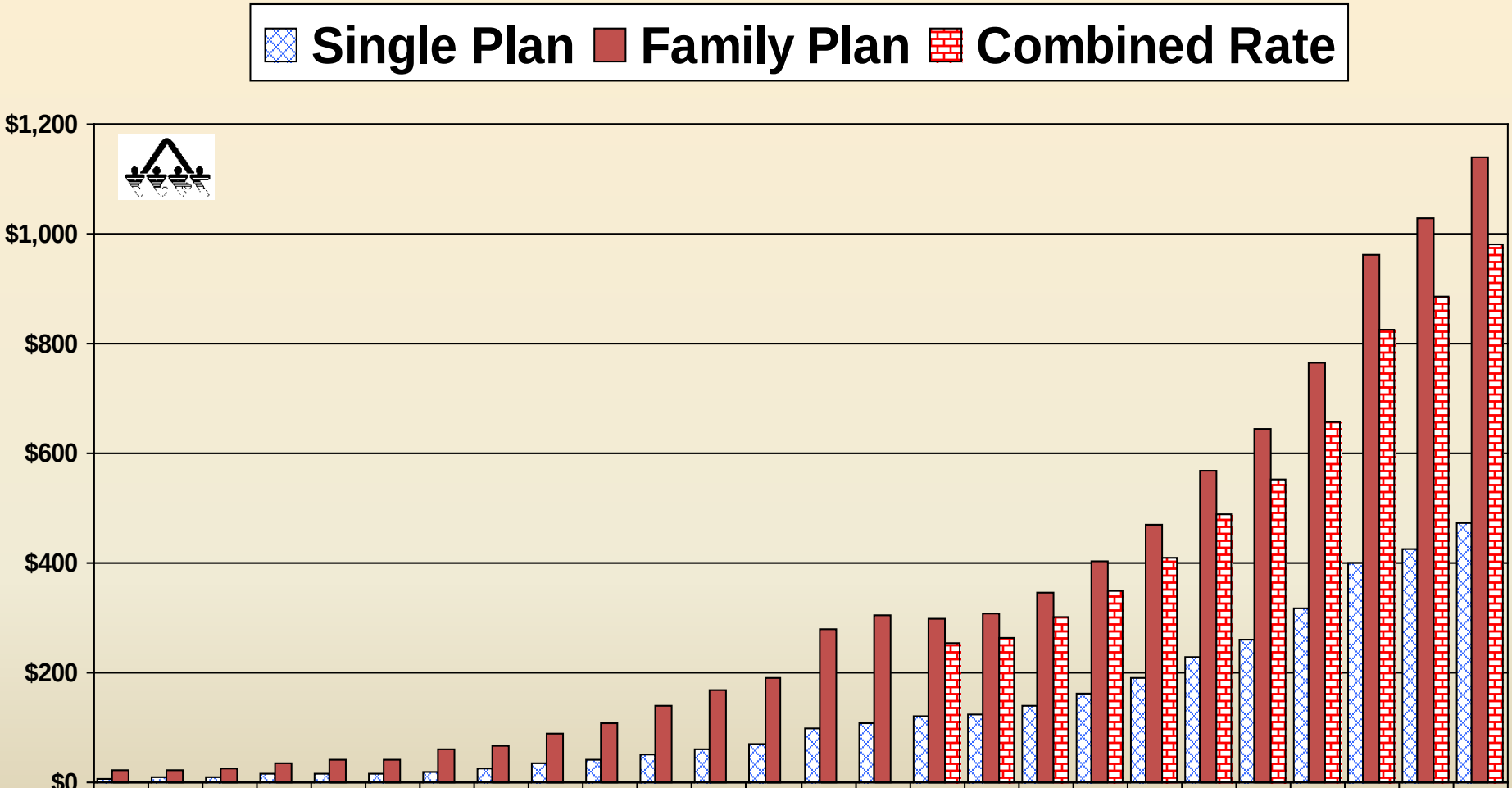
•2009-11 to 2011-13 Two year increase is 7.38% or about 3.7% per year.
•Includes extending coverage to dependents and eliminating the lifetime max.
•The cost assumes we maintain our grandfathered status.

•2011-13 to 2013-15 Two year increase is 10.72% or about 5.5% per year.

Grandfathered status?

SECTION 39. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. **The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.**

Active State Billed Health Insurance Premium



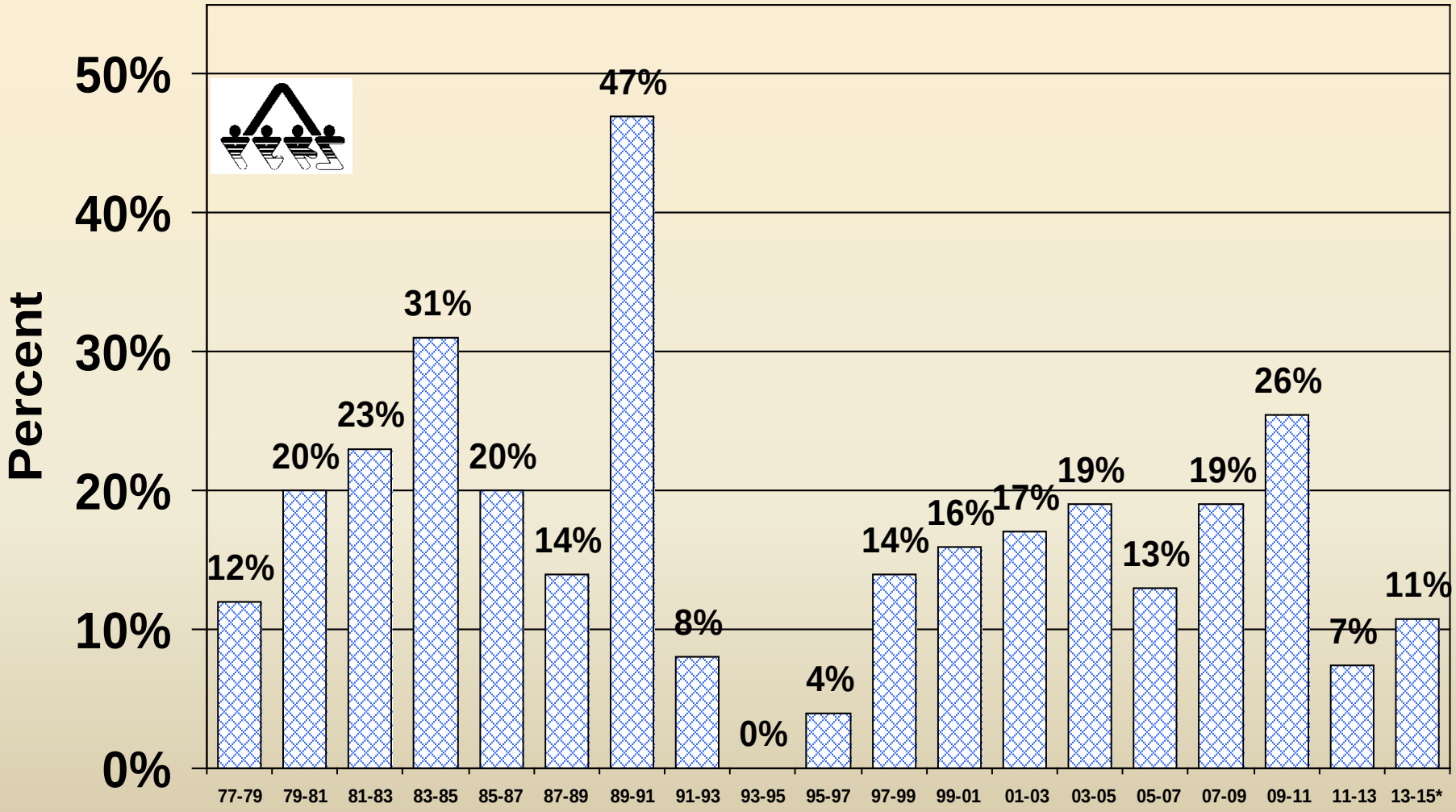
	63-65	65-67	67-69	69-71	71-73	73-75	75-77	77-79	79-81	81-83	83-85	85-87	87-89	89-91	91-93	93-95	95-97	97-99	99-01	01-03	03-05	05-07	07-09	09-11	11-13	13-15*
Single Plan	$5.00	$8.55	$10.75	$14.45	$15.95	$14.46	$19.50	$25.50	$34.84	$42.68	$50.28	$60.00	$68.28	$99.82	$108.00	$120.00	$125.00	$139.69	$162.48	$190.33	$229.93	$260.62	$318.30	$400.06	$426.96	$472.74
Family Plan	$21.00	$21.50	$25.00	$34.90	$41.90	$41.90	$59.95	$67.42	$87.40	$107.07	$140.28	$168.00	$191.28	$280.39	$304.00	$297.00	$309.00	$345.32	$401.67	$469.78	$567.52	$643.12	$764.02	$962.84	$1,029.00	$1,139.34
Combined Rate																$254.00	$265.00	$301.00	$349.72	$409.09	$488.70	$553.94	$658.08	$825.66	$886.62	$981.69

*- Executive Recommendation

State Health Premium Percentage Increase

From Previous Biennium

(Excludes Plan Design Changes)



* Executive Recommendation

State of North Dakota Health Plan Appropriations (Excludes Higher Education)

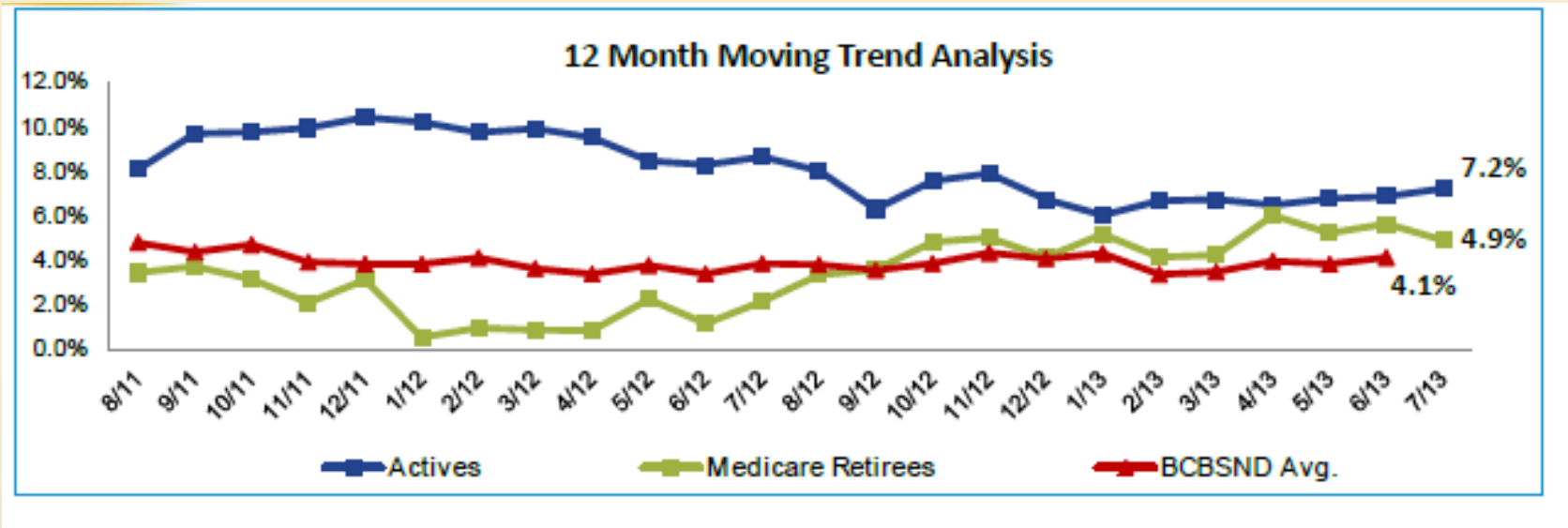
	Total Budget Appropriation	FTE	Health Premium	Health Plan Appropriation	% of Total Appropriations
1991-93	2,771,064,605	8,179	$254.00	$49,859,184	1.80%
1993-95	2,935,767,081	8,216	$254.00	$50,084,736	1.71%
1995-97	3,107,356,520	8,024	$265.00	$51,032,640	1.64%
1997-99	3,347,823,922	8,118	$301.00	$58,644,432	1.75%
1999-01	3,767,007,536	8,400	$349.72	$70,503,552	1.87%
2001-03	4,325,559,659	8,538	$409.09	$83,827,450	1.94%
2003-05	4,587,351,203	8,392	$488.70	$98,428,090	2.15%
2005-07	5,186,963,789	8,438	$553.94	$112,179,497	2.16%
2007-09	5,843,419,715	8,808	$658.08	$139,111,900	2.38%
2009-11	8,052,214,358	8,960	$825.66	$177,549,926	2.20%
2011-13*	8,556,123,763	9,011	$886.62	$191,743,988	2.24%

* - Executive Recommendation

Near Term

- **Premiums (interim study) /plan design**
- Composition - Political Subdivisions
- Bid
- ACA
- Consultant
- HIPAA

Premiums


12 Month Moving Trend Analysis
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
8/11
9/11
10/11
11/11
12/11
1/12
2/12
3/12
4/12
5/12
6/12
7/12
8/12
9/12
10/12
11/12
12/12
1/13
2/13
3/13
4/13
5/13
6/13
7/13
7.2%
4.9%
4.1%
Actives
Medicare Retirees
BCBSND Avg.

What could this mean for 2015-17

- Trend could be between 7-8%
- Such a trend could produce a premium increase of 14% to 16%
- ACA changes are unpredictable

Active State Renewal Rate

NDPERS 2013- 2015 Allocation and 2015-2017 Projection	NDPERS 2015-2017 Planning Projections			
	5.0% Trend	7.0% Trend	9.0% Trend	10.0% Trend
2009-2011 rate	$825.66	$825.66	$825.66	$825.66
2011-2013 rate	$886.62	$886.62	$886.62	$886.62
2013-2015 rate ($998.92 BCBS)	$981.68	$981.68	$981.68	$981.68
2013-2015 % increase	10.72%	10.72%	10.72%	10.72%
Projected 2015-2017 rate	$1101.31	$1143.66	$1186.82	$1208.69
2015-2017 $ increase	$102.39	$144.74	$187.90	$209.77
2015-2017 % increase	12.19%	16.50%	20.09%	23.12%
Total State additional funds*	$29,488,000	$41,685,000	$54,115,000	$60,414,000
Total additional general funds**	$16,218,000	$22,927,000	$29,763,000	$33,228,000

* - For biennium assuming 12,000 State FTE's
** - Assumed to be 55% of total funds

* Additional $ estimate assumes same level of buy down as this biennium

Components of Trend

- General Inflation
- Cost Shifting
- Leveraging
- Intensity

Premium

SECTION 39. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. **The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.**

Plan Design

Plan Design Options - Grandfathered Status

	Existing Plan Design		Alt #1		Alt #2		Alt #3		Alt #4		Alt #5		Alt #6	
Cost Sharing	**PPO**	**Basic**	**PPO**	**Basic**	**PPO**	**Basic**	**PPO**	**Basic**	**PPO**	**Basic**	**PPO**	**Basic**	**PPO**	**Basic**
Single Deductible	$400	$400	***$450***	***$450***	$450	$450	$450	$450	$450	$450	$450	$450	$450	$450
Family Deductible	$1,200	$1,200	***$1,350***	***$1,350***	$1,350	$1,350	$1,350	$1,350	$1,350	$1,350	$1,350	$1,350	$1,350	$1,350
Single Coinsurance/ Max	80%/750	75%/1250	80%/750	75%/1250	***80%/900***	***75%/1500***	80%/900	75%/1500	80%/900	75%/1500	80%/900	75%/1500	80%/900	75%/1500
Family Coinsurance Max	80%/1500	75%/2500	80%/1500	75%/2500	***80%/1800***	***75%/3000***	80%/1800	75%/3000	80%/1800	75%/3000	80%/1800	75%/3000	80%/1800	75%/3000
Office call copayment	$25	$30	$25	$30	$25	$30	***$30***	***$35***	$30	$35	$30	$35	$30	$35
Emergency Rm copayment	$50	$50	$50	$50	$50	$50	***$60***	***$60***	$60	$60	$60	$60	$60	$60
RX: Formulary														
Generic	$5/85%	$5/85%	$5/85%	$5/85%	$5/85%	$5/85%	$5/85%	$5/85%	***$10/85%***	***$10/85%***	$10/85%	$10/85%	$10/85%	$10/85%
Brand	$20/75%	$20/75%	$20/75%	$20/75%	$20/75%	$20/75%	$20/75%	$20/75%	$20/75%	$20/75%	***$25/75%***	***$25/75%***	$25/75%	$25/75%
Co insurance Max	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	***$1,200***	***$1,200***
Nonformulary	$25/50%	$25/50%	$25/50%	$25/50%	$25/50%	$25/50%	$25/50%	$25/50%	$25/50%	$25/50%	$25/50%	$25/50%	***$30/50%***	***$30/50%***
Savings $1,001.72 BCBS State Premium			0.70%		0.60% 1.30%		0.55% 1.85%		0.80% 2.65%		0.30% 2.95%		0.13% 3.08%	
Plan Trend/ prem inc (7% estimate)	14.5% ($145.25)		13.8% ($138.24)		13.2% ($132.23)		12.65%($126.72)		11.85% ($118.70)		11.55% ($115.70)		11.42% ($114.40)	
$981.68 State Billed Premium Inc	$171.29		$164.28		$158.27		$152.76		$144.74		$141.74		$140.44	
Annual contract out of pocket (OOP) avg	$2,206.00 ($0.00)		$2,290.12 ($84.12)		$2,362.24 ($72.12)		$2,428.36 ($66.12)		$2,524.60 ($96.24)		2,560.60 ($36.00)		$2,576.20 ($15.60)	
Annual cost shift to OOP			$84.12		$156.24		$222.36		$318.60		$354.60		$370.20	
Avg annual % of pay ($50,844)	4.34%		4.50%		4.65%		4.78%		4.97%		5.04%		5.07%	
Total Add. State Premium (millions) (12,000 FTE's)	$49.3		$47.3		$45.6		$44.0		$41.7		$40.8		$40.4	
Total Add. State Premium - general funds (millions) (55%)	$27.1		$26.0		$25.1		$24.2		$22.9		$22.5		$22.2	
Total Additional State Premium (millions) (12,000 FTE's) ($26.04 Buydown Continued)	$41.8		$39.8		$38.1		$36.5		$34.2		$33.3		$32.9	
Total Add. State Premium - general funds (millions) (55%) ($26.04 Buydown Continued)	$23.0		$21.9		$20.9		$20.1		$18.8		$18.3		$18.1	

Plan Design - Reserves

$36,600,000	2009-2011 biennium surplus at RIO
$ 2,700,000	ERRP funds at RIO
$ 2,800,000	Reserve funds at BCBS
$42,100,000	Subtotal
$ 9,000,000	2011-2013 biennium surplus estimate (July 2014)
$ 3,000,000	2013-2015 Deposit (at risk July 2016)
-$ 11,000,000	2013-2015 biennium 2% premium buydown
$43,100,000	Estimated Health Plan Funds

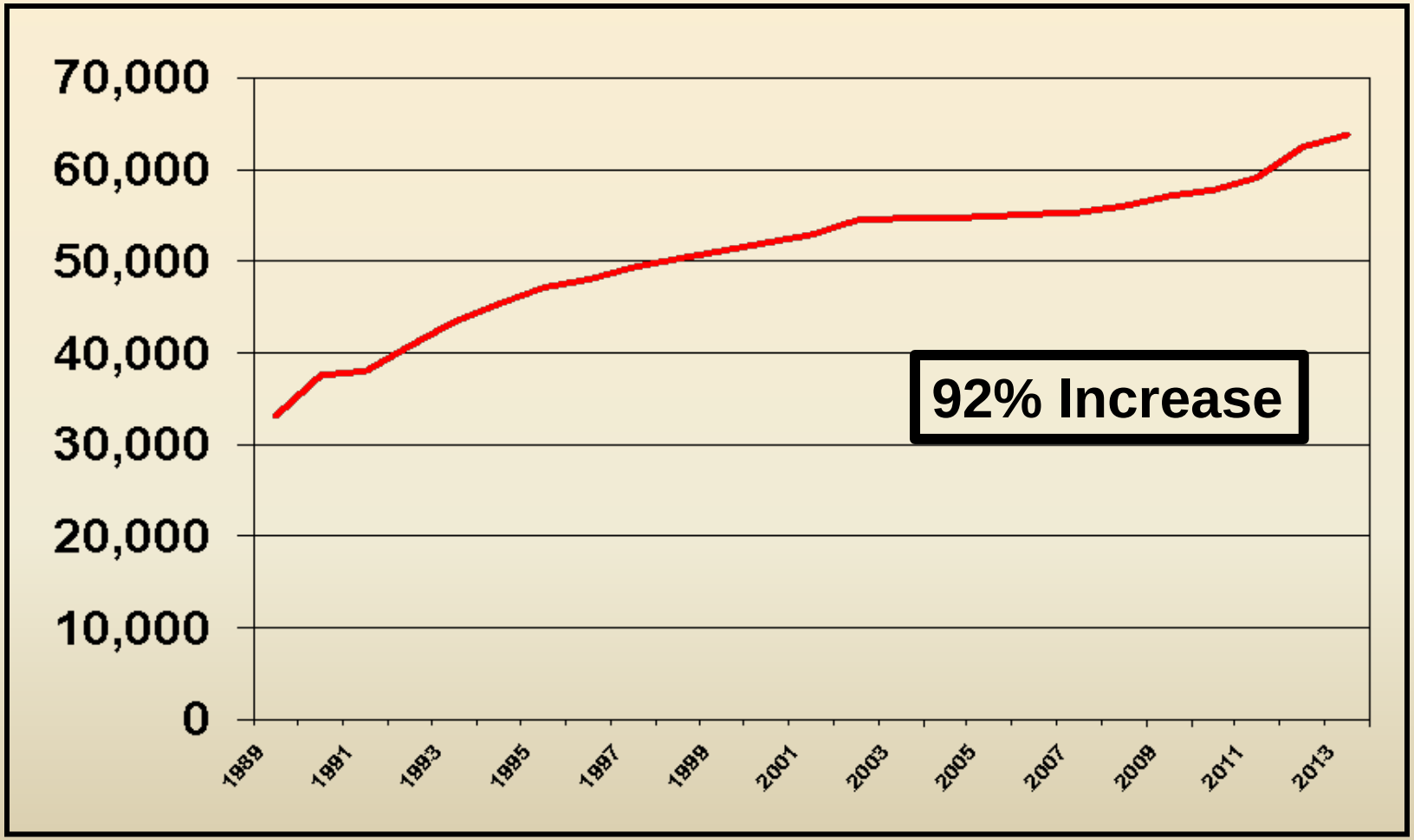
Near Term

- Premiums (interim study) /plan design
- **Composition - Political Subdivisions**
- Plan Placement 2015-17
- ACA
- Consultant
- HIPAA

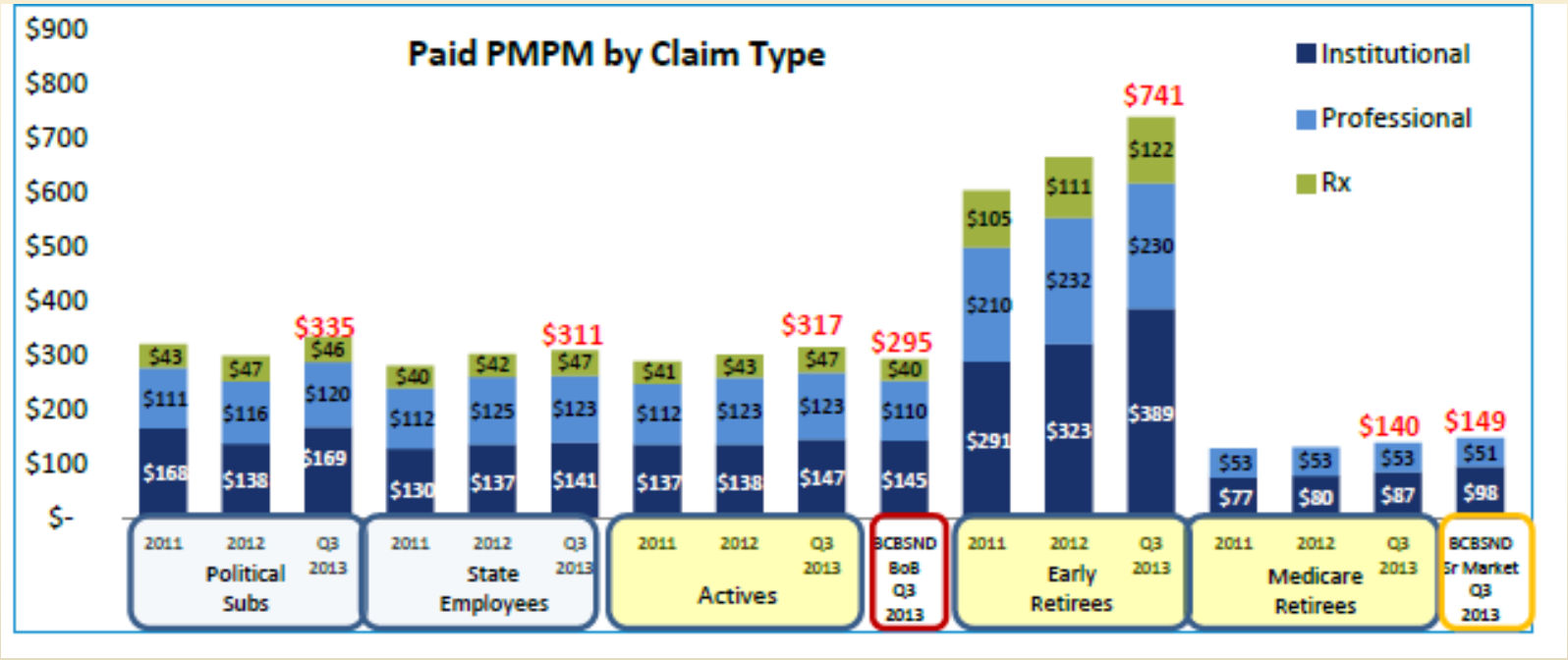
Composition - Political Subdivisions

- The Affordable Care Act specifies that starting with January, 2014 anniversaries, Non-Grandfathered products offered to small groups, must be filed and approved as Qualified Health Plans with the Center for Consumer Information & Insurance Oversight and the North Dakota Department of Insurance to meet the requirements listed below. In addition, Non-Grandfathered, small group products must be rated based on a unique rating pool that is separate from Non Grandfathered large groups and Grandfathered large and small groups. As a result of the changes, BCBSND was required to discontinue existing Non-Grandfathered small group plans starting with January, 2014 anniversaries and offer the newly approved ACA-Compliant Qualified Health Plans. These new requirements will affect the NDPERS Non-Grandfathered small political sub groups at the beginning of their next plan year as discussed below.

Composition - Political Subdivisions



Composition - Political Subdivisions



Adverse Selection could inc/dec

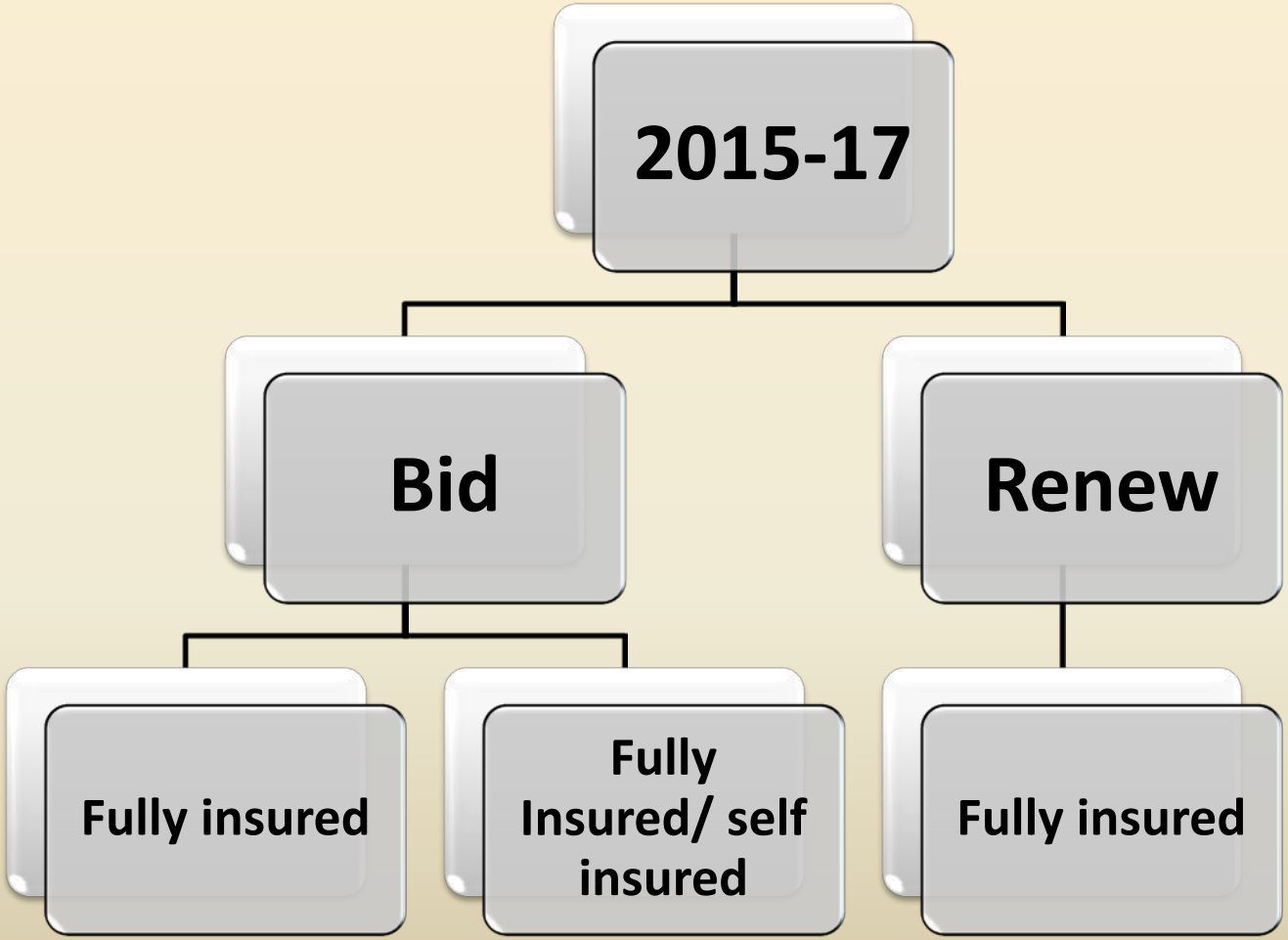
Plan Placement 2015-17

- Premiums (interim study) /plan design
- Composition - Political Subdivisions
- **Plan Placement 2015-17**
- ACA
- Consultant
- HIPPA

Plan Placement 2015-17

- **2012** for 2013-2015 biennium
  - Bid the plan but only as fully insured (due to ACA)
    - Two responses from BCBS and Sanford
- **2010** for 2011-2013 biennium
  - Bid the plan but only as fully insured (due to ACA)
    - One response from BCBS
- Prior was 6 year bids

Plan Placement 2015-17



Plan Placement 2015-17

Bid

- Check the marketplace to insure best pricing
- If we are not prepared to accept self insured we would likely get one maybe two bids
- If we are prepared to accept self insured then we would get more bids but risk would be transferred to state

Renewal

- Maybe the safest in the unsure environment of ACA
  - Losing political subdivisions
  - Implementing employer requirements
- State study of having state members pay part of premium

Near Term

- Premiums (interim study) /plan design
- Composition - Political Subdivisions
- Plan Placement 2015-17
- **ACA**
- Consultant
- HIPAA

ACA

- State Law change
- Employer requirements
- Grandfathered vs nongrandfathered

Employer requirements Health Care Reform - Shared Responsibility Rules

The Affordable Care Act's Shared Responsibility rules, effective beginning on January 1, 2014, will impose potential penalties on "applicable large employers" that –

1. fail to offer "minimum essential coverage" to "full-time employees" and their dependents ("No Coverage"), or
2. offer "minimum essential coverage" to full-time employees and their dependents, but the coverage does not meet certain minimum value and affordability thresholds ("Inadequate Coverage").

- **For purposes of the Shared Responsibility rules, a "full-time employee" for any month is anyone who is employed on average at least 30 hours of service per week during that month.**

Employer Requirements -Large Employers

Must:

- Offer coverage to all full time employees
- Must meet certain minimum value guidelines (benefit design and cost- no more than 9.5% of household income)

- Small employer is 50 or more employees
- Employer responsibility not a health plan responsibility
- PERS did change our statute this session to comply with the ACA

Significance of "Full-Time Employee" Status

- Employer Shared Responsibility rules apply only to "Applicable Large Employers"
  - Employed an average of at least 50 "Full-Time Employees" for more than 120 days during the preceding calendar year
    - "Full-Time Equivalent" employees counted for this purpose only
    - Special rule for seasonal employees
- Employer Shared Responsibility penalties apply only with respect to "***Full-Time Employees***"
  - Potential **$2,000** penalty per FTE if coverage not offered to FTEs and their dependents
  - Potential **$3,000** penalty for each FTE who opts out of the employer's coverage if it isn't "affordable" or doesn't meet a *"minimum value" threshold*
    - Note: Penalties are "potential" because they are imposed only if a FTE obtains coverage in a State Health Insurance Exchange and qualifies for a Premium Tax Credit or Cost-Sharing Subsidy

AFFORDABLE CARE ACT (ACA)

House Bill 1059 - State Law Change

Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013

HOUSE BILL NO. 1059
(Government and Veterans Affairs Committee)
(At the request of the Public Employees Retirement System Board)

AN ACT to amend and reenact sections 54-52.1-03.1, 54-52.1-03.4, and 54-52.1-18 of the North Dakota Century Code, relating to withdrawal of a political subdivision from the uniform group insurance program, the definition of an eligible employee, payment of the cost of uniform group insurance premiums for temporary employees, and the health savings account option offered to political subdivisions as part of the high-deductible health plan alternative under the uniform group insurance program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-52.1-03.1 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-03.1. Certain political subdivisions authorized to join uniform group insurance program - Employer contribution.

A political subdivision may extend the benefits of the uniform group insurance program under this chapter to its permanent employees, subject to minimum requirements established by the board and a minimum period of participation of sixty months. If the political subdivision withdraws from participation in the uniform group insurance program, before completing sixty months of participation, unless federal or state laws or rules are modified or interpreted in a way that makes participation by the political subdivision in the uniform group insurance program no longer allowable or appropriate, the political subdivision shall make payment to the board in an amount equal to any expenses incurred in the uniform group insurance program that exceed income received on behalf of the political subdivision's employees as determined under rules adopted by the board. The Garrison Diversion Conservancy District, and district health units required to participate in the public employees retirement system under section 54-52-02, shall participate in the uniform group insurance program under the same terms and conditions as state agencies. A retiree who has accepted a retirement allowance from a participating political subdivision's retirement plan may elect to participate in the uniform group under this chapter without meeting minimum requirements at age sixty-five, when the employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the political subdivision joins the uniform group insurance plan if the retiree was a member of the former plan, or when the spouse terminates employment. If a retiree or surviving spouse does not elect to participate at the times specified in this section, the retiree or surviving spouse must meet the minimum requirements established by the board. Each retiree or surviving spouse shall pay directly to the board the premiums in effect for the coverage then being provided. The board may require documentation that the retiree has accepted a retirement allowance from an eligible retirement plan other than the public employees retirement system.

SECTION 2. AMENDMENT. Section 54-52.1-03.4 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-03.4. Temporary employees and employees on unpaid leave of absence.

A temporary employee employed before August 1, 2007, may elect to participate in the uniform group insurance program by completing the necessary enrollment forms and qualifying under the medical underwriting requirements of the program. A temporary employee employed on or after August 1, 2007, is only eligible to participate in the uniform group insurance program if the employee is employed at least twenty hours per week and at least twenty weeks each year of employment. A temporary employee first employed after December 31, 2013, is eligible to participate in the uniform group insurance program only if the employee meets the definition of a full-time employee under

- Section 1 allows political subs to leave plan if required by federal law
- Section 2 changes law to comply with shared responsibility rules
- Section 3 related to HDHP

House Bill 1059 – State Law change

Federal Law	Full Time Employee	
State Law	Full time	Temp
Existing law	Services are not limited in duration, who is filling an approved and regularly funded position and who is employed at least 20 hours per week and at least 20 weeks per year	Not filling an approved and regularly funded position and is working at 20 hours per week for 20 weeks per year.
New law	Services are not limited in duration, who is filling an approved and regularly funded position and who is employed at least 20 hours per week and at least 20 weeks per year	Average of 30 hours per week during a month subject to the employers look back period

100% employer premium payment	Employee pays only 9.5% of household income[1]	No employer premium payment

Near Term

- Premiums (interim study) /plan design
- Composition - Political Subdivisions
- Plan Placement 2015-17
- ACA
- **Consultant**
- HIPAA

Consultant

Deloitte.

- *Continue with them or go to bid*

Consultant

Continue	Bid
• Continuity • ACA • Past Bids	• Check pricing • New perspective

Ask for 2014-2017 rates

Near Term

- Premiums (interim study) /plan design
- Composition - Political Subdivisions
- Plan Placement 2015-17
- ACA
- Consultant
- **HIPAA**

HIPAA

- Just recently updated our material
- Present material is a collection of policies from other entities
- We need to do our own:
  - Ownership
  - More integration with our existing operation

GROUP INSURANCE PROGRAMS

LTC Plan

April of 2012 – In April of 2012 we started our process to go out to bid.

- 70% of people who reach age 65 will require long term care services.
- Average length of majority of LTC claims is 3.8 years.
- The average cost of assisted living services is $38,220, for in-home care is $43,472 and for nursing home is $72,190.
- One out of 10 people who apply for LTC insurance ages 50-59 are declined, from ages 60-69 the decline rate doubles and decline rate for 70+ is 45%. Worksite LTC can provide expanded underwriting options.
- North Dakota provides an annual tax credit of $250 per person for someone who purchases a partnership qualified product and $500 per couple.

The Risk for Needing Long-Term Care

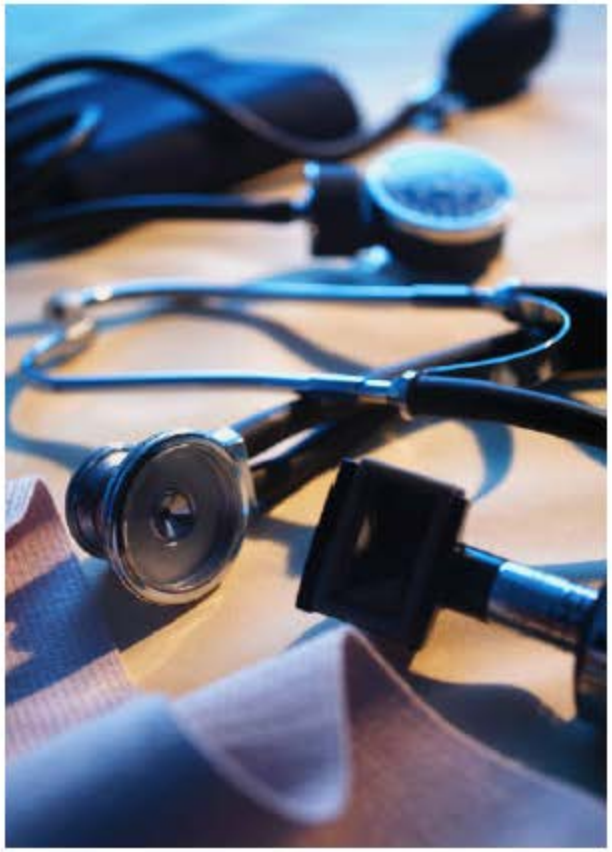
Odds of filing a claim for the most common insurance coverage types:

House Fire	Auto Accident	Disability	Long-Term Care
1 in 740[1]	1 in 43[2]	1 in 8[3]	2 in 5[4]

The risk of needing long-term care in a lifetime is greater than all of the insurance incidents above.

1 Karter, Michael J., Fire Loss in the United States During 2004, National Fire Protection Association.
2 Bureau of the Census Data, 2000 and 2000 data collected from the federal Highway Administration, November 2001
3 US Department of Health and Human Services. "National Clearinghouse for Long Term Care Information." 2008.
4 Long-Term Care. AHRQ Focus on Research. AHRQ Pub No. 02-M028, March 2002. Agency for Healthcare Research and Quality, Rockville, MD.

The Future Cost of Ca



Year	Projected Annual Cost
2013	$83,950[6]
2023	$130,234
2033	$212,141
2043	$345,546

Increases for the cost of care range from 0.84% to 4.45% (depending upon the type of care)from 2008 to 2013.[6]

December of 2012 – with the above background we had our consultant go to work on an RFP for LTC

- *I've delayed sending this pending responses to a Request for Information conducted by another state client. That client has been with Prudential and currently covers over 10,000 participants in its group long term care plan. In response to the RFI, no company indicated that it will be willing to submit a proposal if the state issues an RFP. We can go ahead with your solicitation; however, it is unlikely that any company will respond.*

March of 2013 – in March the Board had a conference call with Bill Hickman with GRS

- *Ms. Allen reported that Mr. Hickman with Gabriel Roeder Smith was attending via conference call to present information regarding long term care insurance products and the RFP they recently prepared for PERS. Mr. Hickman reported that nationwide there are only a few companies in the market that offer group long term care insurance products. The policy presently offered by PERS is not a group product since there was not sufficient interest generated to meet the minimum participation requirement and it is not partnership qualified. An observation is that any product offered by PERS can be purchased by members as effectively directly from the market.*
-
- *The Board discussed this and concluded that Schmidt Insurance Agency be invited to present additional information on long term care insurance for further consideration before the decision is made to do a request for proposal for our members. Chairman Strinden indicated that this will be put on a future agenda for further review and discussion.*

June of 2013 - At his meeting Gene Schmidt of SIA presented information to the Board

- Gender pricing has entered the market and underwriting requirements have been enhanced.
- Relating to gender pricing:
  - Females incurred 67% of claims and 69% of benefit dollars
  - Home Care incidence rates for females is more than double that for males
  - Mortality for males averages 33% greater than for females
- The cost of care is increasing:
  - The national average monthly rate for a semi-private nursing home is up 4.5% to $76,285*
  - The national average monthly rate for an assisted living facility is up 5% to $40,200*
  - The national average daily rate for adult day care is up 4.5% to $69 *
  - $750,000 projected average cost of three years of care in 30 years**
- Underwriting requirements have been substantially increased for individual policies however for group policies they can be significantly less. He shared the following to demonstrate the difference:

Gene G Schmidt

CEO, The SIA Companies

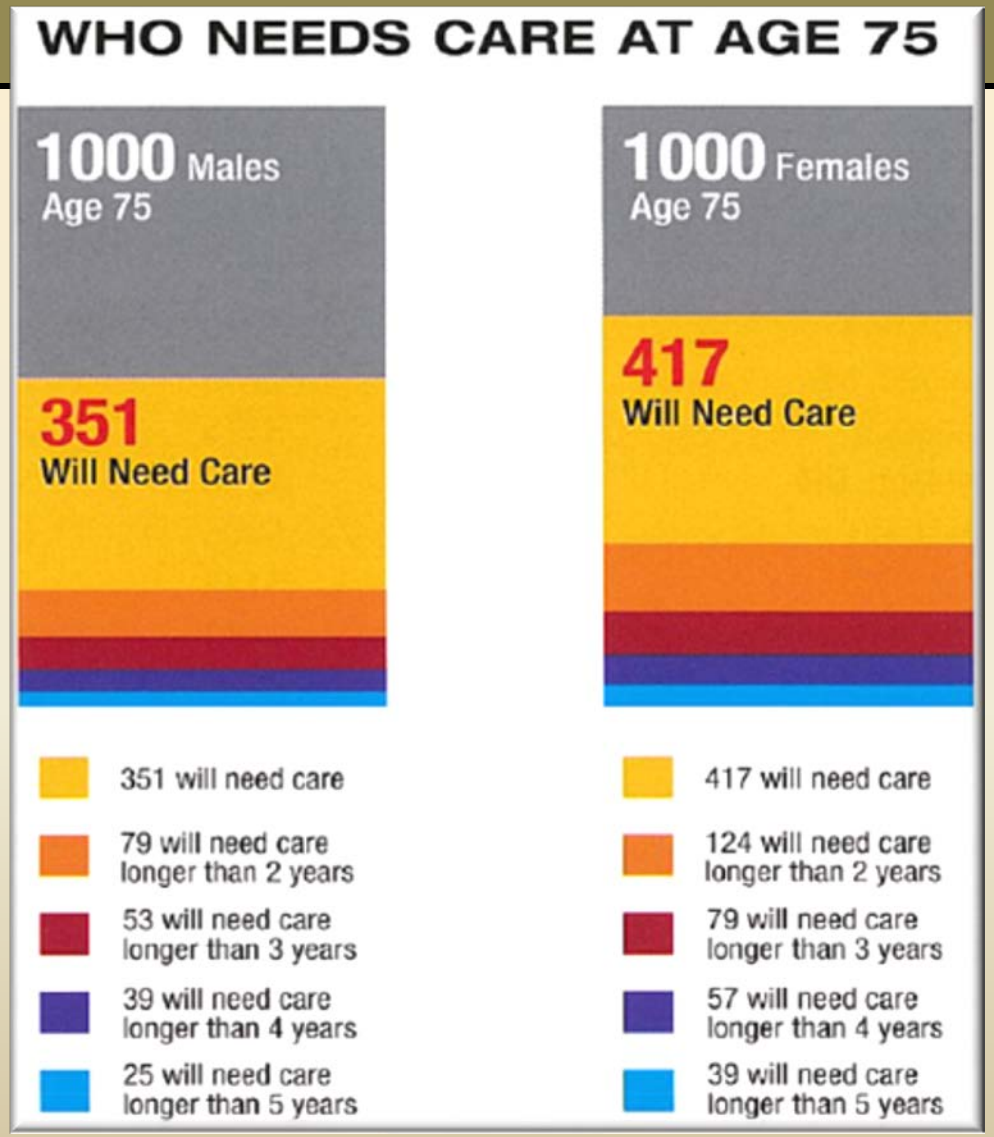
- Licensed since 1976
- Personally writing LTCi since 1976
- Started Schmidt Insurance: 1979
- Founded SIA in 1986
- SIA serves 14,000+ insurance professionals nationwide
- Nationally recognized expert on LTCi
  who regularly contributes to the design of new benefits
  for the industry's top companies

For Producer Use Only: Not for Public Use or Distribution

Who's on Claim

For Producer Use Only: Not for Public Use or Distribution

Who's on Claim



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Cost of Care Increasing

- The national average monthly rate for a semi-private nursing home is up 4.5% to $76,285*
- The national average monthly rate for an assisted living facility is up 5% to $40,200*
- The national average daily rate for adult day care is up 4.5% to $69 *
- $750,000 projected average cost of three years of care in 30 years**

*Source: American Association for Long Term Care Insurance, 2012 LTCi Sourcebook

**Based on John Hancock's Cost of Care Survey, conducted by LifePlans, Inc 2011 and an assumed rate of inflation of 4.1% based on the average
annual increase in the Consumer Price index for All-Urban Consumers (CPI-U), obtained from the Bureau of Labor Statistics of the U. S. Department of Labor, for the 50-year period ending 12/31/10.

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Underwriting Questions

MODIFIED GUARANTEE ISSUE – Answer Questions in SECTION A only.
SIMPLIFIED ISSUE- Answer Questions in SECTIONS A & B.
FULL UNDERWRITING - Answer Questions in SECTIONS A, B & C.

A

1. During the last 6 MONTHS, have you been continuously and actively at work for your current employer for a minimum of 30 hours per week (away from home), except for vacation? ☐ Yes ☐ No
2. During the last 6 MONTHS, have you missed more than five consecutive days of work due to accidents, injury, sickness or any physical or cognitive impairment? ☐ Yes ☐ No
3. During the last 12 MONTHS, have you ever required assistance or supervision of any kind to perform any everyday activity, such as mobility (including the use of pronged canes), taking medications, dressing, eating, walking, bathing, transferring, or toileting? ☐ Yes ☐ No

If any question 4 – 9 is answered Yes, You are not eligible for coverage.

B

4. Have you EVER had, or been diagnosed, treated or had symptoms of any of the following conditions? ☐ Yes ☐ No

   If Yes, please check the applicable condition(s):

   - ☐ Alzheimer's disease
   - ☐ Amputation due to disease
   - ☐ Amyotrophic Lateral Sclerosis (Lou Gehrig's disease)
   - ☐ Arthritis with narcotic pain medication
   - ☐ Cerebrovascular Accident* (Stroke, CVA, TIA)
   - ☐ Dementia or Senility
   - ☐ Mobility Deficit
   - ☐ Multiple Sclerosis
   - ☐ Muscular Dystrophy
   - ☐ Myasthenia Gravis
   - ☐ Organic Brain Syndrome
   - ☐ Huntington's Chorea
   - ☐ Osteoporosis with fractures
   - ☐ Paraplegia or Quadriplegia
   - ☐ Parkinson's disease
   - ☐ Polymyositis
   - ☐ Scleroderma
   - ☐ Memory loss requiring medical consultation

   *If applicant has had a single Cerebrovascular Accident more than 2 years ago, complete Section C.
5. Have you ever been diagnosed by a medical practitioner as having AIDS (Acquired Immune Deficiency Syndrome) or tested positive for HIV? ☐ Yes ☐ No
6. During the last 3 YEARS, have you used over 60 units of insulin per day to treat Diabetes, or have you been diagnosed or treated for Diabetes WITH COMPLICATIONS (Neuropathy, Retinopathy, Heart Disease, Stroke), Chronic Hepatitis or Cirrhosis, alcohol abuse, drug or prescription drug addiction, or Transient Global Amnesia? ☐ Yes ☐ No
7. During the last 12 MONTHS, have you used a catheter, dialysis, oxygen equipment, a quad or three-pronged cane, respirator, walker, wheelchair, crutches, motorized scooter or chair lift?... ☐ Yes ☐ No
8. During the last 12 MONTHS, have you been confined to a nursing home, assisted living facility, attended an adult day care facility, or required home health care? ☐ Yes ☐ No
9. Do you have a direct family history (parents or siblings) of Huntington's Chorea or Polycystic Kidney Disease? ☐ Yes ☐ No
10. Are you currently taking or been prescribed any prescription drugs or medications? ☐ Yes ☐ No

    If Yes, please list **all**: _____

PRIMARY PHYSICIAN'S NAME	TELEPHONE NUMBER	HMO/PPO ID# (if known)
ADDRESS		DATE LAST CONSULTED
REASON LAST SEEN		

If any question 11 – 14 is answered Yes, You are not eligible for coverage. For questions 15-17, if Yes, circle any applicable diagnosis or condition(s) and give details in question # 18.

C

11. Have you EVER had, been diagnosed with, treated for, or had symptoms of:
    a) COPD (Emphysema) with oxygen use, or steroid medications? ☐ Yes ☐ No
    b) Multiple Strokes (CVA's), or Metastatic or Multi-site Cancer? ☐ Yes ☐ No
12. In the last 24 MONTHS, have you had a Single Stroke (CVA or TIA)? ☐ Yes ☐ No
13. In the last 12 MONTHS, have you had Cardiomyopathy? ☐ Yes ☐ No
14. Within the last 3 MONTHS, have you had a Heart Attack (MI) or Chest Pain; uncontrolled Blood Pressure; Hip or Back Surgery; or Cancer? ☐ Yes ☐ No
15. In the last 5 YEARS, have you been diagnosed with, received treatment for, or had symptoms of:
    a) Chronic Lymphocytic Leukemia, Diabetes, Cancer or Macular Degeneration? ☐ Yes ☐ No
    b) Arthritis, Osteoporosis, Rheumatoid Arthritis, Fibromyalgia, Fractures, Joint Replacement or used a straight cane? ☐ Yes ☐ No
    c) Heart Attack, Chest Pain, Heart Disease, Congestive Heart Failure (CHF), High Blood Pressure, Heart Murmur, Cardiomyopathy or Peripheral Vascular Disease? ☐ Yes ☐ No
    d) Stroke, Cerebrovascular Accident (CVA), Transient Ischemic Attack (TIA), Aneurysm, irregular heartbeat, Carotid Artery Stenosis, or Heart Surgery? ☐ Yes ☐ No
    e) Mental or cognitive disorder including memory loss, confusion, disorientation, mental retardation, depression; or Epilepsy? ☐ Yes ☐ No
    f) Asthma, Chronic Obstructive Pulmonary Disease (COPD), or Emphysema? ☐ Yes ☐ No
    g) Dizziness, fainting, blurred vision, convulsions, paralysis, falls, loss of balance or strength? ☐ Yes ☐ No
    h) Any condition requiring treatment, surgery, home care or hospitalization, but not mentioned above (NOT including routine Colds, Flu, etc.) or unplanned weight loss of 15 lbs or more? ☐ Yes ☐ No
16. In the last 12 MONTHS, has any medical treatment, follow-up, diagnostic testing, or surgery been recommended, but not yet completed? If Yes, give details: ☐ Yes ☐ No

    _____
17. Do you have a handicap sticker, handicap placard, or handicap license plate? ☐ Yes ☐ No

18. Give details for all Yes answers. FOR EVERY MEDICATION THERE SHOULD BE A CONDITION AND FOR MOST CONDITIONS THERE SHOULD BE A MEDICATION OR TREATMENT.

Question #	Nature of Condition/Medication	Date Last Treated/ Medication Taken	Name of Physician Seen/ Physician's Address

What are the key points that we have discovered

- LTC planning is an important consideration in planning for retirement.
- Purchasing a LTC plan that is “partnership” qualified is the key to accessing the tax credit.
- The information from GRS indicated that an entirely voluntary plan (fully paid by the employee) would likely not get any interest in the market. Also there would likely be no preferential underwriting. With this understanding, an employee could buy a product just as effectively in the individual market directly from a local agent than through us.
- That if the employer paid a part of the premium and with the tax credit a group plan could likely draw a significant level of participation from its membership which would:
  - Reduce the underwriting requirement making the plan more accessible
  - Help with the overall pricing
- For every $10 in premium support per month by the state, it would cost about $150,000 per month or about $3.6 million per biennium (assumes 15,000 state employees). Assuming the average classified salary is $42,000 per year each $10 is about .28% of salary. A $40 premium support would be about 1.14% of payroll. Note: these numbers assume 100% participation.

Options

#1	#2	#3	#4	#5
Issue an RFP	Request funding for employer payment of part of premium. ***For every $10 in premium support per month by the state, it would cost about $150,000 per month or about $3.6 million per biennium (assumes 15,000 state employees). Assuming the average classified salary is $42,000 per year each $10 is about .28% of salary. A $40 premium support would be about 1.14% of payroll. Note: these numbers assume 100% participation***	Seek to expand the ND credit so it applies to the existing PERS LTC	As alternative to offering a product, we could develop an approach where we facilitate the flow of information on the importance of this product, how to purchase it in the marketplace, the significance of having a "partnership product" and the effect of age on pricing.	Try to get a product (with medical underwriting) that could be marketed to younger employees and for which the credit would pay most of the premium.

GROUP INSURANCE PROGRAMS

Dental Plan

DENTAL PLAN

- Started in 1997
- Fully insured with Reliastar
- Available to state employees and retirees
- Now fully insured with Delta Dental
  - Moved to Delta in 2013; bid was 2012 (9 bidders)

DELTA DENTAL

DELTA DENTAL OF MINNESOTA

North Dakota Public Employees Retirement System

Group #537482

Delta Dental PPO℠ and Delta Dental Premier®

A Snapshot of Your Coverage*

Service & Description	Delta Dental PPO	Delta Dental Premier	Non-Participating
Diagnostic & Preventive Services Exams & cleanings, x-rays, fluoride treatments, space maintainers, sealants	100%	100%	100%**
Basic Services Emergency treatment for relief of pain, amalgam restorations (silver fillings) and composite resin restorations (white fillings) on anterior (front) teeth and posterior (back) teeth	80%	80%	80%**
Endodontics Pulpotomies on primary teeth for dependent children, root canal therapy on permanent teeth	80%	80%	80%**
Periodontics Surgical/Nonsurgical periodontics	80%	80%	80%**
Oral Surgery Surgical/Nonsurgical extractions, all other oral surgery	80%	80%	80%**
Major Restorative Crowns	50%	50%	50%**
Prosthetic Repairs and Adjustments Denture adjustments and repairs, bridge repair	80%	80%	80%**
Prosthetics Dentures (full and partial), bridges	50%	50%	50%**
Orthodontics Treatment for the prevention/ correction of malocclusion, available for all covered dependents	50%	50%	50%**
Deductible Deductible does not apply for diagnostic and preventive services or orthodontics	$50 per person		
Calendar Year Plan Maximum Per person	$1,000		
Lifetime Ortho Maximum Per covered dependent	$1,500		
Eligible Dependents - *spouse and unmarried dependent children up to age 26.*			

*This is a summary of benefits only and does not guarantee coverage. For a complete list of covered services and limitations/exclusions, please refer to the Dental Benefit Plan Summary.

**Dentists who have signed a participating network agreement with Delta Dental have agreed to accept the maximum allowable amount as payment in full. Non-participating dentists have not signed an agreement and are not obligated to limit the amount they charge; the member is responsible for paying any difference to the non-participating dentists.

Welcome to Delta Dental

Welcome to Delta Dental of Minnesota. We've designed your dental plan so it is easy to use and gives you and your family maximum flexibility, network savings, an unparalleled commitment to service and peace of mind. Together with your employer, our goal is to help you maintain healthy, happy smiles all year round.

Prevention is the key to good long-term oral health

Our plans are designed to encourage you to visit the dentist and help ensure your basic dental needs are met in a timely, cost-effective manner.

Access to regular checkups and sound preventive care are key to long-term oral health. In addition to visiting your dentist for regular preventive care, talk to your dentist about your specific oral health needs. Your dental plan is intended only to help you pay for care—your dentist is the one who will help you determine your actual care needs.

Helpful Online Tools

As part of our commitment to your long-term oral health, we provide members free access to valuable oral health information and dental benefit tools through our Web site, www.deltadentalmn.org.

Rates

Employee:	**$38.26**
Employee + Spouse:	**$73.84**
Employee + Children:	**$85.72**
Family:	**$122.08**

	2013	2014	Increase
Dental	7,374	7,908	6.8%

Before 2013 enrollment was 6,725 (17% inc)

Dental Plan Experience

- 2013 plan experience to date. 2127 contracts with a loss (payments greater than premium) and 4140 with a gain. For the contracts with a loss, 203 of them also left the NDPERS Dental Plan in 2013. 47 of these started and ended the plan in 2013. There were only 6 that dropped the plan in the first three months. Three of these had a loss less than $100. The other three had losses of $500, $850, and $2100. I checked and these three are also still actively employed. There are likely more in the remaining months.

- So far the gain/loss comes to a positive $771,100. Note that this is only contracts with a claim to date, so it is likely a lot of contracts have not submitted a claim and there are likely a lot of end-of-year outstanding claims IBNR. I'm showing the largest loss at -$3,890.

GROUP INSURANCE PROGRAMS

Life Insurance Plan

Amount of Coverage – August 2013/2009

Basic	**$69,182,700**	**$27,628,900** ★
Supplemental	**$1,111,160,900**	**$910,109,300**
Dependent	**$30,977,000**	**$26,836,000**
Spouse	**$253,560,000**	**$198,140,000**

★ Change in basic coverage from $1,300 to $3,500

Types of Coverage

- Moved to ING in 2012
- Basic – $3,500
- Supplemental Life
  - Pretax first $50,000
- Dependent Life
  - $2,000/$5,000
- Spouse supplemental coverage
- AD&D coverage
- Accelerated Life Benefit

Considerations

- Basic Life for active employees increased from $1,300 to $3,500 – 269%
- Reduced employee and spouse rates
- 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

GROUP INSURANCE PROGRAMS

VISION PLAN

VISION PLAN

- Started in 1997
- Went to bid in 2010 changed carriers to Superior Vision

	2013	2014	Increase
Vision	8,373	8,758	4.4%

Before 2011 enrollment was 4,417 (98% inc)

Voluntary Products

- May want to consider having our dental, vision and life vendors meet with the Board at separate meetings:
  - Get an update
  - Receive any suggestions for program improvements
  - See it their any new provisions that should be considered

GROUP INSURANCE PROGRAMS

Employee Assistance Program

EMPLOYEE ASSISTANCE PROGRAM

CURRENT EAP PROVIDERS

St. Alexius (81)

Village Family Services (29)

Deer Oaks (4)

Live Well Solutions (1)

Agency-based Selection Process

- PERS bids the services
- PERS certifies those meeting the minimum requirements
- Agencies select vendors from list

GROUP INSURANCE PROGRAMS

Flex Plan

FLEX COMP PROGRAM

- *THREE TYPES OF ACCOUNTS*
  - *MEDICAL*
  - *DEPENDENT CARE*
  - *PREMIUM CONVERSION*

  - ***Use it or lose it or new carryover provision***

Flex

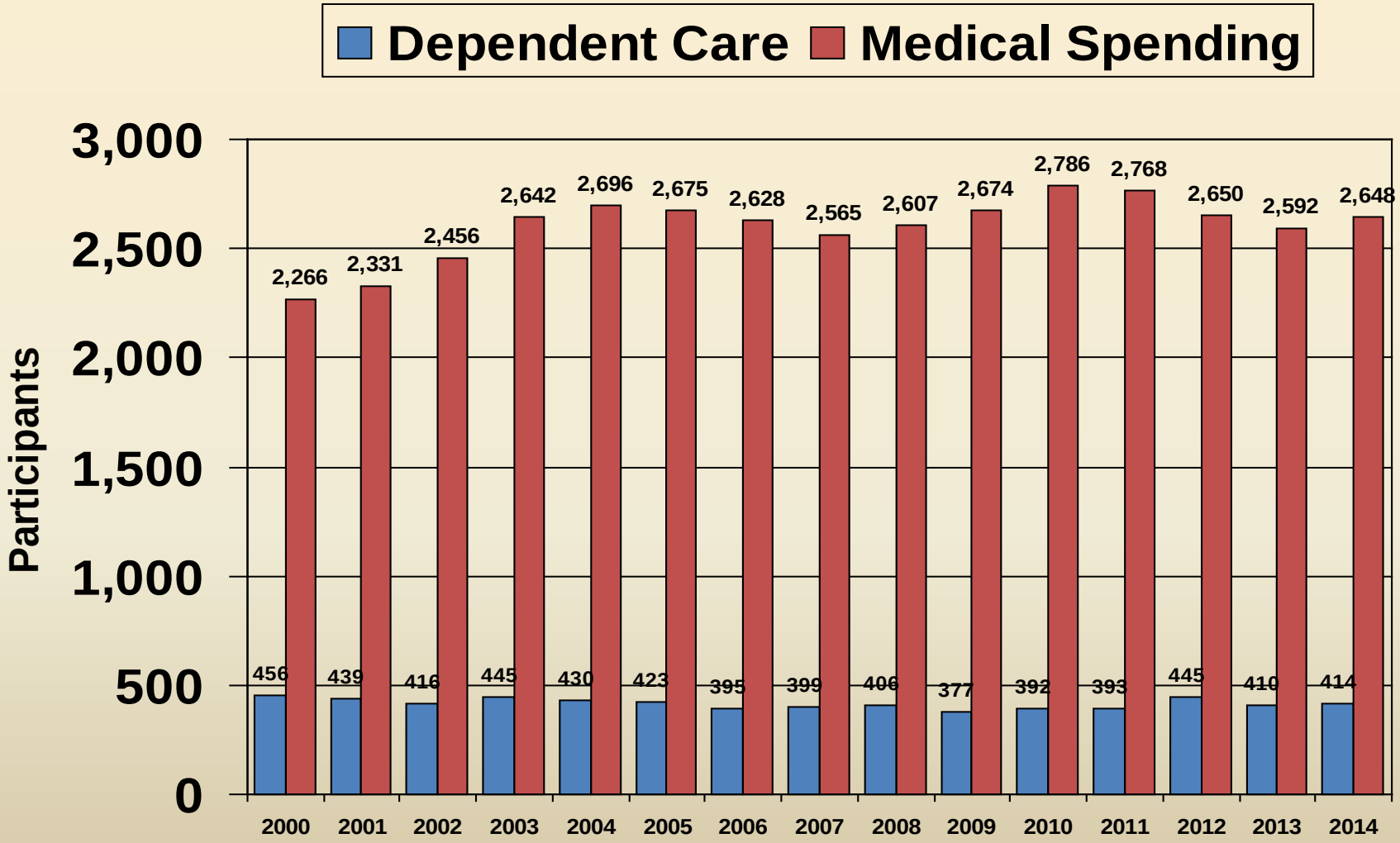
FlexComp Plan	Prior to OE*	Contributions*	After OE	Contributions
Medical Spending	2,698	$4,042,481.91	2,648	$3,905,480.50
Dependent Care	445	$1,719,694.46	414	$1,600,130.52
Total	**3,143**	**$5,762,176.37**	**3,062**	**$5,505,611.02**

*Based on plan statistics provided by ADP in its November 2013 account review report to the Board.

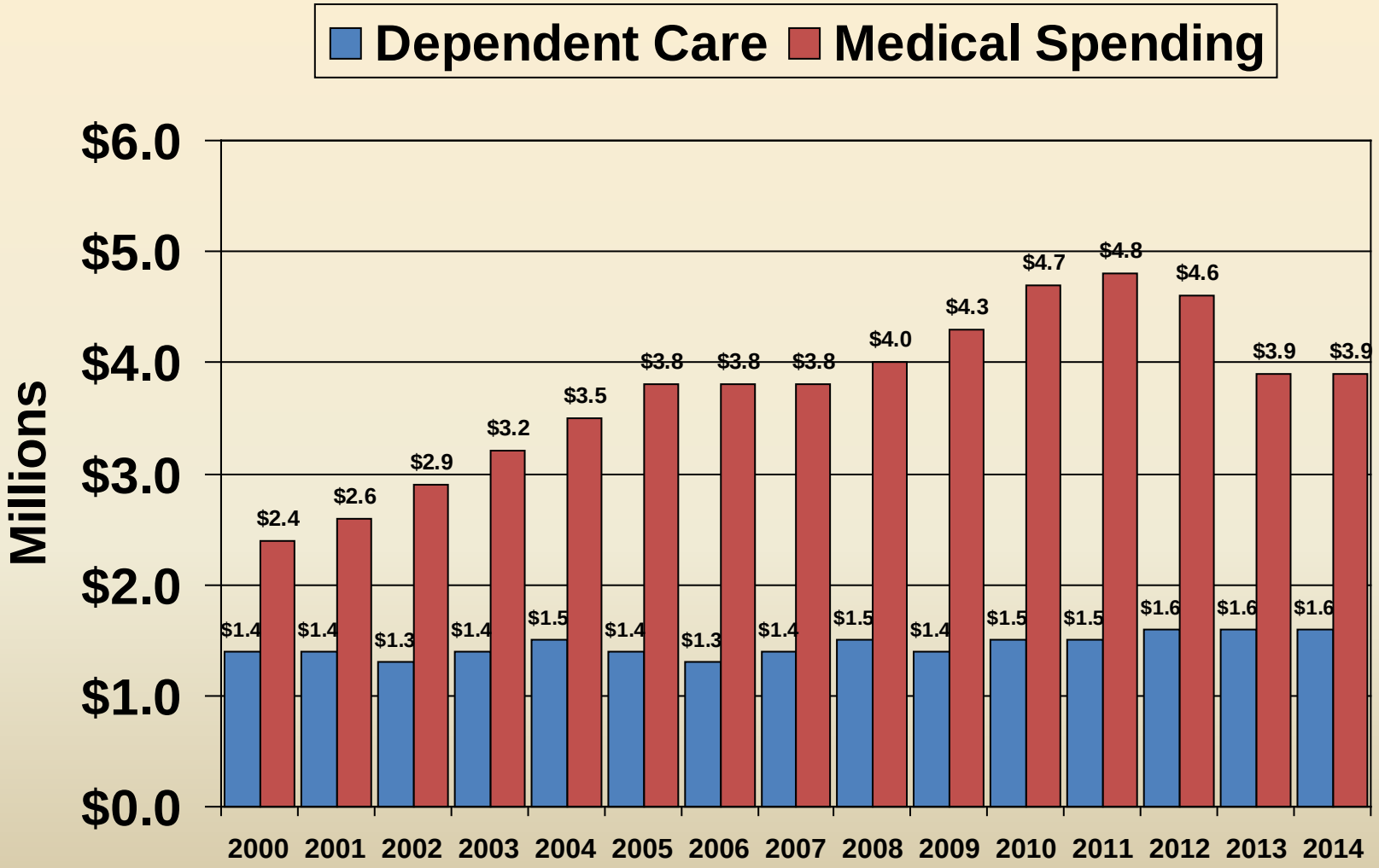
Change in participation for medical spending:	-1.9%
Change in participation for dependent care:	-7.0%
Change in contribution for medical spending:	-3.4%
Change in contribution for dependent care:	-7.0%

- Changed to ADP in 2013
- Member satisfaction with change not high based on our survey
- ADP will be meeting with Board again in February/March
- Measure improvement with next enrollment and new survey
- No improvement earliest change would be 2016

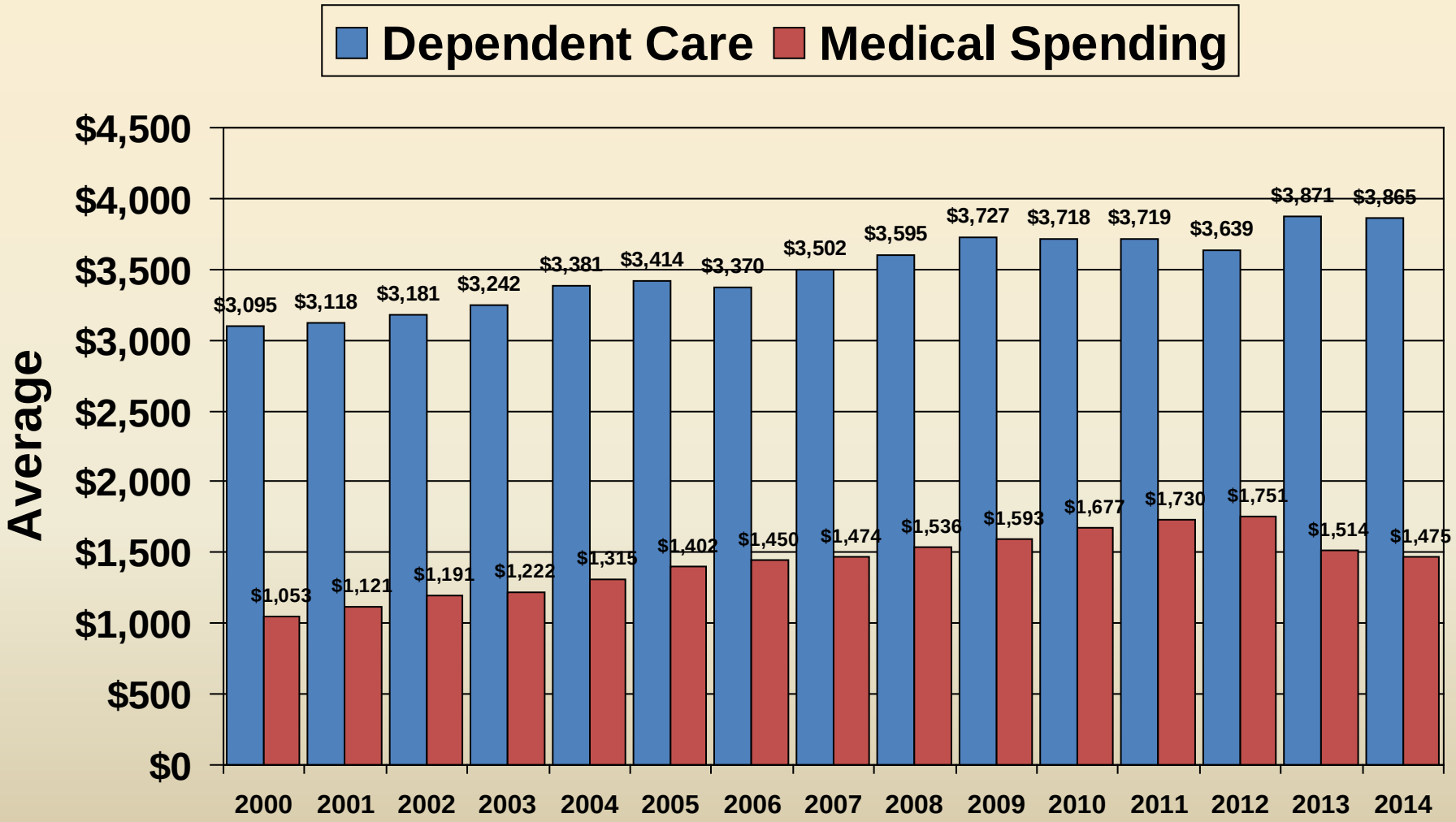
NDPERS Flex Comp Participation



NDPERS Flex Comp Participation

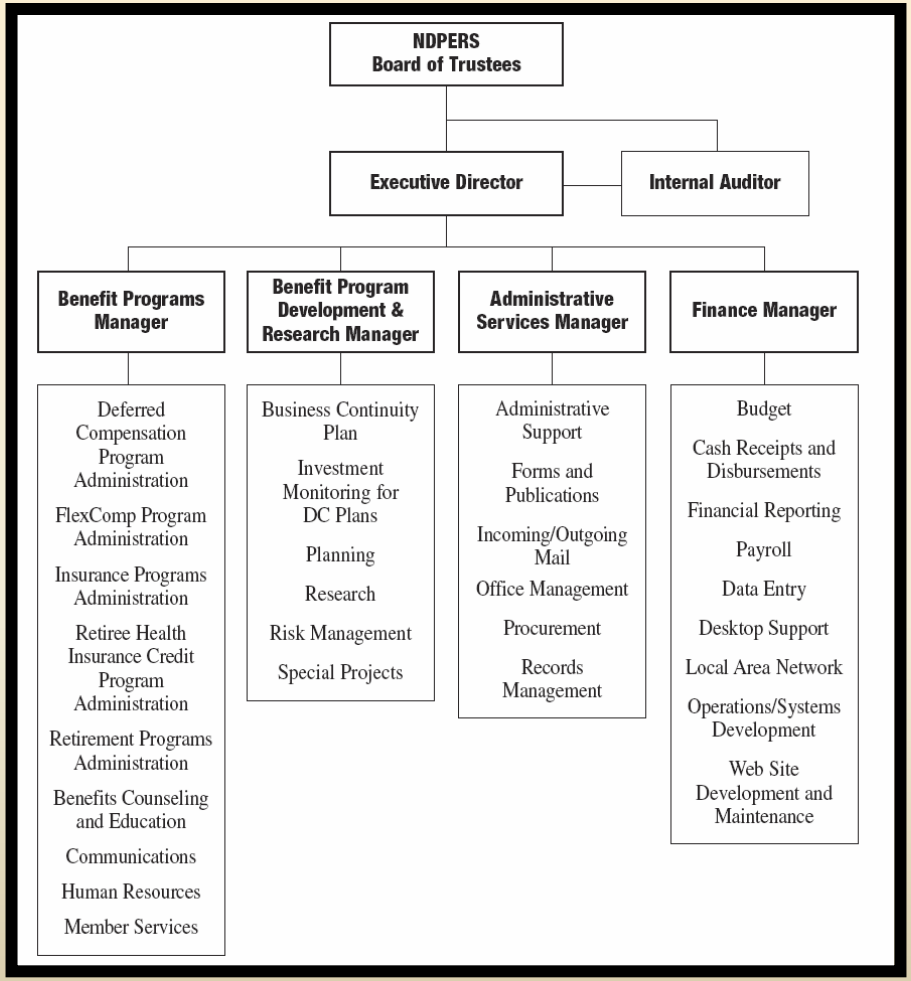


NDPERS Flex Comp Participation



NDPERS Organization

Organization



Topics

- **PERSLink**
- **External Communications**
- **Salaries**

PERSLink Challenges

Accomplishments

October 2010 – Go live

January 2011 – Transitioned to new vision insurance vendor

July 2011 – Transitioned to new life insurance vendor

November 2011 – Transitioned to a new recordkeeper for the DC and Companion Plans

January 2012 – Implemented new HDHP plan and HSA vendor

Accomplishments

June 2012 – PERSLink Framework upgrade

September 2012 – MSS pilot

January 2013 – Transitioned to new dental insurance vendor and transitioned FlexComp claims processing to a third-party administrator

June 2013 – Established and tested disaster recovery site for PERSLink

October 2013 – Expanded eligibility for the DC plan

Concerns

- Backlog of defects
  - Warranty, framework upgrade
- New enhancements/changes lead to more defects
- System performance issues
- User confidence is deteriorating
  - PERS staff
  - Participating employers

Analysis

- High volume of enhancements in a short timeframe has restricted the amount of time available to review and test as thoroughly as possible
- Impact analysis and testing have not been adequate to identify and prevent these issues resulting in new defects
- Team size inadequate to manage the workload

Next Steps

- Improve process for releasing changes into Production
- Restructure Sagitec team
- Improve testing process
- Prioritize enhancements
- Reduce defects
- Work through backlog
- Proactive maintenance

Resources

- Sagitec Team
  - 3 developers, 1 business analyst
  - 2 ½ developers being added for ESS redesign – no charge to PERS
  - Additional team of 3 developers and 1 business analyst proposed to work on backlog
    - Effort currently estimated to take 8 months at an approximate cost of $244,000
    - Funding options – Use 2013-15 contingency line item, or include in 2015-17 budget request

Resources

- PERS Staff
  - Participate in ESS redesign meetings
  - Testing
  - Integration of IT Staff

External Communications

- Why redesign the NDPERS website?
- Leading practices
  - User personas
  - Responsive design
  - Social tie-in
  - Content management
- Our future vision
- What's involved
  - Project initiation and planning
  - Project execution
    - Functional requirements
    - Site user experience
    - Content development and migration
    - Social channels
    - Site build out
    - User testing/acceptance
    - Admin user training
    - Site launch
  - Ongoing site technical support and content development
- Resource requirements
- Timeline for this approach

Why Redesign the NDPERS Website?

- We recommend **modernizing** and enhancing the site's look, feel and organization to ensure our members find the information they seek and can easily conduct business with NDPERS.
- Our members, both active and retired, are actively **using social media,** and we can leverage these channels to broaden our reach.
- Our members, both active and retired, are rapidly adopting **mobile devices**, and as we redesign our website, we have the opportunity to build it for seamless use regardless of the user's device type (computer, tablet, mobile phone) and operating system.
- As we improve our site's user experience and accessibility via mobile devices, we anticipate higher demand for electronic content and less of a reliance on print media over time (with a resulting decrease in print and postage costs).

The current NDPERS website provides members, employers, business partners and the public with comprehensive information about our benefits plans and our organization. Members and participating employers can also conduct transactions with us online. Through this initiative, we will repurpose the investments we've made in content and at the same time transform how we present this information to our many audiences.

Leading Practices—Web, Mobile, Social, Personalization

In reviewing several state PERS and other public retirement system websites, along with leading benefits and employee/Human Resources sites, we observe the following leading practices, which should be employed in our future vision for NDPERS communications:

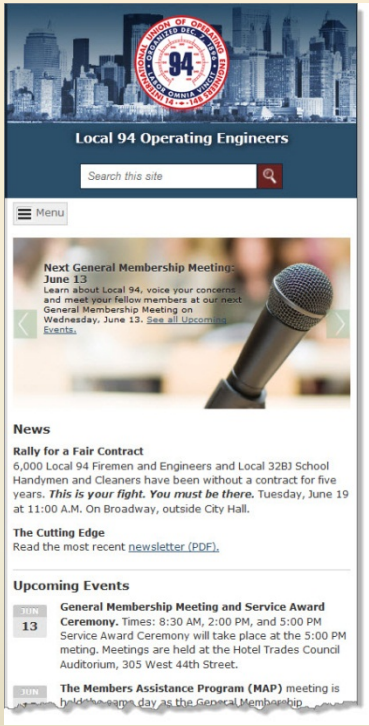
- **User personas**—Upon entry to a site, users are prompted to provide basic information about themselves (e.g., Active Member and plan type). The site's content is then auto-customized to reflect their information needs. A log-in is not required. In addition, the organization structure for most sites groups information specific to the organization's various stakeholders, for example, Active Members, Retired Members, Contributing Employers and Business Partners
- ***Responsive design***—Use of mobile and tablet devices has exploded over the past few years. In fact, 91% of the U.S. adult population owns a mobile phone, and 63% of those use their device to access the Internet. This means a website should now be optimized for a wide range of screen sizes. Thus, many organizations are now leveraging "responsive design," which is a "single-site-fits-all approach" that intelligently reflows content to fit a user's screen, regardless of its size.
- **Social tie-in**—Social media is no longer considered "new" technology, with 72% of online U.S. adults using social networking sites. As such, organizations are using social sites (e.g., Facebook YouTube, and Twitter) to connect with both members and the public. These sites complement and link back to content provided through the organizations' websites, print publications and other media (e.g., LinkedIn job postings).
- **Content management**—Many organizations use content management systems (CMS) to build and publish content through their sites and social channels. A few years ago, this required a significant capital investment. However, several leading systems employ open source code, making them either free or available at a very low cost. Further, the systems are easy to use and can be configured to automate tasks, including the review/approval process, content publication dates and archiving.

Example: User Personas

Example: Responsive Design

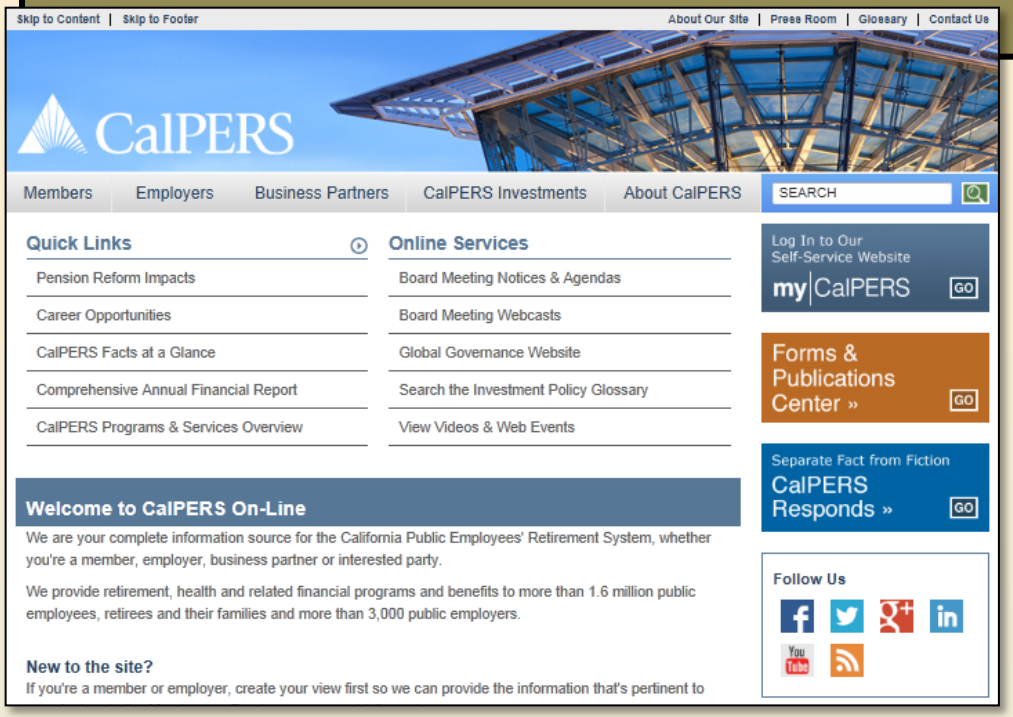
A RESPONSIVE SITE AT EXTREME RESOLUTIONS

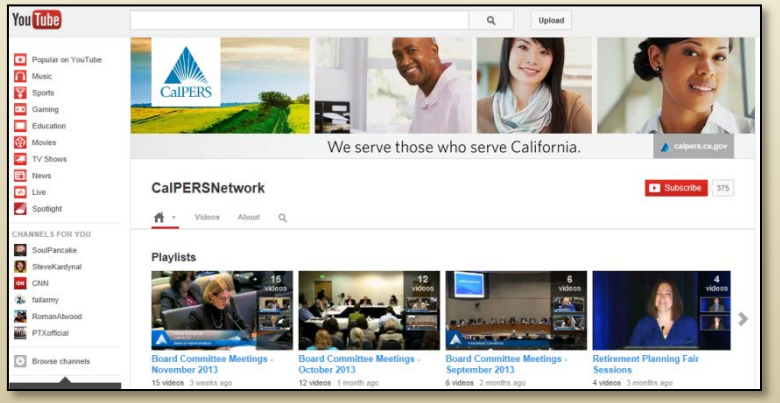
Landscape monitor, 1680 pixels wide



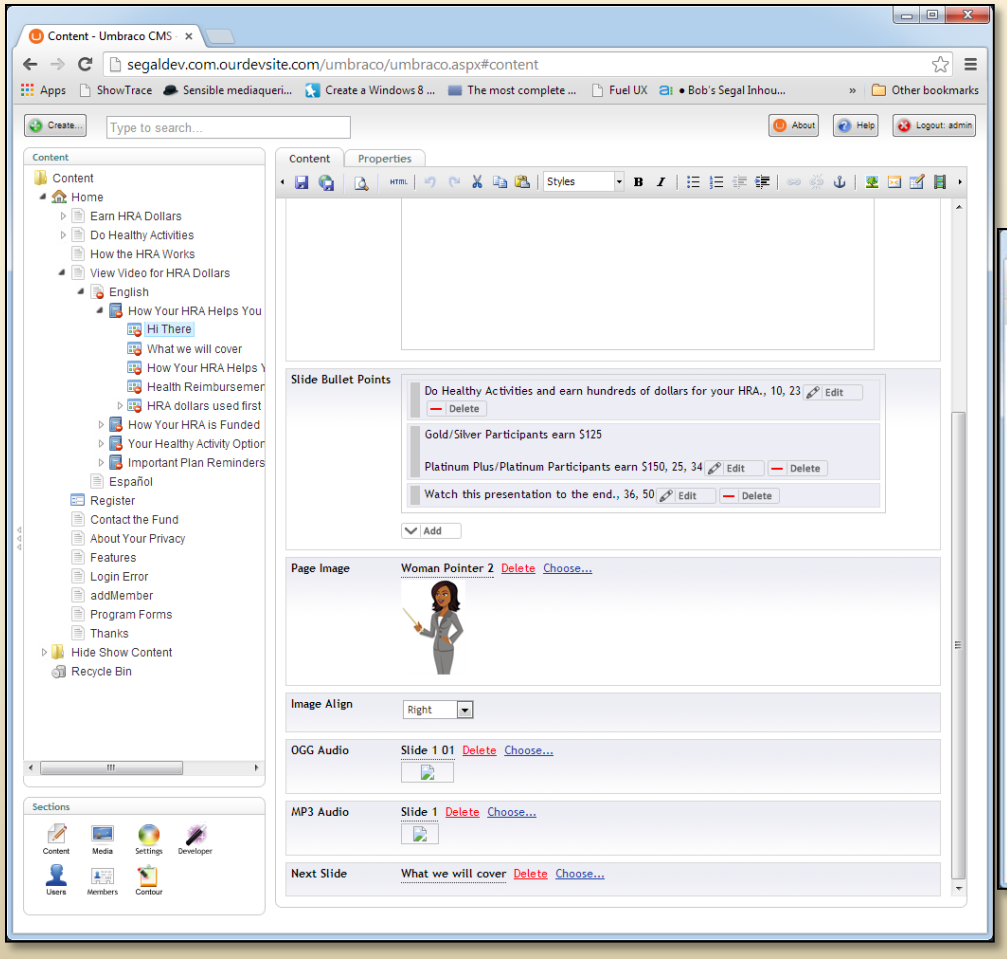
iPhone,
320 pixels wide

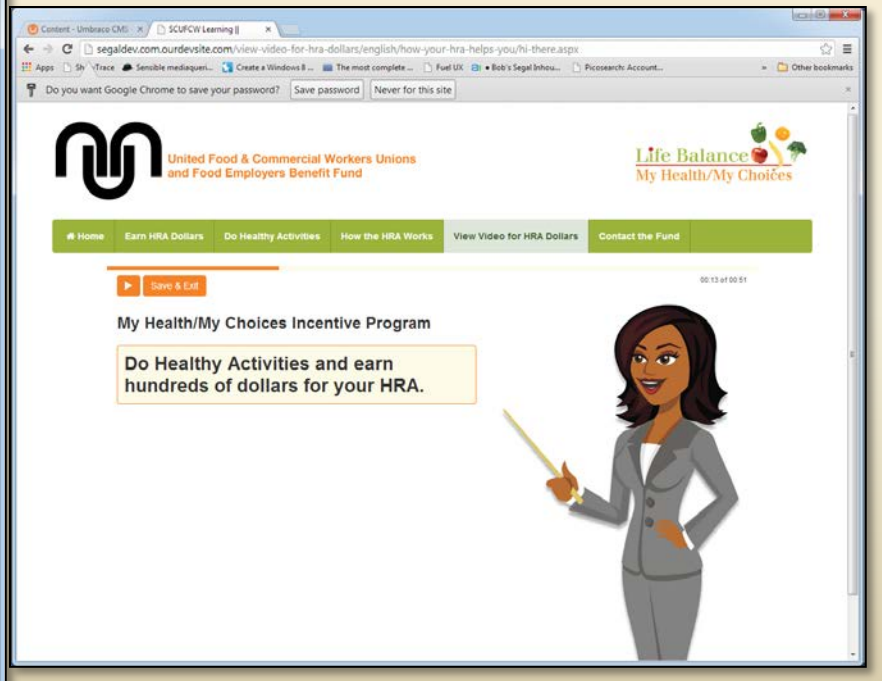
Example: Social Tie-In



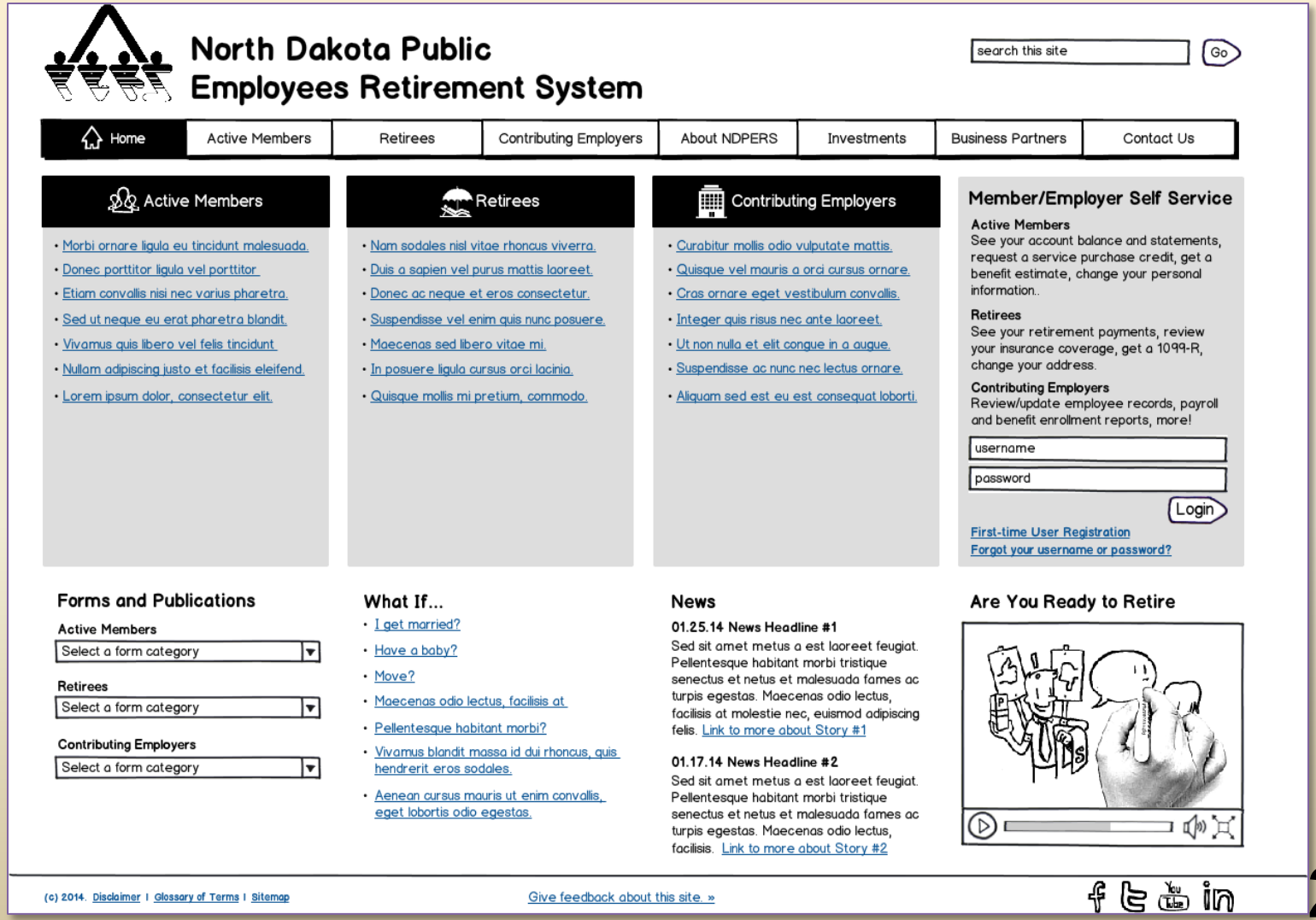


Example: Content Management Systems



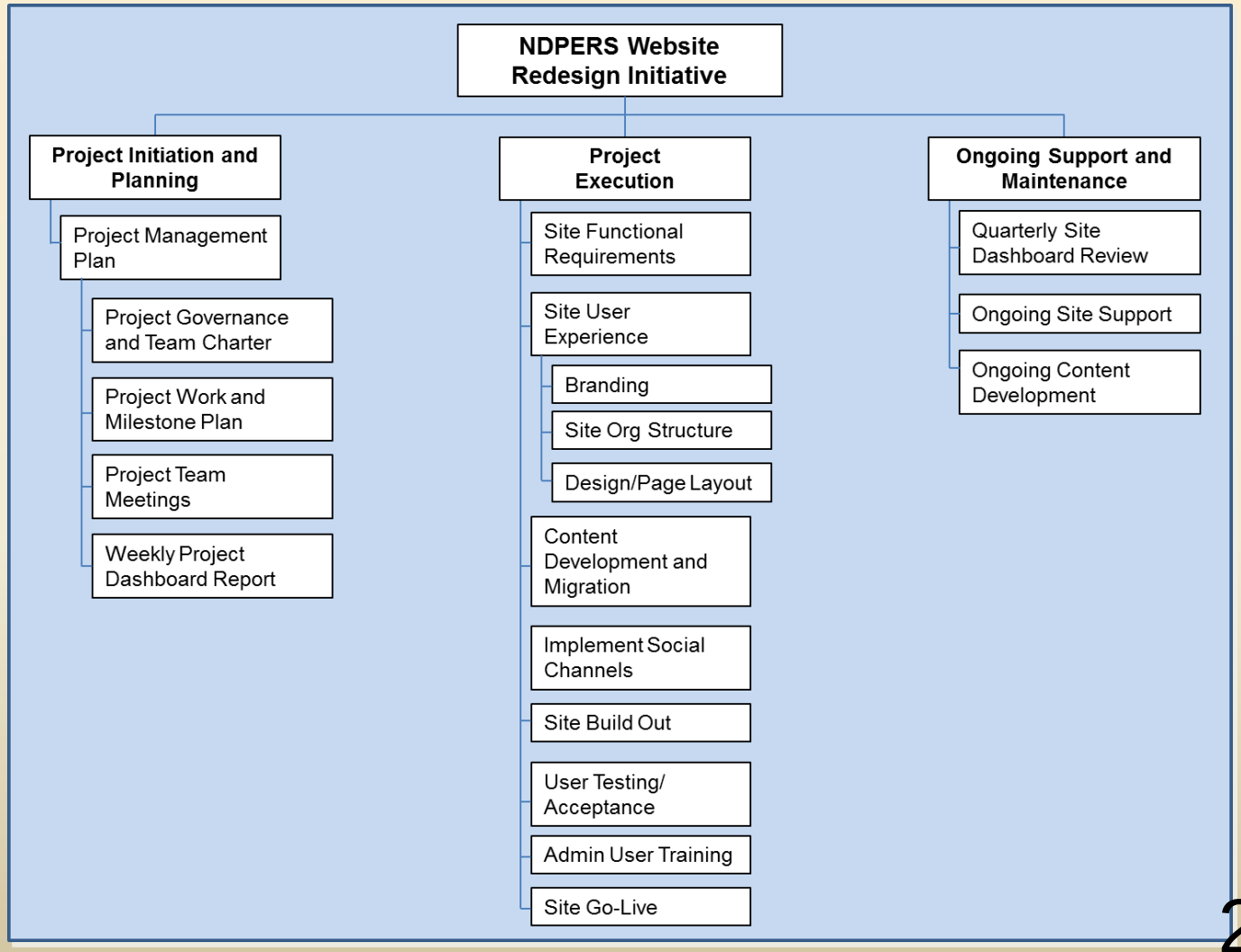


Our Future Vision—Home Page



Our Future Vision—Secondary Page

What's Involved



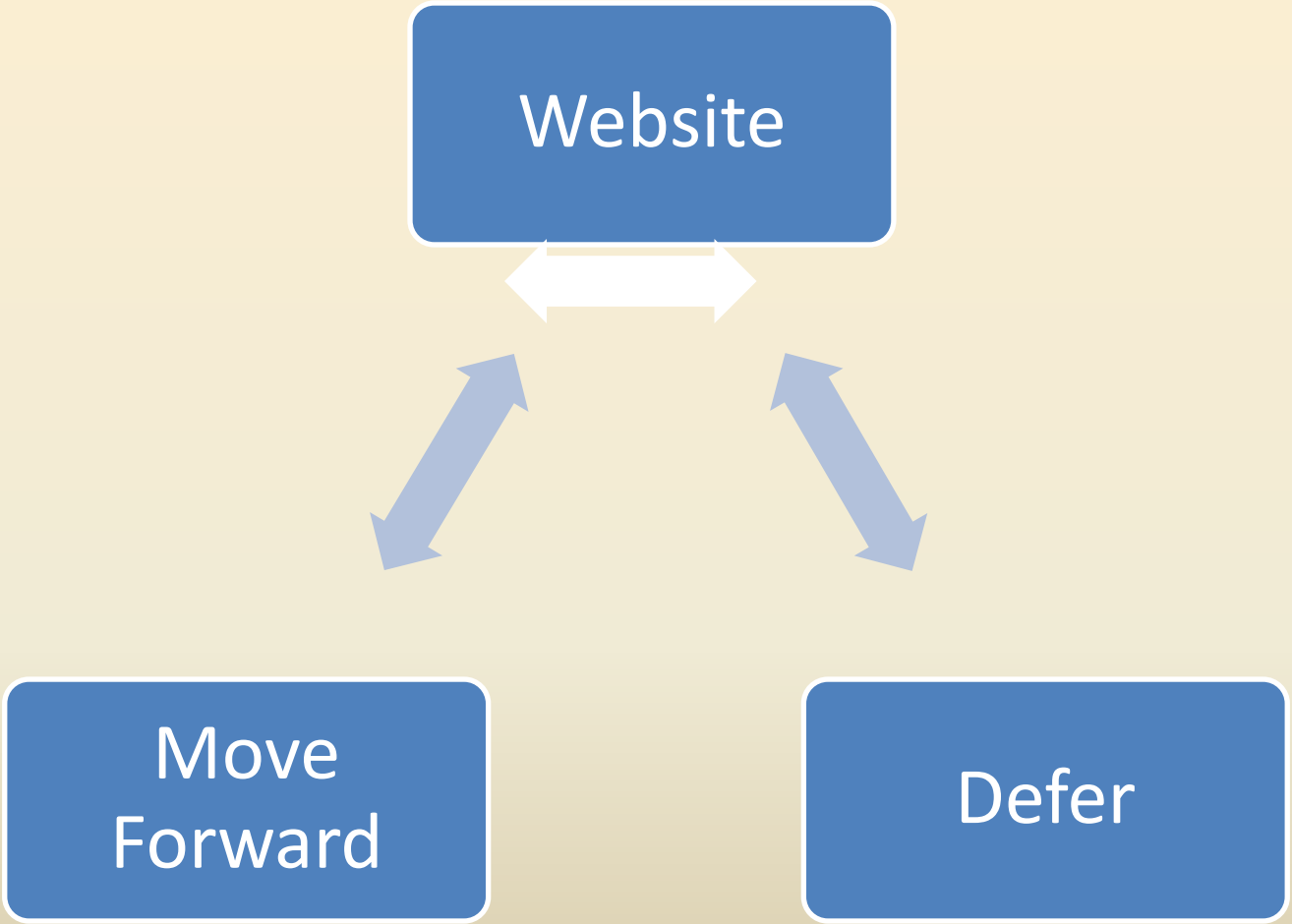
Timeline for This Approach

8-MONTH DEVELOPMENT TIMELINE—POST BUDGET APPROVAL

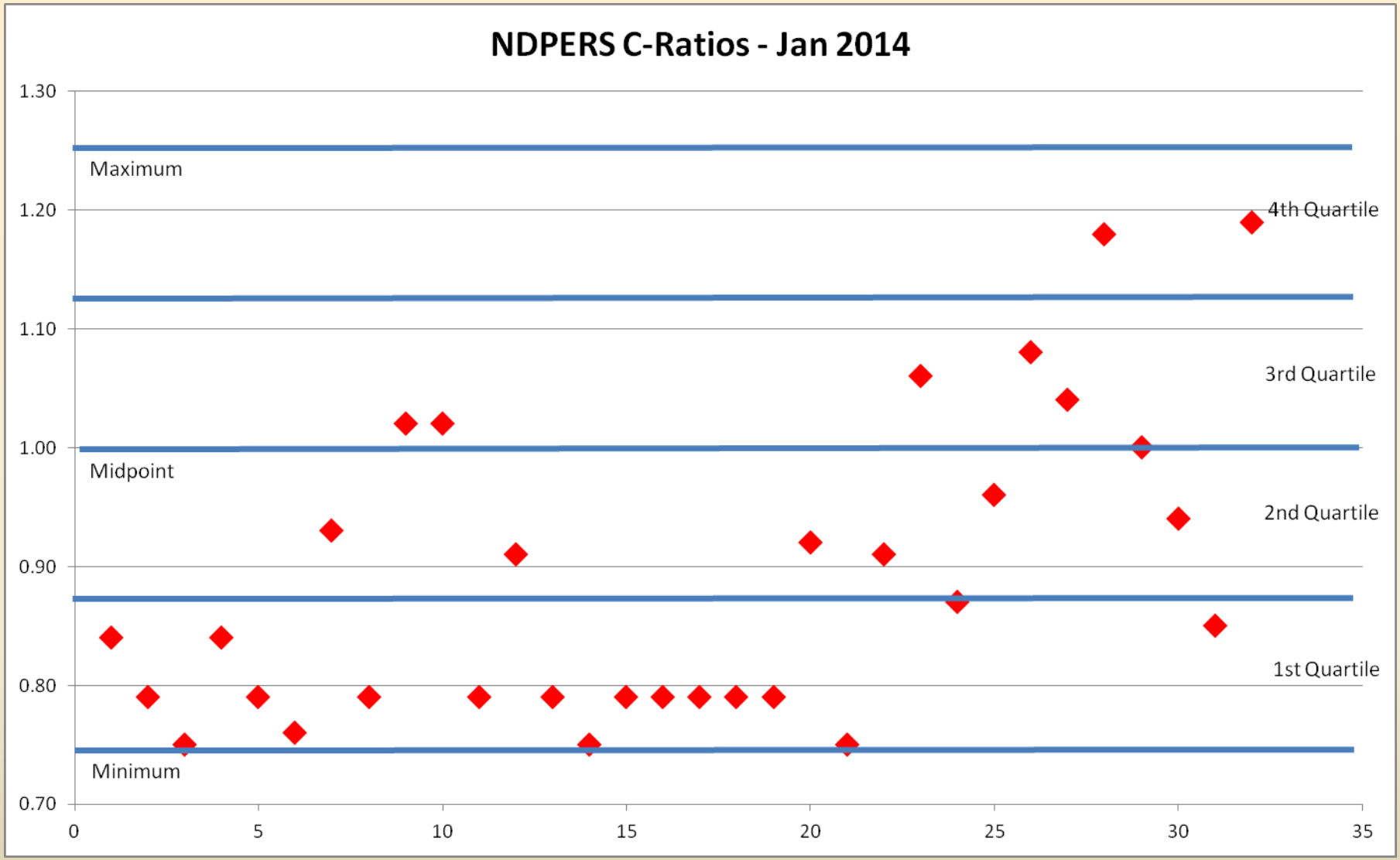
Steps	1	2	3	4	5	6	7	8
Project initiation and planning								
Develop site user experience (content review/inventory, site map, brand, visual design)								
Content development and migration								
Implement social channels (policy development, HIPAA assessment, NDPERS staff training, channel set-up)								
Site build								
User testing and acceptance								
Site administrative training								
Site launch								
Ongoing support and maintenance								

Possible Budget Requirements – Outside Consulting/Development Resources

Steps	Total	Consulting	Development
Develop site functional requirements	$7,200	$2,160	$5,040
Project initiation and planning, with project management for work streams below	$22,950	$16,065	$6,885
Develop site user experience (content review/inventory, site map, brand, visual design)	$18,450	$10,035	$8,415
Content development and migration	$16,875	$16,875	$0
Site build	$40,500	$8,100	$32,400
User testing and acceptance/site launch	$13,500	$6,750	$6,750
Site administrative training	$3,600	0	$3,600
Total Site Development Costs	***$123,075***	***$59,985***	***$63,090***
Optional: Ongoing support and maintenance post site launch (12 months)	$16,200	$4,860	$11,340
Optional: Implement social channels (policy development, HIPAA assessment, NDPERS staff training, channel set-up)	$12,000	$12,000	$0
Optional: RFP support (drafting RFP, managing release, review responses, vendor recommendation to Board)	$20,000	$20,000	$0

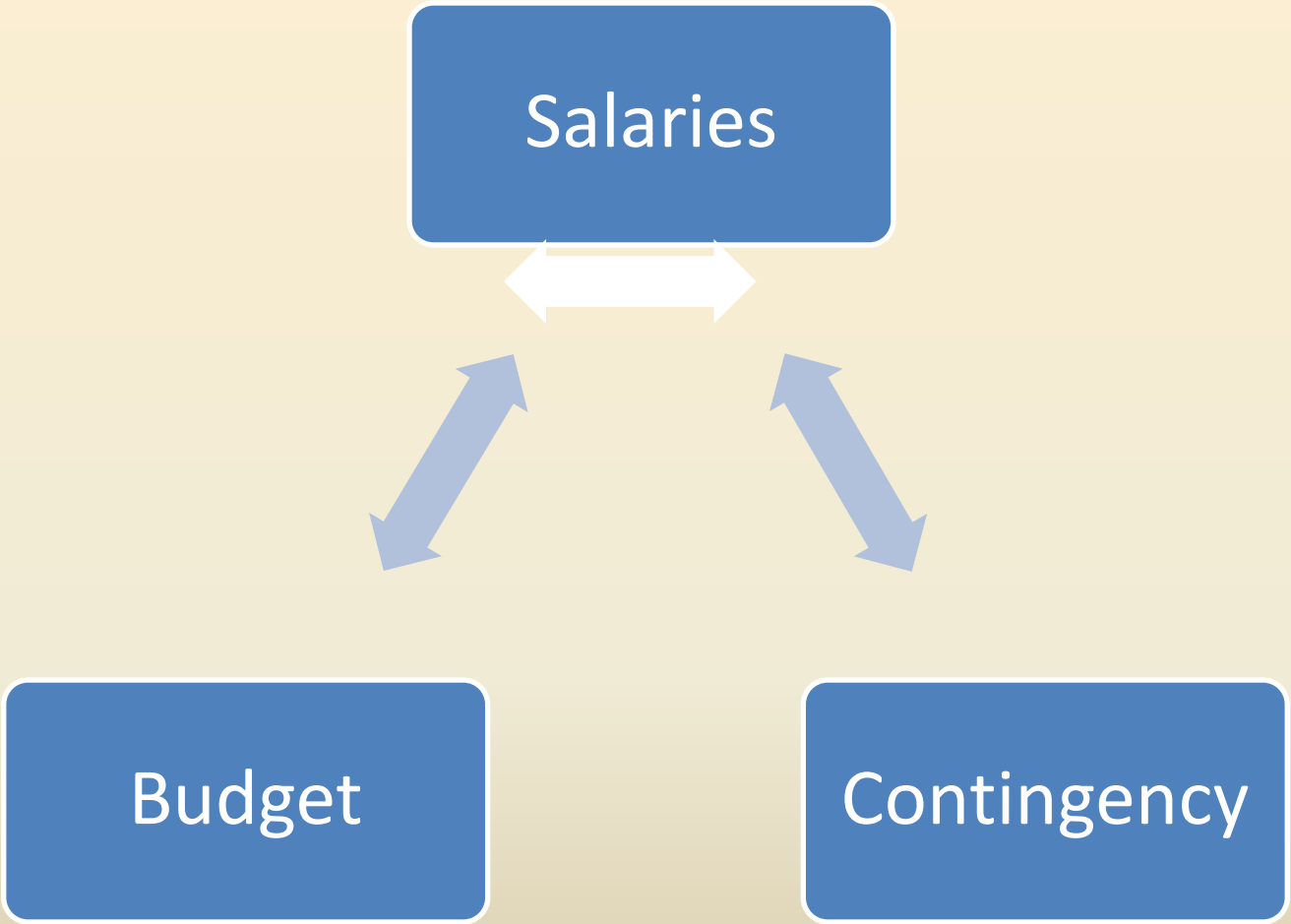

Website
Move Forward
Defer

STAFFING


NDPERS C-Ratios - Jan 2014
1.30
1.20
1.10
1.00
0.90
0.80
0.70
0
5
10
15
20
25
30
35
Maximum
Midpoint
Minimum
4th Quartile
3rd Quartile
2nd Quartile
1st Quartile

Budget Highlights

- We reviewed the compression and equity issues that have arisen as a result of implementing the Hay Group salary ranges. We looked at each position in the agency and calculated their current C-ratio in the existing pay grades (current salary compared to current pay grade midpoint) and then calculated their C-ratio in the new Hay Group salary ranges. This analysis shows that there are 26 positions whose C-ratio decreased under the new salary ranges. In order to restore each position to their current C-ratio under the new pay ranges, the Board made the decision to submit an optional salary equity package with our 2013-15 budget request**. The amount we are proposing to submit is $316,831 which is a 4.59% increase over the hold even budget amount.**


Salaries
Budget
Contingency

Staffing

- Create, develop and manage content for organization's SPD'd, compliance documents, external benefit material, etc (requires working with content management software, etc)
- Coordinate content development
- Maintain a consistent explanation, look and feel throughout all information
- Working with a cross-departmental team, maintain and develop the master content for all material
- Copyedit and proofread all content
- Keep current on existing technologies
- Track and report on all site metrics
- Work cooperatively with key team members, clients and vendors

OTHER ITEMS