



## MEMORANDUM

2014-2

**TO: PRIMARY AUTHORIZED AGENTS--POLITICAL SUBDIVISIONS**  
**FROM: NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**DATE: APRIL 2014**  
**SUBJECT: Required Action - Affordable Care Act Special Forum - July 10, 2014**

We are writing to you about the federal Affordable Care Act's (ACA) requirements relating to employers and to let you know that NDPERS will be sponsoring an information training session relating to these requirements on July 10<sup>th</sup> from 8:00 a.m. to 1:00 p.m. at the Bismarck Civic Center. The session will be recorded and posted to the NDPERS website for those who cannot attend. **Please share this information with the key decision makers in your organization so they are aware of these requirements for employers and can initiate efforts for compliance.**

By way of background, the **ACA requires that employers with 50 or more employees must comply with the Shared Responsibility Provisions of the Act by January 1, 2015 and there are penalties in the Act for noncompliance.** There are two ways Shared Responsibility penalties may be imposed. The first is if health coverage is not offered in 2015 to at least 70% of an employer's "full-time employees" and their children who are less than 26 years old. This "No Coverage" penalty is \$2,000 per full-time employee per year.

The second is if health coverage is offered to 70% or more of an employer's "full-time employees" for 2015, but that coverage is "unaffordable" to certain "full-time employees." Coverage is defined as "unaffordable" if the full-time employee's required contribution to self-only coverage exceeds 9.5% of his or her household income. This "Unaffordable Coverage" penalty is \$3,000 for each "full-time employee" who purchases coverage in a state-based Health Insurance Exchange and qualifies for a premium tax credit.

This last session, legislative action was taken to bring North Dakota's state employee health insurance law into compliance with the ACA. Those new provisions for the state

plan become effective January 1, 2015. NDPERS has also taken other actions to comply with the ACA. **Compliance with the Shared Responsibility Provisions is the responsibility of the employer and not the health plan.** However, to assist our participating employers with this effort, we are sending this email to make you aware of these provisions. We are also sponsoring an information/training meeting on July 10<sup>th</sup> at the Bismarck Civic Center to provide a more detailed explanation to our employers. Prior to that meeting, we would suggest that each employer:

1. Appoint a lead compliance person in your agency who will direct your compliance efforts and notify us by June 16<sup>th</sup> who you have appointed. Please provide the individual's email address, phone number, and mailing address. An email may be directed to Laurie Enzi at [laurieenzi@nd.gov](mailto:laurieenzi@nd.gov) NDPERS will use this information to communicate with your designee about the *upcoming* information/training session, compliance deadlines, compliance requirements and other information relating to the ACA. **If we do not hear from you, we will assume that you have your own compliance plan and we will not intrude in that process by forwarding you NDPERS ACA information over the next several months.**
2. Encourage or require that person to attend the information/training session sponsored by NDPERS on July 10<sup>th</sup> at the Bismarck Civic Center (you may also send other members of your staff to this session if you so desire).

While all the compliance efforts must be complete by the end of the year, the deadline must be preceded by many other efforts, starting as early as this September, to ensure this deadline is met. While NDPERS is not the responsible entity under federal law to meet the shared responsibility requirements, we hope to be able to provide you information that will help you comply as an employer. The training session is the first step in our information/education efforts.

If you have any questions regarding this email, please contact NDPERS at 701-328-3900 or 1-800-803-7377.