



# PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll Officers

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## Inside this Issue

- 1 Pre-Retirement Education Program (PREP)
- 2 Employer Based Wellness Program Deadlines
- 3 Address Changes & Rural Rout/Emergency 911 Updates
- 4 Patient Protection and Affordable Care Act Passed March 21, 2010
- 5 Retirement Account Options Upon Separation of Employment
- 6 Revised Materials
- 7 Board Meeting Highlights

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## Events & Mailings

**Pre-Retirement Education Program (PREP)**

A Pre-Retirement Education Program will be held in Grand Forks at the Ramada on July 13, 2010. This seminar is open to employees that participate in the NDPERS retirement plans. The seminar will include speakers presenting information on Social Security, Financial Planning, Deferred Compensation, NDPERS Retirement, NDPERS group insurance plans, retiree health insurance credit and Legal planning. The seminar will be held from 8:00 am to 5:00 pm. [Employees must pre-register to attend.](#)

Future PREPs - subject to change  
Bismarck - May or June 2011  
Fargo - August or September 2011

## Important Updates

### **Reminder - Employer Based Wellness Program Deadlines**

The [Employer Based Wellness Program Discount Application SFN 58436](#) is available on the website for employers to complete and submit to notify NDPERS of their activities for the new plan year July 1, 2010 to June 30, 2011. The deadline for coordinators to submit this application to NDPERS for review was February 28, 2010. However, if you inadvertently missed this deadline, please contact Rebecca at (701) 328-3978 as soon as possible to discuss options. NDPERS notified agency heads and coordinators in early April if their application was approved for the premium discount effective July 1, 2010.

***Employers that participate in the NDPERS group health insurance plan who do not have an approved wellness discount application will be billed for the full premium (without the 1% discount) effective July 1, 2010.***

In addition, the [Employer Based Wellness Program Year-End Program/Activity Confirmation SFN 58437](#) should be completed by coordinators to report back to NDPERS regarding the current plan year activities. The form should reflect completion of all wellness activities from July 1, 2009 to June 30, 2010. **Coordinators should submit this form for the current year by May 31, 2010.** If you are completing activities in June, please email Rebecca at [rfricke@nd.gov](mailto:rfricke@nd.gov) to notify her that you will submit the activity confirmation form after the May 31 deadline.

If you have any questions on the employer based wellness program, please contact Rebecca Fricke at (701) 328-3978 or [rfricke@nd.gov](mailto:rfricke@nd.gov).

### **Address Changes & Rural Route/Emergency 911 Updates**

#### **NDPERS wants to hear from you.**

We have numerous incorrect or insufficient addresses on file for employees, which results in undeliverable mail. Therefore, we must update our mailing database. Many of these address changes are due to a Rural Route/Emergency 911 address change only. An example of an undeliverable address would be "Rural Route 1"; an example of the correct address would be "28861 182<sup>nd</sup> Avenue West".

If you or your employees had a Rural Route/Emergency 911 address change or an address change due to moving, please submit a [Notice of Change SFN 10766](#) to PERS to update our database to the Emergency 911 and U.S. Postal Service approved address. Instructions to complete the form are located on the back of the form. The [form](#) can also be requested by contacting PERS at (800) 803-7377 or 328-3900. You or the employee can also submit the address change in writing to

PERS (be sure to sign the letter). The authorized agent of an employer may submit the correct address to PERS on behalf of an employee.

**Please pass this information regarding incorrect or insufficient addresses along to your employees.**

Thank you for your cooperation in this matter.

### **Patient Protection and Affordable Care Act Passed March 21, 2010**

On March 21, 2010, the House of Representatives passed the Patient Protection and Affordable Care Act. The Act (HR 3590) was passed by the Senate on December 24, 2009. The Act became law when it was signed by President Obama on March 23, 2010.

Following is a summary of some of the primary provisions of the Act as passed by the House and Senate.

Changes effective in 2010/2011  
Although existing group health plans will be "grandfathered," that is, exempt from certain requirements, several requirements will now be effective for plan years beginning six months after the date of enactment. For the NDPERS plan this will be July 1, 2011.

- No lifetime benefit limits and only limited annual benefit limits
- Coverage for dependent children up to age 26, as long as they do not have access to other employer-sponsored health coverage
- No preexisting conditions for children under age 19

Other items that are immediately effective include a Medicare Part D provision that provides that beneficiaries who are in a Prescription Drug Plan and who reach the doughnut hole in 2010 would receive a one-time \$250 rebate, as well as a reinsurance program for pre-Medicare retirees.

Additional reforms would be effective for plan years beginning on or after January 1, 2014, including a ban on waiting periods over 90 days.

In 2011, Health Flexible Spending Arrangements, Health Reimbursement Arrangements, and Health Savings Accounts can only reimburse

participants for over-the-counter drugs with a prescription written by their health care provider. Beginning in 2013, the Act will cap health FSA contributions at \$2,500 per year (indexed).

### **Changes affecting retiree health plans**

- **Retiree reinsurance program:** A program that will take effect within 90 days of enactment will reimburse plan sponsors for 80% of claims between \$15,000 - \$90,000 for pre-Medicare retirees age 55-64. The program is funded with \$5 billion and is designed to be a bridge to the Exchanges in 2014
- **Medicare Part D:** Beneficiaries who are in a Prescription Drug Plan and who reach the doughnut hole in 2010 would receive a one-time \$250 rebate. In 2011, the reconciliation bill provides a 50% discount on brand-name drugs in doughnut hole for retirees in a Prescription Drug Plan; 75% discount on generics. The measure is designed to eliminate the doughnut hole by 2020.

### **Odds & Ends**

#### **Retirement Account Options Upon Separation of Employment**

An employee participating in the Defined Benefit Retirement plan must choose a retirement account option when they leave your employment. The kit you give to the member depends on which option they choose. The following is a brief description of each option:

- If the member is at the Rule of 85 or vested and age 55 or older they may choose to apply for a monthly retirement benefit by completing the RETIREMENT KIT
- All members, whether or not they are vested, may choose to take a refund or rollover by completing a REFUND/ROLLOVER KIT
- All members, whether or not they are vested, may choose to leave their member account balance intact by completing the DEFERRED RETIREMENT KIT

Disability benefits are available after the employee has accumulated 6 (six) months of service credit. If a member wishes to apply for disability retirement benefits use the DISABILITY RETIREMENT KIT.

More detailed information is in the Defined Benefit Hybrid Retirement Plan book available on our web site, [www.nd.gov/ndpers/retirement-plans/db-plan.html](http://www.nd.gov/ndpers/retirement-plans/db-plan.html).

**Each member should be aware of their options. On-line services are available for NDPERS members to access their individual retirement account. A member may view their retirement account balance, annual statements, and access the tools needed to compute retirement and disability benefit estimates. A one time registration for a logon ID is required to access your personal data.**

### **Revised Materials**

#### **New Forms Available**

The following NDPERS Kits have been updated and will be available on the website shortly. Please utilize these updated versions as needed.

- ❖ [New Hire Kit](#)
- ❖ [Retirement Kit](#)
- ❖ [Refund/Rollover Kit](#)
- ❖ [Deferred Retirement Kit](#)
- ❖ [Notice of Transfer Kit](#)
- ❖ [Disability Kit](#)

### **Board Meeting Highlights**

Complete [meeting minutes](#) are available.

#### **November 19, 2009**

- Were provided an Annual Investment Report Update
- ND Insurance Department reviewed Federal legislation proposals being discussed in Congress
- Reviewed and approved proposal to extend Fidelity contract for one year.

#### **December 16, 2009**

- Reviewed NDPERS Programs and Legislative Considerations

- Reviewed Active and Retiree Health Plan: Plan designs and future options
- Reviewed Investments/Value and Fees
- Reviewed Retirement Plans and investment performance

January 21, 2010

- BCBS update and informational presentation from BCBS
- Update on COBRA Subsidy program
- Reviewed Heart of America Contract
- Reviewed 3<sup>rd</sup> Quarter Investment Reports for the Companion and Defined Contribution Plans

*Look forward to receiving via email your next edition of the PERSONnel Updates around July 15, 2010.*

*This newsletter is intended to provide general information and may not be considered to be a legal interpretation of law. Statements contained in this newsletter do not supersede the North Dakota Century Code or Administrative Code or restrict the authority granted to the Retirement Board. This information is subject both to changes made by the legislature and rules and regulations established by the Board of the North Dakota Public Employees Retirement System.*

