



PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll Officers

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Revised Materials

In conjunction with the PERSLink business system we have revised and updated all forms associated with the the NDPERs administered group benefit programs.

Please refer to the [NDPERs website](#) to verify that you are using the most recent version of a form and **discard out-dated forms**. We will no longer be accepting out dated forms. The following have been updated:

<http://www.nd.gov/ndpers/forms-and-publications/index.html>

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

Events & Mailings

Contribution Increases

As you are probably aware, the Senate bill 2108 was passed by the 2011 legislature. The bill provides for both the employer and the employee contribution to be increased by 1% each for the Public Employees Retirement System(Main System), Judges Retirement System,

Highway Patrol Retirement System, and the Defined Contribution Retirement Plan effective January 2012 and again in January 2013. The Law Enforcement Retirement System was approved for an increase of 0.5% each for both the employer and employee contribution.

This increase is to address the funding challenge facing the PERS retirement plans as a result of the downturn in the financial markets. For a full review of that challenge, refer to the *PERS Retirement Plan Financial Update* articles in the [fall 2009](#), [spring 2010](#), [fall 2010](#), [spring 2011](#), [winter 2011](#) and [Spring 2012](#) PERSpectives newsletters on the PERS web site at <http://www.nd.gov/ndpers/forms-and-publications/perspectives-archive.html>.

The following shows the effect of the contribution increase as it applies to both employer and employee **effective January 1, 2013 (see appendix A)**:

The new contribution rates for 2013 will need to be updated in your payroll system and reflected on the payroll reports and payments you are providing to NDPERs through PERSLink Employer Self Service beginning with the January 2013 reporting period.

NDPERs requests that participating employers provide a written election if they wish to make employee contributions on a tax-deferred basis. Otherwise, employee contributions are considered to be after-tax monies. Based on the election we received last year, NPERS has anticipated your contributions starting with the January 2013 reporting period. NDPERs sent a letter explaining the new rates and how NDPERs anticipated the contributions should be split based on your 2012 election. If you agree with the letter we sent, then no further action is required by you. However, if the letter is not correct or there needs to be a change to your election, it will be necessary for you to complete the Employer Payment Plan SFN 52799 and return it to NDPERs as soon as possible. The form can be

found on the NDPERS website (www.nd.gov/ndpers) in the Employer Forms section.

If you have questions, please contact Matt Anderson or Jim Smrcka at the NDPERS office at 701-328-3900 or toll free at 1-800-803-7377.

Plan Year 2013

Annual Contribution Limits 457 Deferred Compensation Plan

The annual deferral limits established by the Internal Revenue Code for the NDPERS 457 deferred compensation plan will change for calendar year 2013.

The 457 Deferred Compensation Plan under-age-50 contribution limit for calendar year 2013 is \$17,500.00. The contribution limit for participants age 50 or older can be an additional \$5,500 or an annual maximum amount of \$23,000. Any employee who attains age 50 in 2013 is eligible to begin the 50+ additional catch-up amount in January 2013. There is no special 50+ form to complete. The form SFN 3803 has a 50+ box in Part C to be marked to indicate the higher limit eligibility.

The annual limits for participants enrolled in the deferred compensation plan regular or "normal" 3 year catch-up option is \$35,000 for 2013. Employees who wish to enroll in the "normal" 3 year catch-up must submit the 457 Catch-Up Worksheet to PERS certification of eligibility.

Employees who wish to increase their deferred compensation plan monthly contribution amount must complete the 457 Deferred Compensation Plan Enrollment/Change form, SFN 3803, the month prior to the month in which the change in contribution is to occur.

All forms may be obtained on the PERS web site.

2012-2013 NDPERS 457 Plan Investment Options Summary Publication

The NDPERS 2012-2013 457 Plan Investment Options Summary publication can be found on our website.

<http://www.nd.gov/ndpers/forms-and-publications/publications/investment-options.pdf>

NDPERS Payment Due Dates

Due dates for payments of insurance premiums, retirement contributions, and deferred compensation plans are set by the

North Dakota Administrative Code Statutes.

Insurance: Your payroll header will be available for your review on PERSLink on the 2nd working day of each month and premiums are due by the 15th of that month. Regular payroll headers not posted by the 20th will be posted by NDPERS.

Deferred Compensation: Payroll deductions are to be remitted within 10 days after each payroll period.

Retirement: Payments for retirement contributions are due on the 20th of the month following the month the wages are earned. Late payments are subject to interest charges.

For more information about the North Dakota Administrative Code, please go to: <http://www.legis.nd.gov/information/acdata/html/Title71.html>

DEDUCTIONS ON FINAL PAYCHECK FOR DECEASED EMPLOYEE

Final paychecks for a deceased employee require additional attention to the deductions for NDPERS members. Here are the guidelines for what to do with NDPERS deductions on an active employee's last paycheck when termination is due to death.

Retirement - Deduction for retirement contributions should be taken if the check is for reporting month that includes the date of death.

Life Insurance – Coverage ends last day of month that death occurred, so no deduction would be taken on the last check.

EAP – Coverage ends the month following date of death, so this deduction needs to be taken. EAP can be used by all members of the household; marital/dependent is not applicable.

Health, Dental & Vision – If employee has a single plan, coverage ends on the last day of the month that death occurred, so deduction would not be taken. If employee has covered dependents, then the coverage needs to continue into the following month, so the deduction would be taken.

Flex – Coverage ends last day of month that death occurred so no deduction from the last check.

Deferred Compensation – As long as there is a check, a deduction should be taken.

Service Purchase – Service purchase ends as of date of death, so no further payments can be received. Deduction should not be taken.

Employer Based Wellness Program Year Update:

The [Employer Based Wellness Program Discount Application SFN 58436](#) is available for employers to complete and submit to notify NDPERS of their activities for the new plan year July 1, 2013 to June 30, 2014. Coordinators need to submit this application to NDPERS for review by **February 28, 2013**. NDPERS will notify coordinators in April if their application is approved for the premium discount effective July 1, 2013. Employers requesting funding will be notified if their funding request was approved in June.

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, 2013.

The [Employer Based Wellness Program Year-End Program/Activity Confirmation SFN 58437](#) should be completed to report back to NDPERS regarding your wellness activities upon completion of all activities. The current wellness plan year is from July 1, 2012 to June 30, 2013. Coordinators should submit this form for the current year by **May 31, 2013**.

If you have any questions on the application process, please call Rebecca at (701) 328-3978 or email rfricke@nd.gov.

NDPERS Tobacco Cessation Program

If you are the designated wellness coordinator for a **state agency, district health unit or a university** you will continue to receive information regarding the NDPERS Tobacco Cessation Program. A Notice of Grant Award for the smoking cessation program was issued by the North Dakota Department of Health to Blue Cross Blue Shield of North Dakota for the period of July 1, 2011 through June 30, 2013. Therefore, NDPERS and BCBSND are asking for your help to promote the Tobacco Cessation Program to your employees. We will continue to send you a supply of posters and ask that you display them in a location where employees are most likely to see them (i.e. break room, time clock, water fountain, general hallways, etc.) If you require more posters please contact Rebecca Fricke at (701) 328-3978.

Keep in mind that the NDPERS Tobacco Cessation Program is only available to state agencies, district health units and the university system.

NDPERS appreciates your help in getting the word out to our employees and their family members. We have a great program and we're hoping those that want to quit tobacco products know that the program is available to help them take the first step. Thank you.

"The first step towards getting somewhere is to decide that you are not going to stay where you are." - John Pierpont Morgan

Important Updates

2013 NDPERS Educational Seminars

NDPERS has tentatively scheduled the following Educational Seminars for 2013:

- Bismarck May 22, 2013 at Bismarck Civic Center
- Minot, September 18, 2013 at Minot Fair ground
- Bismarck, October 3, 2013 at Bismarck Civic Center*

*NDPERS is introducing an additional seminar this October to target early to mid career employees.

Additional information will be sent via email and this newsletter as it becomes available. We will also post information on our website as the scheduled dates get closer.

NDPERS HEALTH INSURANCE & IMPACT OF AFFORDABLE CARE ACT UPDATE

Since the election, NDPERS has been receiving calls from employers regarding the impact of the Affordable Care Act on the NDPERS health insurance plan. This is a brief update for your information as we understand that employees may ask you if there will be changes in their NDPERS health plan as a result of the law. The information provided is specific to the NDPERS PPO/Basic grandfathered health insurance plan and does not apply to the NDPERS PPO/Basic non-grandfathered health insurance plan or High Deductible Health Plan. NDPERS has already implemented the mandated changes specific to dependent eligibility and the removal of benefit lifetime maximums as required in the federal law. During the current Legislative Session, the Legislators will decide if they want to fund the existing grandfathered plan, which would retain the current plan design. If they choose not to fund the existing plan design, the plan could become a non-grandfathered plan.

This would result in required plan design changes, including changes in preventive benefits that could result in an additional 2% premium increase (above the projected increase) to cover the expenses. Until this is decided, there are not significant changes that would impact our membership. NDPERS continues to work with our consultants to ensure that we are compliant with the federal law. As new regulations are released that impact the plan, NDPERS will continue to provide notice regarding any changes that will impact our members or employers.

2012 Comprehensive Annual Financial Report

NDPERS prepares a Comprehensive Annual Financial Report as of June 30 of each year. This report contains detailed financial, investment, actuarial and statistical information for the plans administered by NDPERS. You can view, download or print the report from the NDPERS website at www.nd.gov/ndpers under Forms and Publications. If you have any questions on the report, contact Sharon Schiermeister.

Retirement Reporting and Documentation/Notes

You must complete a NDPERS Retirement Kit, submit a copy of your birth certificate, and, if married, your spouse's birth certificate, and marriage certificate in order to receive your benefits.

You may apply by contacting your agency's payroll office approximately 60 days before your last date of service. Your agency's payroll office must send in your termination information through the Employer Self Service. Your NDPERS retirement effective date will be the first of the month following your last date of service or last date of pay, whichever is later. You can expect to receive your first benefit check the month following your effective date, providing that all the required information has been received and is complete.

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.

Retired Members Only

We are offering through MSS the ability to view their:

- 1.Retirement payment(s) and related details,
- 2.Insurance coverage(s) and related details,
- 3.1099R tax information

We also will offer the retirees the capability to do direct on-line updates and requests for:

- 1.Address changes
- 2.Federal & ND State income withholding elections
- 3.Spouse or Designated contact information
- 4.Scheduling an Appointment
- 5.Submitting questions to NDPERS
- 6.Reporting a death of a spouse or a covered insurance dependent

FLEXCOMP CHANGE UPDATE

As you know, effective January 1, 2013 NDPERS has outsourced the flexcomp claims processing to ADP. The following is to provide you with additional information based on questions we have received from you or your employees:

- Claims incurred in 2013 must now be submitted to ADP. This includes 2013 claims that participants wish to have paid from their 2012 remaining account balance (grace period).

- Remaining 2012 account balances as of January 7th are expected to be transferred to ADP by January 18, 2013. Participants can submit 2012 claims to ADP after the transition is complete.
- Participants must now use the ADP medical or dependent care FSA claim form. Instructions on how to access the ADP website for these forms is provided below.
- ADP will deny a dependent care claim submitted for future service dates. Therefore, if the dates of services are for the current month, the claim cannot be submitted until after the services have been provided.
- In Section 1 of the ADP reimbursement forms it requests a SSN or employee ID. At this time, employees should use their SSN. The Company is State of ND.
- Claims received in the NDPERS office for 2012 or 2013 will be returned and participants will be instructed to submit them to ADP. They will receive a notice with the same information contained in this article.

How to Access the ADP Website

To access and download the ADP medical spending or dependent care reimbursement forms, please go to the NDPERS web site at www.nd.gov/ndpers and select the ADP icon. There are two links to the ADP web site:

- ADP FlexComp Vendor Information – This link contains several instructional videos. Examples of some topics include

“How Your Spending Account Card Works” and “Get Your Money Faster with Direct Deposit.” You may review a list of “FSA Eligible Expenses” as well as access the “Health or Dependent Care FSA Claim Forms”.

- ADP FlexComp Provider Web Site – This site allows a participant to register so they can review their spending account balance(s) and claims status, view your statements, order a new or an additional medical spending account debit card, and register for direct deposit. It also has access to the health and dependent care FSA claim forms through the ‘Documents and Forms’ tab.
- Questions or Assistance – Call 800-336-1881

Board Meeting Highlights

Complete [meeting minutes](#) are available.

August 23, 2012

- Dental Plan proposals
- Prescription Drug Plan Rates
- Quarterly Summary
- Annual Health Care Report
- Retirement Plan updates
- MSS Update
- Flex Comp RFP Update
- Group Insurance Bid

September 12, 2012

- Hartford Update

September 19, 2012

- Flex Comp Plan
- Retirement Plan

September 20, 2012

- Health Plan Bid
- Legislation
- Deferred Normal Retirement

October 11, 2012

- Hartford Update
- ADP Flex Comp vendor

November 29, 2012

- Legislation Update
- Dental Plan Update
- Flex Comp Update
- TIAA –CREF Update
- Hartford Update

Look forward to receiving via email your next edition of the PERSonnel Updates @ April 15, 2013.

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.

Appendix A

Plan	Employer Contribution	Employee Contribution
	Employer Contribution	Employee Contribution
<i>Highway Patrol</i>	1% increase 2013	1% increase 2013
<i>Main System</i>	1% increase 2013	1% increase 2013
<i>Main System – Temporary Employees</i>		2% increase 2013
<i>Judges</i>	1% increase in 2013	1% increase in 2013
<i>Law Enforcement -Political Subdivision</i>	.5% increase in 2013	.5% increase in 2013
<i>Law Enforcement - State Employees</i>	1% increase in 2013	1% increase in 2013
<i>Defined Contribution Plan</i>	1% increase in 2013	1% increase in 2013
<i>Defined Contribution Plan - Temporary Employees</i>		2% increase in 2013