



PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll

Editor: Sharmain Dschaak

January 2016

Volume 24, Issue 1:

In this Issue:

- [2016 PREP](#)
- [Preparing W-2 Forms](#)
- [2015 Comprehensive Annual Financial Report](#)
- [Sick Leave Conversion](#)
- [Upcoming Employer Based Wellness Program Deadlines](#)
- [Medicare Eligibility & Health Insurance Coverage](#)
- [ACA Reporting Requirements](#)
- [Required ACA Marketplace Notice Reminder](#)
- [Health Insurance Employer Minimum Participation, Contribution Requirements](#)
- [Member Self Service \(MSS\)](#)
 - Adding a New Dependent
- [Employer Self Service \(ESS\)](#)
 - Benefit Enrollment Report
 - PeopleSoft Inbound File
- [Website Resources](#)

Events & Mailings

2016 Pre-Retirement Education Program (PREP)

NDPERS has scheduled the following PREP.

<u>Date</u>	<u>Location</u>
April 13, 2016	Bismarck Event Center

Retirement Plan Updates

Preparing W-2 Forms

If an employee is participating in the NDPERS Retirement Plan, check “Retirement Plan” in box 13 of the W2 form. The NDPERS Retirement Plan is a qualified plan as described in section 401(a) –and participation in the plan is mandatory meaning no amount or distribution needs to be reported in box 13 relating to the NDPERS Retirement Plan.

If the employee is participating in the NDPERS 457 Deferred Compensation Plan, use “Code G” in box 12a -12d along with the total amount of contributions. If you have questions call Derrick at 701-328-3945.

2015 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 <http://www.nd.gov/ndpers/about-ndpers/index.html>

Sick Leave Conversion

Any employee, upon separation of employment, has the option to convert their unused sick leave balance into service credit within the NDPERS retirement plan. This is in addition to any employer policy for payment of sick leave and is at the discretion of the member. The member must elect this option at the time of termination by completing “Conversion of Unused Sick Leave Application–Defined Benefit SFN 58358” and submitting this to NDPERS by the end of the month of their termination date. This form is available in the Retirement kit/forms, Disability retirement kit/forms, and the Deferred retirement kit/forms. The member has until the 15th of the month following the month of termination to make payment.

If an employee is transferring from one participating employer to another participating employer without terminating eligible employment, NDPERS will record any unused sick leave of a participating member that the new employer does not accept. The employee and the former employer must complete “Transfer of Unused Sick Leave Verification SFN 53404”, within sixty days after the member leaves employment with the former employer. The employer and employee contributions rates used to calculate the cost must be the rate of the retirement program of the member at termination of employment. This form is available in the Notice of Transfer Kit/Forms.

Group Insurance Updates

Upcoming Employer Based Wellness Program Deadlines:

The Employer Based Wellness Program Discount Application SFN 58436 is available on the NDPERS website Employer Based Wellness Program page for employers to complete and submit to notify NDPERS of their activities for the new plan year July 1, 2016 to June 30, 2017. Coordinators need to submit this application to NDPERS for review by **February 29, 2016.** NDPERS will notify coordinators in April if their application is approved for the premium discount effective July 1, 2016.

If you intend to request funding through the Wellness Benefit Funding Program, the Wellness Benefit Funding Program Application SFN 58361 must accompany the Discount Application. **Please refer to the attached funding program guidelines provided by Kathy Allen.** Questions related to funding can be directed to Kathy at (701) 328-3918. Employers requesting funding will be notified if their funding request is 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, 2016.

Upon completion of all wellness activities, the Employer Based Wellness Program Year-End Program/Activity Confirmation SFN 58437 should be submitted to NDPERS. The current wellness plan year is from July 1, 2015 to June 30, 2016. Coordinators should submit this form for the current year by **May 31, 2016.** This form is also available on the website.

To view the forms, visit <http://www.nd.gov/ndpers/insurance-plans/employer-based-wellness.html>

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

Medicare Eligibility & Group Health Insurance Coverage

NDPERS has recently been asked if employers must offer the NDPERS group health insurance to employees that are age 65 or older when hired or attain that age while employed. The answer is 'YES'. NDPERS is providing this article for your information as further clarification of this question.

Any individual that meets the definition of an eligible employee must be offered the opportunity to enroll for coverage in the NDPERS group health insurance plan, regardless of age. This is true whether they enroll when initially eligible or wish to continue to participate when they become eligible for Medicare while still employed.

An eligible employee is entitled to coverage the first of the month following the month of employment, provided the employee submits an application for coverage within the first 31 days of employment or eligibility for a special enrollment period as set forth in N.D.A.C. §71-03-03. Each eligible employee may elect to enroll his/her Eligible Dependents.

Following are the federal/state laws which protect the rights of individuals from discriminatory employment practices:

Title VII of the United States Civil Rights Act: Prohibits employers from treating employees differently because they are in a protected class. A violation is made when an individual of a protected group is shown to have been singled out and treated less favorably than other similarly situated employees.

Working Aged Provision (TEFRA/DEFRA): Requires employers to offer Medicare eligible active employees, as well as their Medicare eligible spouses, the same group health plan coverage under the same conditions as are offered to employees who are not Medicare eligible.

Age Discrimination in Employment Act (ADEA): Prohibits discrimination on the basis of age.

North Dakota Human Rights Act: Prohibits discrimination on the basis of race, color, religion, sex, national origin, age, physical or mental disability, status with regard to marriage or public assistance, or participation in lawful activity off the employers' premises during non-working hours which is not in direct conflict with the essential business-related interests of the employer results in the unequal treatment or separation or segregation of any persons, or denies, prevents, limits, or otherwise adversely affects, or if accomplished would deny, prevent, limit, or otherwise adversely affect, the benefit of

enjoyment by any person of employment, labor union membership, public accommodations, public services, or credit transactions.

If you have questions on eligibility, please contact Rebecca Fricke or Kathy Allen at rfricke@nd.gov or kallen@nd.gov.

ACA Reporting Requirements & IRS Extension

Since our November 2015 PERSonnel Updates Newsletter was published, **the IRS has issued an extension related to the IRS Reporting.** Please see details on this extension at <https://www.irs.gov/pub/irs-drop/n-16-04.pdf>.

Sanford Health Plan has indicated that because of this extension, your employees may not receive their 1095-B Form before they file their income tax return. However, the NDPERS Health Plan meets minimum essential coverage. Therefore, for 2015 tax reporting, employees can rely on that information for purposes of filing their return and will not need to amend their return once they receive the 1095-B Form.

As a reminder, Sanford Health Plan has provided a resource to assist our political subdivision employers with their ACA reporting requirements. Sanford Health Plan recently held a seminar (for their other lines of business) regarding the 6055/6056 reporting requirements, presented by Lisa Carlson, Sanford Health Plan's Executive Director of Planning and Regulation and Tom Pruner, Jr. with Eide Bailly. The seminar can be viewed here: [Click here for the presentation](#). The video will outline the forms required to be completed, as well as what Sanford Health Plan will be providing. The video is approximately 1 hour in length, so plan accordingly. Please remember that the video was presented to a broad audience and therefore, may have some information that is not applicable to the NDPERS population. *The NDPERS group health insurance is a fully-insured health plan.*

Topics included in the presentation:

- 6055/6056 reporting – using appropriate tax forms to prove that individuals had appropriate health insurance coverage during calendar year 2015
- Potential implications of the small group definition for 2016
- Counting hours for applicable large employers and the employer responsibility provision
- Due dates and other important information

After listening to the seminar, you will learn that:

- A forms – are sent by Federal Facilitated Marketplace – to members who purchased insurance through healthcare.gov
- B forms – are sent by Sanford Health Plan and BCBS - to all fully insured members (except for members insured through healthcare.gov)
- C forms – are sent by employers - to all full-time employees as defined by ACA (note this is applicable to large employers only)

For large employers (50 or more full-time employees or equivalents), Sanford Health Plan will supply these employers with information required for the 1095-C forms in approximately mid-December. Sanford Health Plan will provide details on coverage from July through December 2015. If you have questions after viewing the seminar, please contact Lorie (Helgeson) Ellis at (605) 328-6803 or Lorie.Helgeson@sanfordhealth.org

For coverage information from January through July 2015, Onalee Sellheim (BCBS) will be a resource for employers. Her contact information is (701) 282-1154 or Onalee.Sellheim@bcbsnd.com

State agencies will not need to complete these tax reporting requirements as they will be handled through the Office of Management and Budget (OMB).

NDPERS has posted additional materials regarding these tax reporting requirements on the ACA page of our website at <http://www.nd.gov/ndpers/news/special-aca-forum.html> to further assist employers.

If you have any questions, please contact Rebecca Fricke at (701) 328-3978.

Required ACA Health Insurance Marketplace Notice Reminder:

As a reminder, the Affordable Care Act (ACA) required employers to provide a Notice of Coverage Options to current employees (both permanent and temporary employees) by October 1, 2013. The Act also specifies that employers must provide this notice on an on-going basis to new hires within their first 2 weeks of employment. It is the employer's responsibility to distribute the notice. The sample template prepared by NDPERS has recently been updated due to the

change in the definition for temporary employees and can be found at <http://www.nd.gov/ndpers/employers/docs/notice-of-coverage-options.pdf>

NDPERS Group Health Insurance Plan Employer Minimum Participation, Contribution Requirements and ACA Compliance Update for Participating Political Subdivisions

In order for a political subdivision to participate in the North Dakota Public Employees Retirement System (NDPERS) health plan, the group must meet the minimum participation and minimum contribution requirements.

The Underwriting Requirements for minimum participation require that a certain number of eligible employees participate in the plan based upon the size of the eligible employee population. The minimum contribution requirements have been in effect since May 1, 2004 and require all groups that enroll in the NDPERS health plan on or after that date to pay a minimum employer contribution, which is defined as at least 50% of the single premium. Employer groups participating prior to May 1, 2004 are not subject to these requirements. However, if you were in compliance at the time these guidelines went into effect, you are required to maintain your compliance and may not change your policy in the future to pay less than 50% of the single premium. The purpose for both of these requirements is to prevent adverse selection to the plan, which could increase the premiums for participants.

Additionally, to ensure compliance with the Affordable Care Act (ACA) and to monitor your ongoing eligibility as a grandfathered plan you must notify NDPERS 90 days prior to implementing any changes in your employer contribution rate. The ACA specifies that an employer will lose grandfathered status if they reduce the employer contribution rate by more than 5% of the contribution rate that was in effect on March 23, 2010. In addition, the ACA indicates that an employer must have at least 1 individual continuously covered on the employer plan since March 23, 2010. If it is determined that a reduction of the employer contribution or a lapse in coverage will result in the plan losing its grandfathered status, NDPERS will move your group to the non-grandfathered plan and your premiums will be adjusted accordingly.

If this occurs, written notification will be provided to the employer. **However, if you are a small employer group (as defined by the ACA), you will lose your eligibility to participate in the NDPERS health insurance plan.** Small employer groups that lose their grandfathered status will be transitioned off the NDPERS group health insurance plan and will be provided options by BCBSND for ACA compliant coverage as well.

To verify compliance with these policies, each fall the insurance carrier conducts an annual survey of participating political subdivision employers. Political subdivisions will be receiving information from Sanford Health Plan by mid-November each year. **Please respond to Sanford Health Plan by the requested date of December 1 each year.**

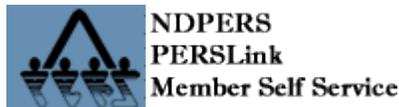
Please keep this information in mind should you be planning any time during the year to make changes to either your participation or employer contribution rates to the NDPERS group health insurance plan.

If you have questions, please contact or Rebecca Fricke (NDPERS) at (701) 328-3978.

Member & Employer Self Service Updates

MEMBER SELF SERVICE (MSS)

Featured Topic:



Adding a New Dependent

If you have an employee that experiences a life event such as birth of a child or marriage and needs to add the new dependent, they should go through MSS. They need to go to NDPERS Plans> Enroll, Update or View Plans> click on the plan, and then click on the "Update your enrollment" button.

EMPLOYER SELF SERVICE (ESS)



Benefit Enrollment Report

Please be sure to run your benefit enrollment report at least once a month to show any changes to your employee's enrollments at NDPERS. To access the benefit enrollment report – go to the ESS home page and click the link on the bottom left. There you can generate and view the report to show any changes in status or coverage.

A screenshot of the PERSLink Employer Self Service (ESS) dashboard. On the left is a navigation menu with sections: 'General' (containing Dashboard, Employees, Upload Payroll Files, Payroll Reporting, Forms) and 'Other Tasks' (containing Organization Profile, Reports, Processed Payroll F, Payments, Report a Problem, Seminar Registratic, Report a Death, Resource Library). The main content area has a welcome message: 'Welcome to PERSLink Employer Self Service (ESS), serving our members in the best way possible is top priority.' Below this are six tiles: 'Dashboard' (View important information at a glance), 'Unpaid Invoices' (View Payroll Reports requiring payments), 'Payroll Reporting' (Create, View, or Update Payroll Reports), 'Employees' (Add, View or Update Employees), 'Benefit Enrollment Report' (View or Generate Benefit Enrollment Report), and 'Transaction History' (View Billing and Payment Summary/Details). The 'Benefit Enrollment Report' tile is highlighted with a red border.

PeopleSoft (PS) Inbound File

Reminder, the PS Inbound file extracts data on permanent employees from State Employer on the PeopleSoft payroll system, except for Higher Education. If you hire a temporary employee that will be enrolling in the retirement, health, or life insurance plans, you will need to set up the new employee through your PERSLink ESS.

If you have a temporary employee that needs to update their demographic information, they will need to log into PERSLink member self service and update their personal profile information.

NDPERS Website Resources

Home Page	NDPERS News	Employer Services Program Administrations
<ul style="list-style-type: none">• Notice relating to Repeal of RHIC Rules	<ul style="list-style-type: none">• Register for TIAA-CREF Visits	<ul style="list-style-type: none">• Helpful Tips on ESS• ACA Information• GASB 68• NDPERS Wellness Program

Look forward to receiving your next edition of the PERSonnel Updates in March 2016.

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.

We're **on** the Web!

See us at:

www.nd.gov/ndpers