



March 2015

Volume 23, Issue 2:

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# PERSONNEL UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll

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## Events & Mailings

### **2015 Pre-Retirement Education Program (PREP)**

NDPERS has scheduled the following PREP. Registration will be from February 9th to April 10<sup>th</sup> and registration will be available on the NDPERS website.

<b><u>Date</u></b>	<b><u>Location</u></b>
May 13, 2015	Bismarck Event Center (Civic Center)

### **2015 Payroll Conference**

Mark your calendars for the NDPERS Payroll Conference which is scheduled for Wednesday, June 17, 2015 and will be held at the Bismarck Event Center, Bismarck.

The Payroll Conference will be videotaped and available for viewing on the PERS website at a later date in the event you cannot attend on the 17th.

Detailed information about the conference and registration instructions will be provided in future communications. So, mark your calendars and we will see you in June!

## Retirement Plan Updates

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

An employee participating in a NDPERS 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 kits can also be found on the NDPERS web site at [www.nd.gov/ndpers](http://www.nd.gov/ndpers), under Forms & Publications. The forms can be completed online, printed and then mailed to NDPERS.

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

## **Leave of Absences**

1. NDPERS must be notified whenever an employee is taking a leave without pay and the reason for the leave. This is important as this determines when a member may apply for Disability or Retirement Benefits.
2. A leave of absence cannot exceed one year without being recertified. If an employee is taking an unpaid leave in excess of two years, the employee's membership in NDPERS should be terminated unless the leave is due to an interruption of covered employment due to military activation. However, since the employee has not separated employment with the employer, the employee is not entitled to a distribution of their retirement benefits.
3. NDPERS must be notified of a return from leave prior to the employer resuming retirement contributions for the employee.

## Group Insurance Updates

### **Frequently Asked Questions Regarding Health Insurance Carrier Change**

As a reminder, NDPERS and Sanford Health Plan staff has compiled a list of Frequently Asked Questions (FAQs) to assist you and your employees with questions regarding the upcoming change in the health plan carrier. The FAQs are available at <http://www.nd.gov/ndpers/insurance-plans/docs/sanford-health/faq.pdf>

### **Changes in Pre-Medicare Health Insurance and Retiree Insurance Credit Provide Options & Portability for Retired Employees**

***A webinar is available on the NDPERS website regarding this upcoming change. We recommend that employees with specific questions regarding their retirement planning and how this change may or may not impact them contact the NDPERS office to discuss their planning with a NDPERS Benefits Counselor.***

NDPERS participating members who are planning to retire before the age of 65 and/or before they are entitled to Medicare coverage should be aware that some changes occurred through state legislation. The changes made through House Bill 1058 provide additional options for pre-Medicare health insurance and allows employees portability in using the Retiree Health Insurance Credit (RHIC) for other health and prescription drug coverage. These changes will go into effect in July 1, 2015.

#### **Pre-Medicare Health Insurance change provides options**

In the past, if an employee retired before the age of 65, he or she had the option to obtain pre-Medicare health insurance through the NDPERS program. Now with the national Affordable Care Act (ACA), there are provisions that mandate access to insurance coverage without imposing pre-existing condition limitations or having to be medically underwritten. This eliminates the primary reason why the pre-Medicare coverage was originally made available to our members. The state legislation passed closes the pre-Medicare health insurance plan previously offered to retiring employees who are not yet entitled to Medicare.

This change allows retirees the ability to choose from insurance plan options that are available through the National Health Care Exchange program provided by the Affordable Care Act.

#### **Retiree Health Insurance Credit (RHIC) will be portable**

Another change that occurred is the ability to allow members more flexibility for application of the Retiree Health Insurance Credit. At this time, the credit may only be used to offset the expense of the premium for NDPERS health insurance coverage. The provisions of this bill will allow the RHIC to be used for not only NDPERS health premiums, but also for premiums of health and prescription drug coverage through other carriers as well as for the NDPERS dental, vision, and Long Term Care premiums.

## **Pre-Medicare Coverage available through NDPERS**

Members will have the opportunity to select the health plan that best aligns with their coverage needs and provides the best value for their money. At this time the premiums for pre-Medicare coverage are:

Single	\$ 709.10
Family	\$1,418.20
Family (3+)	\$1,772.74

These premiums will continue to increase with each renewal.

## **Changes go into effect in July 2015**

The changes will be effective July 1, 2015 and will affect members as follows:

- All retiring pre-Medicare members will remain eligible to apply for 18 months of COBRA continuation.
- Members must terminate employment by the end of April 2015 and begin drawing a benefit beginning May, paid June 2015 in order to remain eligible for coverage through NDPERS as a pre-Medicare retiree after the end of the COBRA period.
- Pre-Medicare members who were enrolled in the pre-Medicare plan prior to July 1, 2015 will be grandfathered and coverage will remain in effect until they become entitled to Medicare, at which time they can apply for NDPERS coverage under the Dakota Retiree Plan.
- Pre-Medicare members whose retirement benefit begins on or after the effective date can obtain their own coverage from the insurance market place at the conclusion of their COBRA continuation period. When a retiree becomes entitled to Medicare, they can then apply for NDPERS coverage under the Dakota Retiree Plan.
- The RHIC can be used not only for the NDPERS health premiums, but also allows members to use it for health and prescription drug premiums of plans through other insurance carriers and for the NDPERS dental, vision and Long Term Care plans.

If you have any questions, please contact the NDPERS office at 701.328.3900 or 800.803.7377.

## **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, 2015 to June 30, 2016. The deadline for coordinators to submit this application to NDPERS for review was February 28, 2015. 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, 2015.

**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, 2015.**

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, 2014 to June 30, 2015. **Coordinators should submit this form for the current year by May 31, 2015.** 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).

## Affordable Care Act (ACA) Updates

### **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 set forth by Blue Cross Blue Shield of North Dakota (BCBSND) and approved by the NDPERS Board.

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.

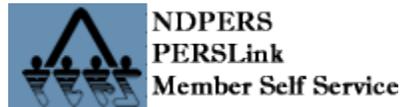
If this occurs, written notification will be provided to the employer. **However, if you are a small employer group (as defined by the ACA as 50 employees or less for 2014 and 100 employees or less in 2015), you will lose your eligibility to participate in the NDPERS health insurance plan.** Small employer 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 BCBS conducts an annual survey of participating political subdivision employers. However, we are providing this information, 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 Onalee Sellheim (BCBS) at (701) 282-1180 or Rebecca Fricke (NDPERS) at (701) 328-3978.

## Member & Employer Self Service Updates

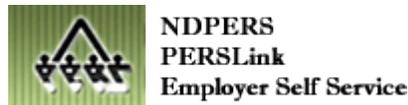
### MEMBER SELF SERVICE (MSS)



#### **Featured Topic: Service Purchase Calculator**

NDPERS members who participate in the retirement plan have a tool on MSS to calculate their future retirement benefits without having to call NDPERS. Members can factor in salary increases, service purchases, and deductions. The estimates they compute remain available on their MSS for 30 days.

### EMPLOYER SELF SERVICE (ESS)



#### **Contribution Rates for Retirement and Insurance**

One great feature within ESS is the capability of seeing your organization's contribution rates for retirement and insurance. If you go into your organization's profile

#### **Having Problems Finalizing Your Reports?**

Help is available! Please click on the "Contact Us" button at the top of the page for contact information for each type of report you are working on.



## NDPERS Website Resources

<b>Home Page</b>	<b>NDPERS News</b>	<b>Employer Services Program Administrations</b>
<ul style="list-style-type: none"><li>• Links to Member &amp; Employer Self Service</li><li>• Sanford Health Plan Information</li><li>• NDPERS Board Meeting Agendas &amp; Meeting Minutes</li><li>• NDPERS Pre-Retirement Education Program</li></ul>	<ul style="list-style-type: none"><li>• Upcoming Events</li><li>• Pre-Retirement Education Programs</li><li>• PERSpective Newsletters</li><li>• PERSonnel Updates</li></ul>	<ul style="list-style-type: none"><li>• Employer Guide</li><li>• NDPERS Member Self Service Guide</li><li>• Employer Self Service New Hire Tutorial</li><li>• ACA Information</li><li>• Forms, which include Memo of Understanding for Temporary Employees</li></ul>

Look forward to receiving your next edition of the PERSonnel Updates in May 2015.

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.

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We're **on** the Web!

*See us at:*

[www.nd.gov/ndpers](http://www.nd.gov/ndpers)