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PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll

Editor: Sharmain Dschaak

Events & Mailings

Affordable Care Act Special Forum – September 24, 2014

NDPERS will be sponsoring another information training session relating to the Large Employer Requirements under the Affordable Care Act (ACA). The session will be held on September 24th from 8:30 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. The tentative agenda is available on the NDPERS website.

While all the compliance efforts must be complete by the end of the year, the deadline must be preceded by many other efforts 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 will provide a follow-up to the session held in July and will give further details regarding implementation of the ACA provisions.

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

Annual Enrollment Season – 2015 Plan Year

The Annual Enrollment Season for 2015 plan year will run from Monday, October 20 through Friday, November 7, 2014. Employees will receive notification at their home address to announce Annual Enrollment. This notification is scheduled to be mailed the week of October 13th.

Retirement Plan Updates

GASB Pension Accounting and Reporting Update

The Government Accounting Standards Board (GASB) recently approved Statement 68 which will replace the disclosure requirements for participating employers of pension plans like NDPERS and TFFR. This new statement is effective for fiscal years beginning on or after June 15, 2014.

Statement 68 requires employers to report a proportionate share of the retirement plan's net pension liability and pension expense on the employer's financial statements. In many cases, this amount will be material. Also, the employer's Note Disclosures and Required Supplementary Information sections of the financial statements have been greatly expanded to include much more information about the pension plan.

NDPERS and TFFR have been working on an implementation and training plan with the State Auditor's Office and the pension plan's actuary and auditors. A working group meeting was held in June and included representatives from schools, cities, counties, and the State.

NDPERS and TFFR have scheduled a training opportunity for ALL employers and their auditors the morning of Thursday, December 11, 2014, in Bismarck. Please mark your calendars for this very important training and watch for additional information.

New Employees & Payroll Reports for Retirement

Before a New Employee's retirement contributions can be posted, the following steps will need to be taken:

(1) The employee's employment information must be entered into Employer Self Service (ESS). (State employers, excluding Higher Education, that are on the PeopleSoft payroll system will not need to complete this step through ESS. PeopleSoft will transfer the information to PERSLink).

(2) Employees must enroll in their Retirement plan through Member Self Service (MSS). If an employee does not have access to a computer, they should fill out the necessary forms in the New Hire Kit that can be obtained on the NDPERS website.

If only the new employee's employment has been entered into the PERSLink system, but no plan enrollment has been submitted by the new employee, contributions cannot be posted. This may lead to NDPERS refunding the retirement contributions back to the employer.

When an employee has successfully enrolled in a benefit plan, a notification will be sent to your ESS Self Service dashboard advising you that a change has occurred and you need to run the benefit enrollment report. If this has not occurred, please reach out to your new employee to complete their enrollment.

Group Insurance Updates

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

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 are currently enrolled in the pre-Medicare plan 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 1-800-803-7377.

Annual Enrollment Season – 2015 Plan Year

The NDPERS Annual Enrollment Season gives eligible employees the opportunity to:

- Enroll in insurance plans for which they are eligible but not currently enrolled
- Add dependents
- Increase coverage levels
- Enroll in the NDPERS flexcomp plan for 2015 (required each year of participation)

The notification will direct the employee to the NDPERS website to obtain enrollment information regarding the NDPERS flexcomp, deferred compensation, health, life, dental and vision plans. The notification will also announce that Annual Enrollment will be conducted through the use of the PERSLink Member Self Service (MSS). For those individuals that are unable to complete their enrollment through MSS, enrollment forms can be accessed from the NDPERS website.

Group Insurance Reminders:

Health Insurance:

Permanent employees of state agencies, university system and district health units will be eligible to enroll or discontinue participation in the High Deductible Health plan (HDHP/HSA). Information on this plan is available on the NDPERS website. The HDHP/HSA is included as an option on the Plan Enrollment through MSS or if a paper application is completed, the Health Insurance Application or Change SFN 60036.

In addition, this will be the final opportunity for temporary employees working more than 20 hours per week/20 weeks per year to join the NDPERS plan, unless they meet the new definition of temporary employee as of January 1, 2015, which is working at least 30 hours per week/130 hours per month.

Life Insurance:

Employees can increase their coverage by \$5,000 without evidence of insurability. Increases in excess of \$5,000 to the employee supplemental coverage will require Evidence of Insurability (EOI). Any increase in dependent or spouse supplemental will require EOI. EOIs must be submitted to the NDPERS office for processing.

In addition we have created an Annual Enrollment Employer Guide that contains ALL information regarding:

- Eligibility
- Enrollment forms
- Rates
- Filing Procedures
- PeopleSoft Payroll
- NDPERS FlexComp
- Late Filing policy
- Information regarding the ESS Benefit Enrollment Report

If a paper application is used, all enrollment applications are to be mailed directly to NDPERS. Please do this at least on a weekly basis so that we can process these requests in a timely manner. Please make sure to use the most current applications and make sure all applications are completed with correct addresses. Any old applications that are completed will be rejected.

The Annual Enrollment Employer Guide is your one-stop shop! Annual Enrollment Season information will be available on the NDPERS website at www.nd.gov/ndpers on Monday, October 20, 2014.

Special Enrollment for ACA Temporary Employees

NDPERS will be having a special enrollment window for temporary employees of a Large Employer that must be offered affordable coverage due to meeting the Affordable Care Act (ACA) requirements. The special enrollment window will be from November 24 through December 5, 2014. If coverage is elected during this window opportunity, it will be effective January 1, 2015.

As a reminder, as of January 1, 2015, the definition of a temporary employee for determining eligibility to participate in the NDPERS group health plan will be changing to reflect the ACA definition, which is “an employee who works at least 30 hours per week or 130 hours per month.”

NDPERS will be revising the Health Insurance Application or Change SFN 60036 to require an employer to certify that the employee is eligible due to the ACA requirements. This form will be available during this special window. As of November 15, 2014, NDPERS will not allow temporary employees to enroll in coverage through Member Self Service (MSS) as we need to have the employer certify on the form that the individual is eligible for coverage.

In addition, NDPERS has created a “Decline Offer of Health Insurance Coverage SFN 60711” that will be available during this special enrollment period. If a temporary employee wishes to decline this coverage, this form must be completed for our records.

More details will be provided as the special enrollment window gets closer. If you have questions, please contact Rebecca Fricke at (701) 328-3978 or rfricke@nd.gov.

High Deductible Health Insurance Plan

Annual Enrollment Season is an opportunity for permanent state, district health unit and university system employees to elect or discontinue participation in the NDPERS High Deductible Health Plan and Health Savings Account (HDHP/HSA). The HDHP is underwritten by BCBSND with HSA services provided by Discovery Benefits. The HDHP/HSA has higher annual deductibles and therefore, the employee will have higher out-of-pocket costs for medical services. However, the higher initial out-of-pocket costs are partially offset by an employer contribution to an HSA created in the employee's name. The NDPERS HDHP/HSA has a cap on how much the employee will pay out-of-pocket during a year, and covers preventive services (as designated by the Affordable Care Act (ACA)) with no out-of-pocket costs to the employee.

The HSA helps cover medical expenses until the employee's annual deductible and copayment are met. NDPERS will contribute to the employee's HSA for each month the employee participates as follows:

	<u>Month</u>	<u>Annual</u>
Single	\$60.74	\$728.88
Family	\$147.00	\$1,764.00

In addition, a participant can contribute after-tax contributions by personal payment to Discovery Benefits and receive favorable tax treatment through the IRS on these contributions. The IRS allows the participant to claim the after-tax contributions as an adjustment to gross income on their federal tax return. There are IRS annual limits on the total amount of contributions that can be made to a HSA (including both employer and employee contributions), which for 2015 are \$3,350 for single coverage and \$6,650 for family coverage.

The plan is offered as an option to the Dakota PPO/Basic plan and a change in participation will become effective January 1, 2015.

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

In order for a political subdivision to participate in the 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 group must also comply with the requirements of the Affordable Care Act (ACA) in order to maintain its eligibility for coverage. An outline of the requirements for each of these provisions is outlined below.

Minimum Participation

The Underwriting Requirements for minimum participation require that a certain number of eligible employees participate in the plan based upon the size of the employer group. This determination is based on a comparison of the number of full-time employees to the number of employees enrolled for coverage. An employer group must have a minimum of two (2) participants enrolled for coverage.

Minimum Contribution

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.

Affordable Care Act (ACA)

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.

In addition, 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 2016, and are on the non-grandfathered plan, you will lose your eligibility to participate in the NDPERS health insurance as of July 1, 2014. For those impacted employers, NDPERS has provided notice and BCBSND will be providing options for other ACA compliant coverage. After July 1, 2014, 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.

Delta Dental Renewed

The NDPERS Board has renewed our contract with Delta Dental of Minnesota. The renewal is for a 1% increase in premiums for a 24-month period from January 1, 2015 through December 31, 2016. Following are the current and new rates:

	Current	Effective 1/1/2015
Emp Only	\$ 38.26	\$ 38.64
Emp + Spouse	\$ 73.84	\$ 74.58
Emp + Child(ren)	\$ 85.72	\$ 86.58
Emp + Family	\$122.08	\$123.30

Superior Vision Renewed:

The NDPERS Board has renewed our contract with Superior Vision. The renewal does include a premium increase in premiums for a 36-month period from January 1, 2015 through December 31, 2017. Following are the current and new rates:

	Current	Effective 1/1/2015
Emp Only	\$ 4.92	\$ 6.64
Emp + Spouse	\$ 9.84	\$13.28
Emp + Child(ren)	\$ 8.96	\$12.10
Emp + Family	\$13.88	\$18.74

Member & Employer Self Service Updates



MEMBER SELF SERVICE (MSS)

Updating Addresses

The Annual Enrollment Season for 2015 will be from Monday, October 20 through Friday, November 7, 2014. Employees will be mailed a notification to the address NDPERS has on record. This notification is scheduled to be mailed the week of October 13th.

Please have your employees login into their MSS and review their address to ensure NDPERS has a current mailing address. If not, they can update their address directly through MSS.

(Employees of State agencies using the PeopleSoft Payroll system, excluding Higher Education, must update their address in PeopleSoft. They are redirected to PeopleSoft, if they log in to MSS and try to update their address.)



NDPERS
PERSLink
Employer Self Service

EMPLOYER SELF SERVICE (ESS)

Benefit Enrollment Report

When an employee has successfully enrolled in a benefit plan, a notification will be sent to your ESS dashboard advising you that a change has occurred and you need to run the benefit enrollment report. Please review your reports to ensure your employees have enrolled in their benefit plans.

Miscellaneous

Staff Change

Matt Anderson, in the accounting division, has left NDPERS employment. Until his position is filled, please direct your requests for assistance to Jim Smrcka at 701-328-3945 or jsmrcka@nd.gov.

Confidentiality Law

All records of a member or beneficiary are confidential and not public records. Information and records may be disclosed under limited circumstances:

- A person to whom a member/beneficiary has given written consent.
- A person legally representing the member/beneficiary upon proper proof of representation, unless member/beneficiary withholds consent.
- A person authorized by court order.
- A member's spouse or former spouse, that individual's legal representative, and the judge presiding over the member's dissolution of marriage proceedings for the purpose of drafting a Qualified Domestic Relations Order.
- A member's participating employer's authorized agent, under limited circumstances.
- A member's designated beneficiaries after the member's death. Information relating to beneficiaries may be disclosed to other beneficiaries of the same member.
- The general public, but only after the board has been unable to locate the member for a period in excess of two years, and limited to the member's name and the fact that NDPERS has been unable to locate the member.
- Any person whom the NDPERS board determines disclosure is necessary for treatment, operational, or payment purposes, including the completion of necessary documents.

A penalty for disclosure of confidential information is a Class C felony, which includes a five-(5) year prison term and a \$5,000 fine (N.D.C.C. 12.1-13-01).

Memorandums of Understanding for Temporary Employees

NDPERS has adopted two MEMORANDUMS OF UNDERSTANDING that an employer may file with NDPERS. This is to provide that if a temporary employee is waiving their rights to enroll in the retirement plan, health and life insurance plans, then the employer will not need to complete the "Report New Employee".

The two MEMORANDUMS OF UNDERSTANDING are located on the NDPERS website under Program Administration, Forms. There is one for the retirement plan and one for the group insurance plans. Print and complete the employer name in the body of the memorandum, obtain the signature of the Executive Personnel/Contracting Authority, retain a copy, and submit to NDPERS.

NDPERS Website Resources

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

Look forward to receiving your next edition of the PERSonnel Updates in November 2014.

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