



**NDPERS MANDATORY 457
PROVIDER TRAINING**



Today's Presentation

- Temporary window for Defined Contribution Plan (2013 Legislation)
- Review of Defined Benefit Hybrid Plan (DBH) and Defined Contribution Plan (DC) provisions
- 2015 Legislative Changes
- Retiree Health Credit Program
- PERSLink Tools through Member Self Service

A decorative graphic consisting of several overlapping, wavy blue lines that flow from the top left towards the bottom right. The lines vary in opacity and thickness, creating a sense of movement and depth. The background is a light gray grid.

**Temporary Election
Window provided
by HB1452
(2013 Legislative Session)**

House Bill 1452 expanded eligibility for the defined contribution plan

1

- State employees hired as a permanent employee on or after October 1, 2013 but before July 31, 2017.

2

- Includes Judges, State Law Enforcement and Main System employees

3

- Does not include Highway Patrol, political subdivisions, schools or counties or existing state employees in DBH Plan

Mechanics of Expanded DC Election

- New hires are required to start in the DBH and will be mailed materials from the NDPERS office within 30 days of hire and will be given a **six month window** to make the election.
 - **If no election is received, the new hire stays in the DBH.**
 - **If an election to participate in the DC is made, a lump sum amount will be transferred from the DBH plan to the DC plan.**



Election into the DC Plan is **IRREVOCABLE!**

- Once the election to move to the DC is made, a participant must remain in it for as long as eligible employment continues. This is true even if employment changes to a different, non-state employer.
- The only exception is if an election is made, but the employee terminates before the transfer can be made from the DBH to the DC Plan. If this occurs, the election to transfer is void.

Contribution Rates

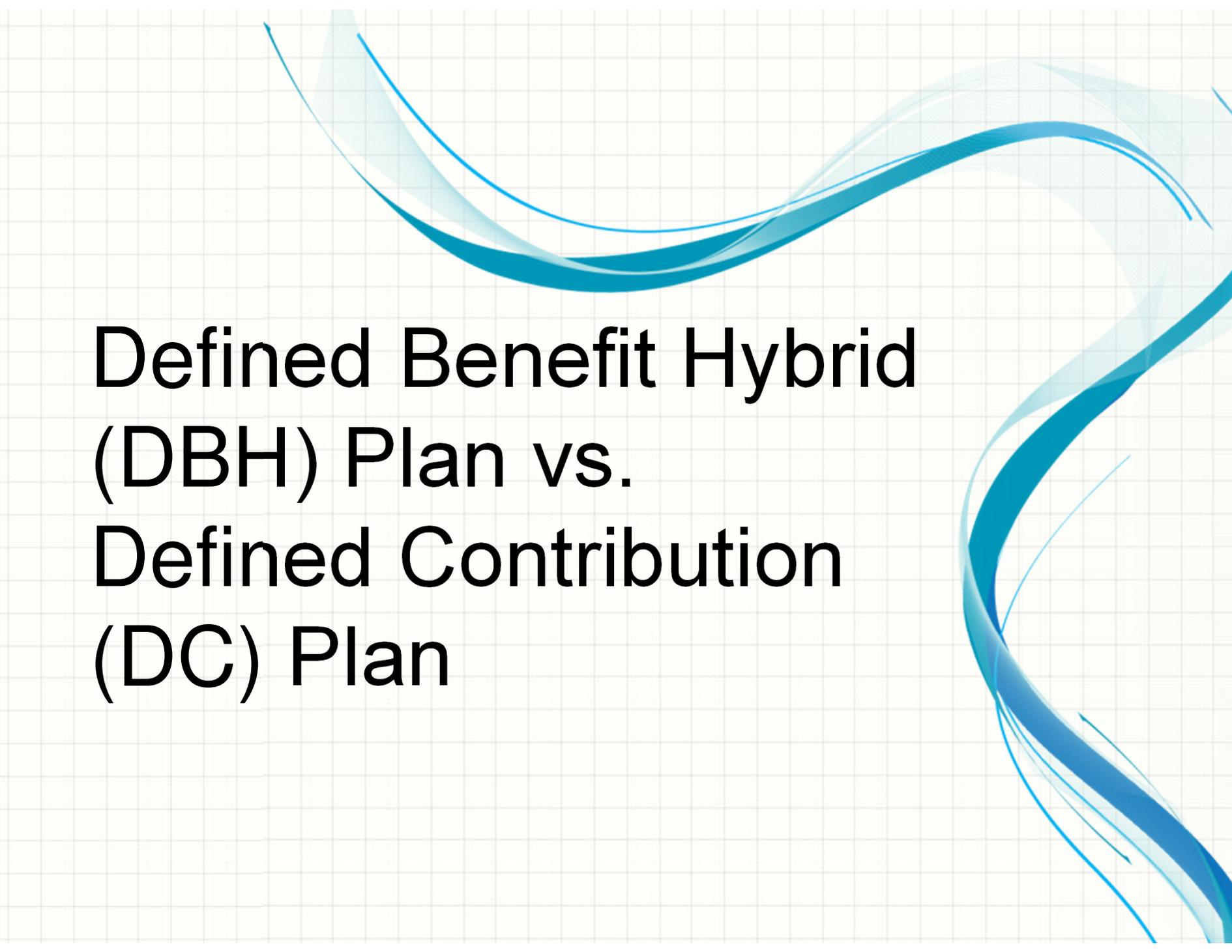
Defined Benefit Hybrid*

- Main System
 - Employer - 7.12%
 - Employee – 7.00%
- Judges
 - Employer – 17.52%
 - Employee – 8.00%
- State Law Enforcement
 - Employer – 9.81%
 - Employee – 6.00%

Defined Contribution*

- Employer - 7.12%
- Employee – 7.00%

****Rates will return to 2013 levels when the DBH reaches fully funded status.***

The background features a light gray grid pattern. Overlaid on this grid are several flowing, wavy lines in shades of blue and teal. These lines originate from the top left, curve downwards and to the right, then curve back up and to the right, and finally curve down and to the right towards the bottom right corner. The lines have a soft, ethereal quality with some transparency, creating a sense of movement and depth.

Defined Benefit Hybrid (DBH) Plan vs. Defined Contribution (DC) Plan

Vesting in DB Hybrid Plan

You become vested the earlier of :

- *Achieving 36 months (3 years) of service credit*
or
- *Attaining 65 years of age*



Defined Benefit Hybrid (DB) Plan

How Retirement Contributions are Allocated without PEP

**NDPERS
distributes
into these
accounts**

the employer sends to PERS

15.26%

**of gross earnings each pay period
(does not include overtime)**

7%

**Employee Account
(Member
Account Balance)**

7.12%

**Employer Account
(General Pool of Funds)**

1.14%

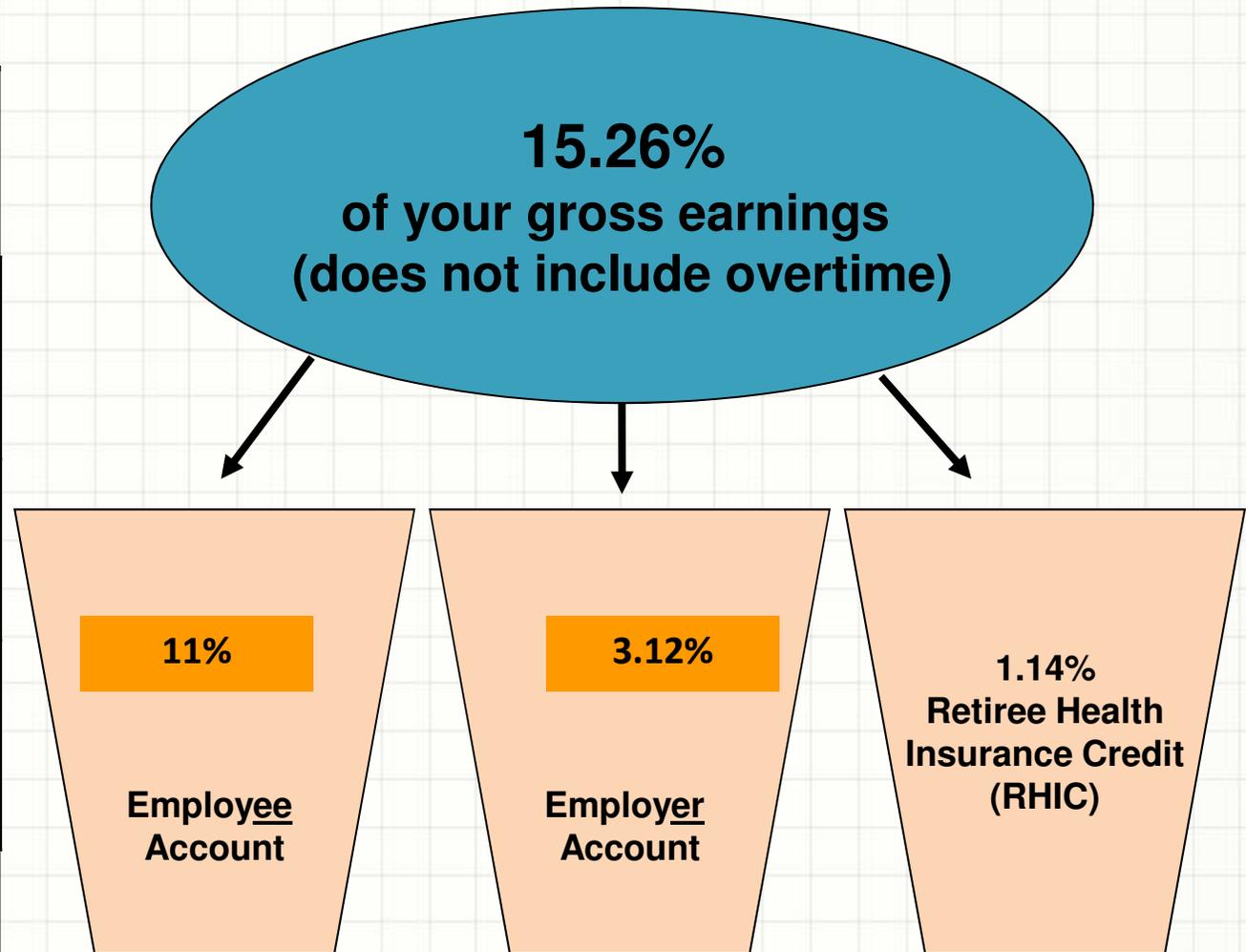
Retiree Health Credit

Portability Enhancement Provision (PEP)

- PEP is an optional program that allows a member to vest in the employer contribution
 - *Requires participation in a Deferred Compensation Plan (457/403(b))*
- Vested employer contributions are added to the member's account balance
- The result is increased portability

How PEP Works . . .

Years of Service	Your Investment in Deferred Comp
0-12 months	1% of gross pay or minimum of \$25
13-24 months	2% or minimum of \$25
25-36 months	3% or minimum of \$25
37 + months	4% or minimum of \$25



NDPERS distributes into these accounts

DBH Benefits at Termination

DBH Member Account Balance Options:

- Lump Sum Refund (before age 59 ½)
 - 20% federal tax withholding
 - 14% state tax withholding
 - of the federal amount
 - 10% penalty for early withdrawal
- Direct Rollover
 - Taxable amount only
 - Avoid tax & early withdrawal penalties
- Combination rollover/refund



Retirement Benefit Formula

Defined Benefit Hybrid Plan

- Final average salary (FAS)
 - The average of your highest 36 salaries during the last 180 months worked
- Benefit multiplier
 - 2.00%
- Credited years of service
 - One month of service for each contribution

(FAS x 2.00% x Service Credit)

“Normal” Retirement in DBH

Members Hired before Jan 1, 2016

- Attain Age 65
- Achieve “Rule of 85”
(Member’s Age + Service Credit)



2015 Legislative Change:

Members Hired on or after Jan 1, 2016

- Attain Age 65
- Achieve “Rule of 90” with minimum age of 60
(Member’s Age + Service Credit)

Benefit Options in DBH

- Single Life
 - Joint & Survivor 50%
 - Joint & Survivor 100%
 - Ten Year Term Certain
 - Twenty Year Term Certain
-
- Graduated Benefit (1% or 2%)
 - Partial Lump Sum Option



Disability Benefits in DBH

- Vested after 6 months
- Long Term Disability
- 25% of Final Average Salary (FA
- \$100 per month minimum



Surviving Spouse Benefits in DBH

Assumption: Member is Active Prior to Death

- Lump Sum Payment
 - Applies to single and non-vested members
- Lifetime Payments
 - 50% of Normal Single Life or
 - 100% Joint & Survivor Payment (If deceased was age 65 or met Rule of 85)



Defined Benefit Hybrid Plan vs. Defined Contribution Plan

- Now we're going to do a quick review of the Defined Contribution Plan...

Defined Contribution (DC) Plan

How Your Retirement Contributions are Allocated

NDPERS
distributes
into these
accounts

Your employer sends to PERS
15.26%
of your gross earnings each pay period
(does not include overtime)

14.12%
TIAA-CREF

Member Account Balance
+
Vested Employer Contribution*
+
Expenses, Gains & Losses

1.14%

Retiree Health Credit

Defined Contribution Plan Vesting

- Years of Service:
 - Less than 2 years
 - 2 years
 - 3 years
 - 4 years
- Percentage vested:
 - 0%
 - 50%
 - 75%
 - 100%

Defined Contribution Options at Termination

Defined Contribution Member Account Balance Options:

- Lump Sum Refund (before 59 ½)
 - 20% federal tax withholding
 - 14% state tax withholding
 - of the federal amount
 - 10% penalty for early withdrawal
- Direct Rollover
 - Taxable amount only
 - Avoid tax & early withdrawal penalties
- Combination rollover/refund
- Systematic withdrawals



Retirement Benefit Formula

Defined Contribution Plan

- Work with TIAA representative to develop income stream scenarios
 - Select payment type and stream of income
- Monitor account balance
 - Adjust income stream if necessary
- Same process for Early Retirement or Disability retirement

Surviving Spouse Benefits in Defined Contribution Plan

- If death occurs for an active member, then the named beneficiary is entitled to receive member's vested balance.
- If death occurs after retirement has commenced, the named beneficiary is also entitled to receive member's vested balance. However, if benefits have been annuitized, they would be subject to the provisions of the annuity contract.



Quick Recap of Retirement Plan Features

**Defined Benefit
Hybrid
Retirement Plan**

**Defined
Contribution
Retirement Plan**

Differences Between the DBH & DC Plans

Defined Benefit Hybrid:

- No control over investment of funds
- Cliff vesting after 3 years
- Benefits are based on FAS.
- Benefit duration is based on the lifetime of the member.

Defined Contribution:

- Investment of funds is determined by employee
- Gradual vesting over 4 years
- Benefits not based on pre-retirement income
- Benefit duration is based on account balance.

Differences Between the DBH & DC Plans

Defined Benefit Hybrid:

- Rule of 85 (or 90)
- Fixed monthly benefit amount
- Fixed Disability benefit
- PEP available
- Option to vest in portion of employer contribution

Defined Contribution:

- No "Rule"
- Variable benefit amount and payment schedule
- Variable disability benefit.
- PEP not available
- Ability to vest in 100% of employer contribution



Retiree Health Insurance Credit

Retiree Health Insurance Credit Program (RHIC)

- Provided by an employer paid contribution (1.14% of gross pay) for the purpose of prefunding retiree health insurance credit.
 - Provides a monthly non-taxable benefit applied towards any health insurance premium.
 - Based on retirement service credit ($\$5 \times \text{YOS}^* = \text{monthly benefit}$)
 - **Benefit forfeited** if assets are moved out of NDPERS Retirement Plans

* YOS = Years of Service contributing to NDPERS

Retiree Health Insurance Credit Program (RHIC)

- Retirees and surviving spouses of DBH & DC Plans are eligible for RHIC
- Reduced for Early Retirement
- Options for married members who select a single life, 10 or 20 Year Term Certain benefit
 - ❖ 50% Joint & Survivor
 - ❖ 100% Joint & Survivor



NDPERS
Member Self Service
through PERSlink

NDPERS Home Page



North Dakota Public Employees Retirement System

Sparb Collins
Executive Director

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Member Services

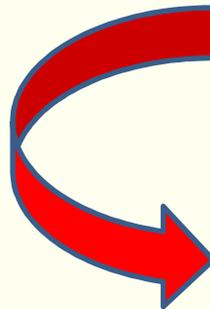
- Active Members
- Temporary/Part-Time Employees
- Retirees

Online Services

- PERSLink MEMBER Self Service
- PeopleSoft Portal
- Secure File Transfer

Employer Services

- Program Administration



Also available for
iPhone & Android devices!



NDPERS
PERSLink
Member Self Service



Retiree Health
Credit Portability
Effective July 1, 2015



NDPERS
Upcoming
Events

NDPERS renews with
Sanford Health Plan
for 2017-2019 Biennium.



FlexComp
Information



2016
Flu Shot
Clinic

NDPERS Home Page in 2017

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North Dakota State Government



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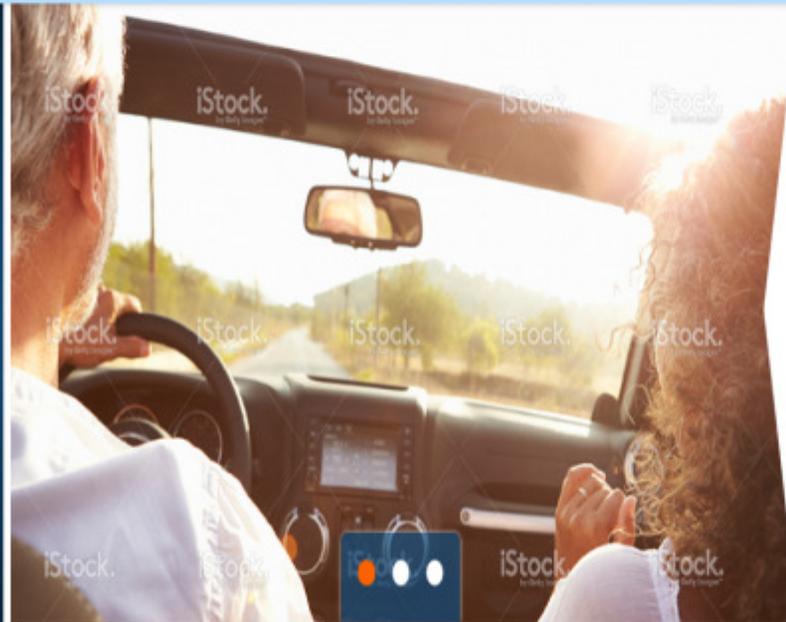
NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

ACTIVE MEMBERS

RETIRED MEMBERS

EMPLOYERS

PERSLink LOGIN



RETIREMENT WEBINAR

"The Starting Line"

A step by step guide about how to start your
happy retirement.

Read More



I WANT TO...



LIFE EVENTS



POPULAR FORMS



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Consultant/Provider Services

Deferred Comp Providers

We are pleased to welcome you to PERSLink Member Self Service.



Already Registered? [Access PERSLink Member Self Service \(MSS\)](#)

Also available for iPhone and Android devices.



Not Registered Yet? See below for instructions and other important information.

[Instructions for Logging into PERSLink MSS Online](#)



[Instructions for Downloading and Accessing PERSLink MSS Mobile](#)



Member Self Service Login

North Dakota
login

Already Registered - [Not Sure?](#)

North Dakota Login:

[Forgot Login](#)

Password:

[Forgot Password](#)

Login

[Update your account](#)

New to North Dakota Online Services?

Register Now!

Benefits of North Dakota Login

- One North Dakota Login and password to access multiple [ND Online Services](#)
- Register once for secure access to State services

Need help? Read through the [FAQ](#).

MSSActive Member Home Maintenance - Windows Internet Explorer

http://10.2.17.106/PERSLinkWSS/(S(nphyw4tjdv104uciupl5zeye))/wfmDefault.aspx

File Edit View Favorites Tools Help

Convert Select

North Dakota Public Employ...

MSSActive Member Home Maintenance

Home Feeds (3) Read Mail Print Page Safety Tools Help

North Dakota nd.gov Official Portal for North Dakota State Government

ND Public Employees Retirement System Member Self Service

Home Forms Contact Us Switch Member Logoff

Member ID : 107905 Welcome, **Employee Demo** Change Font Size: A A A

Alerts & Messages
You have 3 messages

Your Account(s)
Home Page
NDPERS Plans
Member Account Balance
Service Purchase Contract
Benefit Estimates
Annual Statements

Related Tasks
Personal Profile

Welcome to the PERSLink Member Self Service (MSS). MSS is a secure website where you can view and update your NDPERS benefit plans and personal profile. If applicable, you can also perform retirement and service purchase benefit estimates.

Alerts & Messages
You have 3 messages

Personal Profile
View or Edit Your Personal Profile

NDPERS Plans
Enroll, Update or View Plans

Member Account Balance
View Member Account Balance

Benefit Estimates
Perform, Request or View Benefit Estimates

Service Credit Purchase
Perform, Request or View Service Purchase

Annual Statements
View Your Annual Statements

Privacy Policy & Disclaimer | NDPERS © 2008

Done Local intranet 100%

start Office Communicator Person Maintenance -... MSSActive Member H... GoToMeeting 2:02 PM

Benefit Estimates

Step 1

Your Account(s)

- Home Page
- NDPERS Plans
- Member Account
- Service Purchase
- Benefit Estimates

Related Tasks

- Personal Profile
- Spouse/Designat
- Upcoming Semini

You have 1 messages

Personal Profile
View or Edit Your Personal Profile

Benefit Estimates
Perform, Request or View Benefit Estimates

NDPERS Plans
Enroll, Update or View Plans

Service Credit Purchase
Perform, Request or View Service Purchase

Step 2

Your Benefit Estimate

What would you like to do?

Step 3: Enter Retirement Date

Plan : Main Retirement

Benefit Account Type : Retirement

Last Date of Employment : 04/20/2034

Retirement Date : May 2034

Spouse Date of Birth :



If you do not indicate a Termination Date and Retirement Date, the benefit estimate will project continued employment until you reach your Normal Retirement Date.

Would you like to factor annual salary increases into your Final Average Salary? If yes, please enter

Monthly Salary Percent Increase : 3

Month Salary Increase Effective : July

Enter the typical salary percent increase you receive annually. Example: If you receive 4%, enter a 4

Step 4: Add Service Purchases

Member Details

Plan : Main Retirement

Benefit Account type : Retirement

Termination Date : 04/20/2034

Retirement Date : 05/01/2034

Monthly Salary Percent Increase : 3

Month Salary Increase Effective : July

Spouse Date of Birth :

Service Credit Change : Unused Sick Leave Purchase Additional Service Months



Step 5: Benefit Estimate Results

Benefit Calculation ID : 46137

Plan : Main Retirement

Benefit Type : Retirement

Employment Termination Date : 04/20/2034

Retirement Date : 05/01/2034

Spouse Date of Birth :

Normal Retirement Date : 05/01/2034

Service Credit Details

Credited Service on File :	100.000000	Unused Sick Leave Converted (Months) :	0.00
Unused Sick Leave Conversion Cost :	\$0.00		
Service Months Purchased :		Service Months Purchase Cost :	\$0.00
Estimated Credited Service (months) :	335.0000		
Estimated Credited Service (years) :	27 Years 11.0000 Months		
Age at Retirement :	+ 57 Years 2 Months		
Service Age :	85 Years 1.0004 Months		

Benefit Calculation and Options

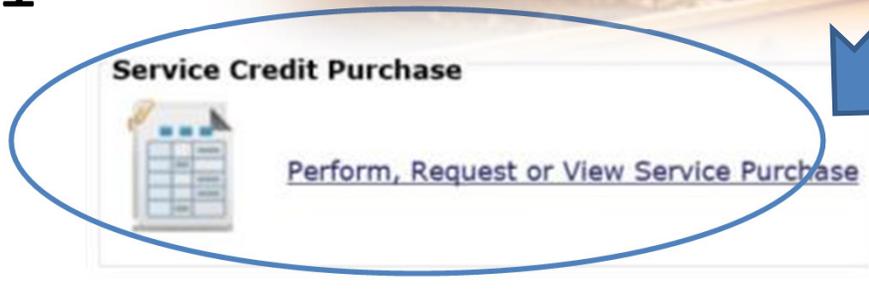
Final Average Salary	Benefit Multiplier %	Years of Service Credit				
\$5,666.02	2.0000	27.9167				
Payee	Benefit Option	Gross Benefit Amount	Monthly Non Taxable Amount	Monthly Taxable Amount	Benefit Amount After Deductions	Total Deductions
Member	Single Life	\$3,163.53	\$0.00	\$3,163.53	\$3,163.53	\$0.00
Member	20 Year Term Certain	\$2,969.61	\$0.00	\$2,969.61	\$2,969.61	\$0.00
Member	10 Year Term Certain	\$3,106.27	\$0.00	\$3,106.27	\$3,106.27	\$0.00

Retiree Health Insurance Credit

RHIC Option	Member RHIC Amount
Standard Health Credit	\$139.58

Service Purchases

Step 1



Step 2 Service Credit Purchase

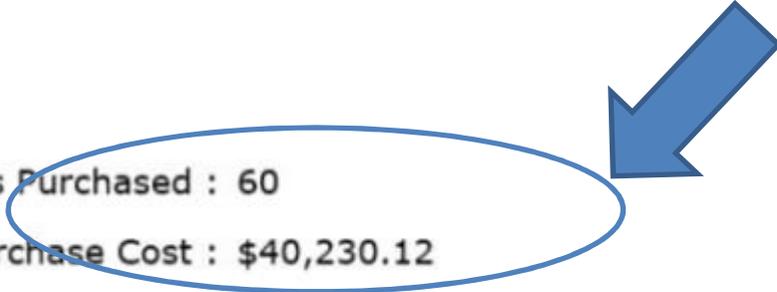
What would you like to do? **Calculate a service purchase cost estimate** Go

Step 3: Enter number of months

Purchase Type	From Date	To Date	Additional Service Credits
Additional Service Credit			60
Leave of Absence	<input type="text"/>	<input type="text"/>	
Military Service	<input type="text"/>	<input type="text"/>	
Previous Public Employment	<input type="text"/>	<input type="text"/>	
Previous NDPERS Employment	<input type="text"/>	<input type="text"/>	

Step 4: Results

Service Months Purchased : 60
Service Months Purchase Cost : \$40,230.12



*Cost varies for each individual based upon actuarial components:
Date of Birth, Final Average Salary, Age eligible for unreduced retirement benefits, Number months purchased

Step 5: Submit to NDPERS

Service Purchase Payment Schedule

Your purchase payment election amount must be higher to complete your purchase within 180 Months, please enter in a higher amount.

Please read the [Provisions for the Purchase of Service Credit & Conversion of Unused Sick Leave](#).

If you would like to request an official service credit purchase estimate from NDPERS, submit your [Request for a Service Purchase Estimate](#)



Step 6: Notification

- You will receive a letter verifying request, along with required forms
- Specified amount eligible for rollover
- Partial amount must be paid after-tax
- Estimate valid for 90 days



We have reviewed

- Temporary window for Defined Contribution Plan (2013 Legislation)
- Review of Defined Benefit Hybrid Plan (DBH) and Defined Contribution Plan (DC) provisions
- 2015 Legislative Changes
- Retiree Health Credit Program
- PERSLink Tools through Member Self Service

Finding NDPERS Website Page for Provider Representatives



North Dakota Public Employees Retirement System
For Deferred Comp Providers

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- Program Enrollment

Consultant/Provider Services

- Deferred Comp Providers

This following pages are designed to provide information specifically geared for Program provider representatives. **Specific requirements** must be met for you

NDPERS 457 Plan Provider Training

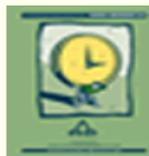


Provider representatives are contractually required to attend periodic education before the NDPERS Board, every two years after initial training has occurred.

- [Resource Documents](#)
- [Summary of Investment Options](#)
- [Updated Provider Representatives Listing](#)
- [Investment Options for the Companion Plan](#)
- [Provider Representative Handbook](#)
- [Defined Benefit Hybrid Retirement Plan Handbook](#)

NOTE: Each link to the handbooks below will open in a new window. Be sure

Deferred Compensation Plan Summary



- [Deferred Compensation Eligibility](#)
- [Deferred Compensation Enrollment](#)

Deferred Compensation Plan Document



Re-Certification Form and Evaluation Form



North Dakota Public Employees Retirement System
For Deferred Comp Providers

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Provider Training

To assist in fulfilling this requirement, NDPERS staff will conduct 457 Deferred contractual requirements, participants may receive continuing education credit.

2016 NEW Provider Agent Training

- [NDPERS New and Newly Reappointed 457 Provider Training \(webinar\)](#)
- [PowerPoint Slides](#)
- [Certification Form](#)

2016 CURRENT Provider Agent Training

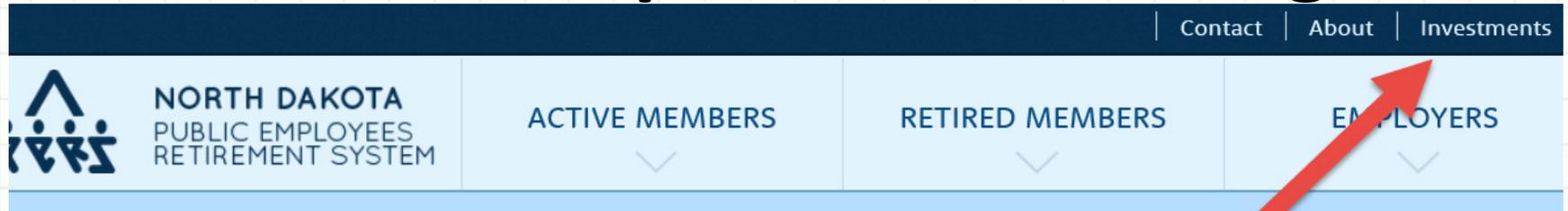
- [NDPERS Mandatory 457 Provider Training \(Webinar\)](#)
- [PowerPoint Slides](#)
- [GoToWebinar Troubleshooting Guide](#)
- [Recertification Form](#)
- [Evaluation Form](#)

Client Training - PERSLink

- [Welcome to PERSLink Member Self Service Features](#)

NDPERS NEW Website Coming Soon!

Provider Representatives Page



Home / Investments

INVESTMENTS

401 (a) Defined Benefit Plan

- [About the State Investment Board](#)
- [Investment Policies](#)
- [Asset Class Definitions](#)

401(a) Defined Contribution Plan

- [TIAA Investment Information](#)
- [Defined Contribution 401\(a\) Plan](#)
- [Investment Policies](#)

457(b) Deferred Compensation Plan

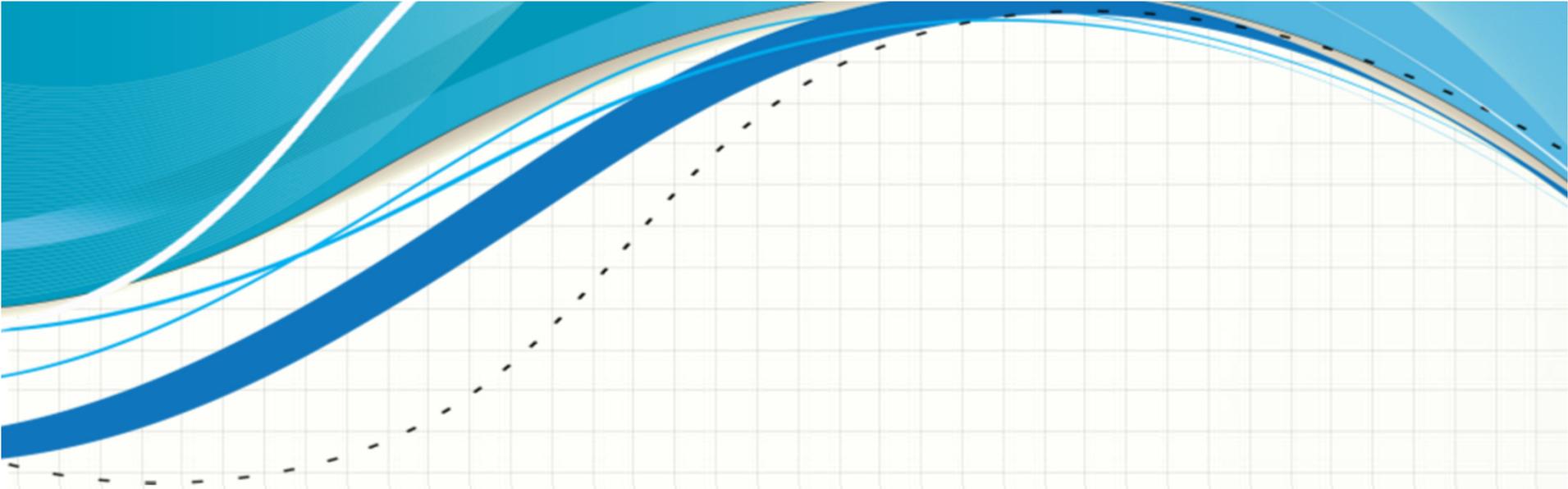
- [Companion Plan Provider](#)
- [TIAA Quarterly Performance Report](#)
- [Provider Resources](#)
- [457 Investment Options Booklet](#)

1. Click Investments at top of page

2. Click Provider Resources below 457(b) Deferred Compensation Plan

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Questions?

PLEASE SUBMIT QUESTIONS TO
NDPERS-INFO@ND.GOV