

January 2015

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PERSonnel UPDATES

The Newsletter for Authorized Agents & Personnel/Payroll

Editor: Sharmain Dschaak

Events & Mailings

2015 Pre-Retirement Education Program (PREP)

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

Date

May 13, 2015

Location

Bismarck Event Center (Civic Center)

Retirement Plan Updates

Preparing W-2 Forms

If the employee is participating in the NDPERS Retirement Plan, check "Retirement Plan" in box 13 on the W-2 form. The NDPERS Retirement Plan is a qualified plan as described in section 401(a). If the employee is participating in the NDPERS 457 Deferred Compensation Plan, use "Code G" in box 12a through 12d with the total amount of contributions reported in box 12 on the W-2 form. If you have questions, call Jim at (701) 328-3945.

Reportable Wages

"Wages" and "salaries" do not include fringe benefits such as:

- Lump sum payments for unused sick, personal, or vacation leave
 - Must be included before the termination date to be considered salary. Anything after that day is considered a lump sum payment and is not considered as eligible wages and therefore is **not** contributable.
- Overtime and straight overtime
- Housing allowances
- Transportation expenses
- Early retirement incentive pay
- Severance pay
- Medical insurance
- Workforce safety and insurance benefits
- Disability insurance premiums or benefits
- Shift differential
- Recruitment and retention bonuses
 - Performance or longevity bonuses may be reported as salary if annualized over the time period it is earned.

2014 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.

Group Insurance Updates

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

A webinar will be made available on the NDPERS website in the near future regarding this upcoming change. NDPERS will send email notification to the primary authorized agent to forward to your employees to let them know the webinar is available. 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.

Employer Based Wellness Program Plan 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, 2015 to June 30, 2016. Coordinators need to submit this application to NDPERS for review by **February 28, 2015**. NDPERS will notify coordinators in April if their application is approved for the premium discount effective July 1, 2015. Employers requesting funding will be notified in June if their funding request was approved.

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.

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, 2014 to June 30, 2015. Coordinators should submit this form for the current year by **May 31, 2015**. If you have any questions on the application process, please call Rebecca at (701) 328-3978 or email 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.

ACA Temporary Employees & Form Updates

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 changed to reflect the ACA definition, which is "an employee who works at least 30 hours per week or 130 hours per month."

NDPERS recently revised the Health Insurance Application or Change SFN 60036 to require an employer to certify that the employee is eligible due to the ACA requirements. The form will require the employer to indicate if the temporary employee is eligible due to a monthly measurement or through a look-back measurement. NDPERS will not allow temporary employees to enroll in coverage through PERSLink 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 modified the decline form and renamed it the Acknowledgement of or Decline Offer of Health Insurance Coverage SFN 60711. The form was modified based upon employer feedback to have a separate section for state employees who are covered under another state employee's contract (spouse or parent). This modified form is available in the New Hire kit and also on the website. It is up to you as the employer to either retain the form permanently in their personnel file or forward the form to NDPERS to retain.

If you have questions, please contact Rebecca Fricke at (701) 328-3978 or rfricke@nd.gov.

1095(b) Coverage Information Mailing

BCBS we will be providing coverage information (notice 1095b) to the NDPERS group health plan contract holders for the 2014 plan year. Participants can use the information when completing their income tax return. BCBS will be mailing the notice to the contract holder's home address on file by the end of January.

Member & Employer Self Service Updates

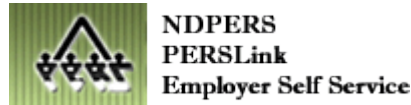
MEMBER SELF SERVICE (MSS)



Featured Topic: Benefit Estimate 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)



Staff Change

Jim Smrcka will be retiring on February 2, 2015. Derrick Hohbein will replace Jim as Accounting Supervisor. His contact information will be (701) 328-3945 or dhohbein@nd.gov.

Miscellaneous

Revised NDPERS Kits & Forms

The following NDPERS Kits have been updated and will be available on the website by the week ending January 23rd. Please utilize these updated versions as needed.

- Retirement Kit
- Deferred Retirement Kit
- Disability Kit
- Notice of Transfer Kit
- Refund/Rollover Kit
- New Hire Kit

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• Money at Work Retirement Webinar• GASB 68 Employer Training & 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 March 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.

We're **on** the Web!

See us at:

www.nd.gov/ndpers