



# PERSonnel Updates

Newsletter for Authorized Agents, HR & Payroll Personnel

## Executive Director Search

Update on the Search for a New NDPERS Executive Director  
A [Transition Subcommittee](#) was appointed by the NDPERS Board to assist in the recruitment of an Executive Director. Additionally, a national recruiting company EFL was contracted to ensure finding the right candidates.

The Transition Subcommittee and EFL met on January 12 to discuss potential candidates eligible for an interview. The subcommittee will hold preliminary interviews on February 2 in Executive Session.

Applications are still being accepted. View the [position specifications](#) and apply. Send your resume to Lauren at [lmcelderry@eflassociates.com](mailto:lmcelderry@eflassociates.com).

## Group Insurance

Employer Based Wellness Program – Upcoming Deadlines

### A. 1% Discount Application by February 28, 2018

The [Employer Based Wellness Program Discount Application SFN 58436](#) is available on the NDPERS website through the [Employer Based Wellness Program](#) page. Employers can complete and submit it to notify NDPERS of their wellness activities for the new plan year July 1, 2018 to June 30, 2019.

Coordinators need to submit this application to NDPERS for review by February 28, 2018. NDPERS will notify coordinators in April if their application is approved for the premium discount effective July 1, 2018.

**Employers that participate in the NDPERS group health insurance plan and do not have an approved wellness discount application will be billed for the full premium (without the 1% discount) effective July 1, 2018.**

### B. Funding Requests for Wellness Activities by February 28, 2018

If you intend to request funding through the Wellness Benefit Funding Program, the [Wellness Benefit Funding Program Application SFN 58361](#) must be submitted along the Discount Application by February 28, 2018. Employers requesting funding will be notified if their funding request is approved in June.

### Questions related to funding?

Refer to the [funding program guidelines](#) or contact Kathy at (701) 328-3918.

### C. End of Year Wellness Activities Report by May 31, 2018

Coordinators must complete and submit the [Employer Based Wellness Program Year-End Program/Activity Confirmation SFN 58437](#) by May 31, 2018. The current wellness plan year is from July 1, 2017 to June 30, 2018. This form updates NDPERS on the completion status of your organization's wellness activities.

### Questions on the application process?

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

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## 1095-B Mailing to Individuals Covered During 2017

Sanford Health Plan is required to send 1095-B forms to all individuals who had health insurance during the 2017 calendar year as a requirement of the Affordable Care Act (ACA). This form provides details about an individual's insurance coverage and any spouse/child(ren) on their policy. To comply with this regulation, Sanford Health Plan will send 1095-B statements to members no later than March 2, 2018.

## 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.**

**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 the employee enrolls when initially eligible or wishes to continue participation 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.

## **Questions on group health insurance coverage eligibility?**

Contact Rebecca Fricke or Kathy Allen at [rfricke@nd.gov](mailto:rfricke@nd.gov) or [kallen@nd.gov](mailto:kallen@nd.gov).

## FlexComp Enrollment Window Changes

Effective January 1, 2018, the initial enrollment period for FlexComp changed to 31 days of employment into an eligible position or within 31 days of an [IRS Qualified Change in Status](#). The purpose of this change is to have consistency throughout NDPERS insurance and FlexComp plans.

## 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 Sanford Health Plan 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. Also, be sure to review your existing policies to ensure that your policy remains in compliance when there are premium increases.

If you have questions, please contact or Rebecca Fricke (NDPERS) 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 specified employers must provide this notice on an on-going basis to new hires within the first 2 weeks of employment. It is the employer's responsibility to distribute the notice.

Access the [sample template prepared by NDPERS](#) on our website under Employer ACA information.

## Publications & Forms Online

### SIGN UP FOR NDPERS NEWS

subscribe

Sign up to receive NDPERS  
news & updates delivered  
straight to your inbox.

#### Printed Active Member Newsletters

As a reminder, the printing and mailing of active member newsletters is discontinued. We encourage employers and members to subscribe to NDPERS news through the website or follow us on Facebook.

#### Updated Forms Available

Forms with a revised date prior to 2017 will be returned to the sender. The updated forms are available on PERSLink Member Self Service (MSS), PERSLink Employer Self Service (ESS) and on the [NDPERS website](#).

Most forms are fillable and can be completed online or they may be downloaded, printed, signed, dated, and mailed or faxed to NDPERS.

#### 2017 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](#).

## Retirement Plan

Plan Year 2018 Annual Contribution Limits 457 Deferred Compensation Plan  
The annual deferral limits established by the Internal Revenue Code for the NDPERS 457 Deferred Compensation plan will be increased for the calendar year 2018.

**The 457 Deferred Compensation Plan under-age-50 contribution limit for calendar year 2018 is \$18,500. The contribution limit for participants age 50 or older can be an additional \$6,000 or an annual maximum amount of \$24,500.** Any employee who attains age 50 in 2018 is eligible to begin the 50+ additional catch-up amount in January 2018. There is no special 50+ form to complete. The 457 Deferred Compensation Plan Enrollment/Change (SFN 3803) has a 50+ box in Part C to be marked to indicate the higher limit eligibility.

**The annual limits for participants enrolled in the deferred compensation plan regular or “normal” 3 years catch-up option is \$37,000 for 2018.** Employees who wish to enroll in the “normal” 3 years catch-up must submit the [457 Catch-Up Worksheet \(SFN 51501\)](#) to NDPERS for certification of eligibility.

Employees who wish to increase their deferred compensation plan monthly contribution amount must access their PERSLink Member Self Service (MSS) and click on *Your NDPERS Plans* or complete the [457 Deferred Compensation Plan Enrollment/Change form \(SFN 3803\)](#), the month prior to the month in which the change in contribution is to occur.

## Upcoming Education Events Schedule – Bismarck Registration Available

***What Seminar Meets my Needs?***

Your needs vary throughout your life. Depending on where you are in your career, you might find yourself either saving for your kid's college, purchasing service credit, or determining the best path towards retirement. NDPERS now offers two seminars to meet your employees' need for information as life evolves; learn about the difference between FEW and PREP in the following comparison table.

<b>Financial Essentials Workshop (FEW)</b>	<b>Pre-Retirement Education Program (PREP)</b>
<b>Duration:</b> 4 hours <b>Cost:</b> \$10	<b>Duration:</b> 8 hours <b>Cost:</b> \$15
Ideal for new hires and other active employees interested in maximizing NDPERS benefits for financial planning success	Ideal for individuals interested in retiring in the next 5 years seeking information on retirement planning
<b>Focus</b> <ul style="list-style-type: none"> <li>• Financial planning as an active employee</li> <li>• Service purchases</li> <li>• 457(b) Deferred Compensation Plan</li> <li>• Portability Enhancement Provision (PEP)</li> <li>• FlexComp</li> <li>• College Save with BND</li> </ul>	<b>Focus</b> <ul style="list-style-type: none"> <li>• NDPERS retirement benefits</li> <li>• Retiree insurance plan options</li> <li>• Legal estate planning</li> <li>• Retiree Health Insurance Credit (RHIC)</li> </ul>
General overview of NDPERS programs available to assist in planning and budgeting to meet your long-term financial planning goals	General overview of NDPERS benefits and options available at retirement
Print or download materials from the NDPERS website	Print or download materials from the NDPERS website

**Registration is available for Bismarck Education Events this April.**

<b>Event</b>	<b>Date</b>	<b>Location</b>	<b>Times</b>
<a href="#"><u>Financial Essentials Workshop (FEW)</u></a>	April 17	Bismarck Heritage Center	1 pm – 5 pm
<a href="#"><u>Pre-Retirement Education Program (PREP)</u></a>	April 18	Bismarck Event Center	8 am – 5 pm



## PERSLink Updates

### ***PERSLink Employer Self Service – Payroll Reporting for Bonus/Retro Payments***

ND law requires bonuses to be annualized over a 12-month period, and retro payments to be spread to the months earned. Wages paid for bonus or retro payments should not be reported on regular payroll reports, but should instead be submitted as adjustment reports.

### ***PERSLink Employer Self Service – Reporting the Last Paycheck for an Employee***

Payroll must be reported for all employees according to the employer's regular pay period schedule. This includes the last paycheck for an employee **who is retiring or separating from employment**. Final wages can not be paid and reported early outside of the regular pay cycle but should be paid and reported to NDPERS when the regular paycheck would have occurred. For more tips, reference our memo on [How to Avoid Common Mistakes that can Affect your Employees Retirement](#).

### ***PERSLink Employer Self Service – Collecting Payments Electronically***

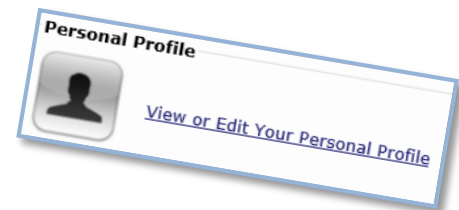
Starting July 1, 2019, all payments submitted to NDPERS by our employers will be required to use the debit ACH functionality. This is part of NDPERS efforts to reduce cost as directed during the last legislative session. To sign up for the Debit ACH functionality that exists in PERSLink ESS, submit the [Organization Authorization for Electronic Payment \(SFN 59511\)](#).

### ***PERSLink Member Self Service – Add your Email Address***

NDPERS encourages members to add a preferred email address to their [PERSLink Member Self Service \(MSS\)](#). We have started distributing communications electronically including Annual Statements on PERSLink MSS and newsletters distributed to employees through their employers.

To update an email address on PERSLink MSS, please share these steps with your employees:

1. Log in to your PERSLink MSS at <https://ndpers.nd.gov/login>
2. On the home screen, click on View or Edit your Personal Profile
3. Add or edit your email address
4. Click on Save email



This move to more electronic communications is in accordance with the legislature's intent to create operating efficiencies. In addition, through electronic communications channels such as the [NDPERS website](#), [Subscribe email option](#), [Facebook](#), [PERSLink MSS online or Mobile App](#), NDPERS can reach our members on a more regular basis with relevant timely benefit updates.

## Online Resources

### ***NDPERS Website Features***

- [FlexComp Reimbursement Options](#)
- [Service Purchase Step by Step Guide](#)
- [NDPERS News](#)
- [Upcoming Events](#)

Look forward to your next edition of the PERSONnel Updates in March 2018.

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.

Visit the NDPERS website

<https://ndpers.nd.gov>

