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# PERSonnel Updates

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## General

### Severance or Reduction in Force

If you are offering employees a severance package or considering a reduction in force, please contact NDPERS prior to offering so that potential impact for members relating to each NDPERS plan can be discussed with you. Contact MaryJo Anderson or Rebecca Fricke at NDPERS.

## Legislation

If you are interested in the upcoming legislation that NDPERS is considering for the next legislative session, please refer to our website. Legislative updates and more information can be found at

<https://ndpers.nd.gov/latest-news/summary-of-legislative-proposals/>.

## Events

### Upcoming Events 2018

Grand Forks FEW September 11  
Grand Forks PREP September 12

### Upcoming Events 2019

Fargo FEW May 29  
Fargo PREP May 30  
NDPERS Payroll Conference June 19  
Bismarck FEW September 17  
Bismarck PREP September 18

## Group Insurance

### NDPERS to Discontinue UNUM Long Term Care (LTC)

After careful consideration by NDPERS' staff and Board, effective January 1, 2019, NDPERS will discontinue offering the UNUM Long-Term Care (LTC) plan as part of our line of benefit programs. Recognizing the opportunities for long-term care insurance coverage available through North Dakota partnership plans which offer tax incentives to members, coupled with low interest from employees to join the plan and several monthly premium rate increases within the past years, helped lead to this difficult decision.

NDPERS will be sending notification to impacted members in the upcoming months prior to the January 1, 2019 effective date with an option to continue the coverage through a direct-billing process with UNUM.

NDPERS will also be providing notification in December, through the benefit enrollment report, to the employers of impacted members prior to the payroll cutoff for January 2019 so that payroll can suspend the deduction. Please contact Rebecca Fricke at [rfricke@nd.gov](mailto:rfricke@nd.gov) if you have any questions.

## Employer Minimum Participation, Contribution

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.

## Retirement Plan

### Sick Leave for Members Transferring from one NDPERS Employer to Another

If one of your employees is transferring employment from one participating employer to another participating employer without terminating eligible employment, NDPERS will record unused sick leave for that employee if the new employer certifies that it will not accept the transfer of that leave. The certification requires the completion of the *Transfer of Unused Sick Leave Verification – SFN 53404* by the member, the former employer, and the new employer. NDPERS must receive this fully completed form within 60 days after the employee leaves employment with the former employer. **The SFN 53404 form is located in the Transfer Kit/Forms.**

What happens if a member leaves employment and decides to return to work?

The answer to this question depends on three (3) factors: what employing agency is member returning to, if member is at normal retirement age, and the type of employment status.

If at normal retirement (“rule”/age 65):

A member may return to work with a different employer than the employer in which they retired (all state agencies are considered one employer, “state”) in either a non-benefited or benefited position and may “waive” participation in the retirement plan. The member would be able to continue collecting retirement benefits from NDPERS.

If a member returns to work with a different employer than the employer in which they retired, takes a benefited position, and elects to participate in the retirement plan, retirement benefits will be suspended. Depending on when NDPERS is notified of the new employment, the member may be required to pay retirement benefits back



to NDPERS if benefits were received for the same month in which new employment began. Once the member leaves employment, the member can re-apply for retirement benefits; however, the retirement benefit amount will change due to additional service credit accrued and reported wages with the new employment. Upon application to NDPERS, a new benefit amount will be calculated using the same benefit option and the new service and FAS.

If the member returns to work with the same employer (all state agencies are considered one employer, "state") and takes a benefited position for retirement, members are required to participate in the retirement plan as an active employee. Depending on when NDPERS is notified of the new employment, the member may be required to pay back retirement benefits to NDPERS if benefits were received for the same month in which new employment began. Once the member leaves employment, the member can re-apply for retirement benefits; however, the retirement benefit amount will change due to additional service credit accrued and reported wages with the new employment.

If the member returns to work with the same employer (all state agencies are considered one employer, "state") and takes a non-benefited position for retirement, the member is not required to participate in the retirement plan as an active employee and may continue receiving a retirement benefit from NDPERS. The member must complete a waiver of participation and file it with NDPERS. If this applies, the member must ensure that there is a separation of at least 31 days from receipt of their last paycheck to guarantee they would have the extra month of employer paid NDPERS health insurance. (members who terminate employment/retire have NDPERS health insurance coverage until the end of the month following the month of termination. Example: Last day 10/31/18, insurance ends 11/30/18). If the member's employment status changes without a break in service, they may not have an additional month of insurance as the new employment status would determine your eligibility for insurance, which starts the month following the effective date of the new employment status.

To clarify, a benefited position for retirement is working in a permanent, regularly funded position that is at least 20 hours per week for at least 20 weeks per year. If the position does not meet this criteria, you are not required to participate in the NDPERS retirement plan. If the position is classified as part-time (less than 20 hours/week) or temporary (regardless of the number of hours), the member could voluntarily participate in the retirement plan. If they choose to participate, they cannot continue receiving retirement benefits and may be required to pay back any retirement benefits received from the date they started participating in the retirement plan again.

If a member's position is considered contracted where there are no benefits (annual leave, sick leave, etc.), there is no impact on their retirement benefits.

Waiving participation in the retirement plan does not impact their eligibility for other benefits offered by the employer.

### **NDPERS Defined Benefit Plan Retirement Eligibility**

Occasionally NDPERS receives calls from employers asking for clarification about the Mandatory Participation Requirements for employees in the NDPERS Defined Benefit Retirement Plan. These eligibility requirements are listed below.

### Mandatory Participation Requirements

If an employee works a minimum of 20 hours per week for 20 weeks of the year, is at least eighteen years of age, filling a permanent position that is regularly funded and not of limited duration, an employee must participate in the defined benefit plan unless participation was waived in writing when employer joined NDPERS. (Mandatory Participation Requirements for the Public Safety Retirement Plan is a minimum of 32 hours per week for 20 weeks of the year.)

#### Other Reminders:

- Eligible employees should be enrolled the first month of eligible employment, even when hired subject to a probationary period.
- There is no maximum age limit applicable for enrollment purposes.
- Be sure to periodically review your employee listing and hours worked to make sure employees still meet mandatory participation requirements.
- Elected officials of participating counties must, at their individual election, either enroll in NDPERS within the first six months of their term or waive participation. If no election is made within the first six months, they cannot join until they begin a new term.
- All other elected or appointed officials of participating governmental units who meet the mandatory participation requirements must be enrolled within the first month of taking office.

### Optional Participation for Part-time/Temporary Employees

Employees that are at least eighteen years old, and not covered under the mandatory participation requirements, may elect to participate in the NDPERS Defined Benefit Retirement Plan within the first 180 days of employment, or within 180 days from date of status change to part-time or temporary employment. If electing to participate, the employee is required to contribute the entire contribution rate of 15.26% of gross monthly salary to the plan as an after-tax deduction.

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

An employee participating in the Defined Benefit Retirement plan must choose a retirement account option when leaving employment. The kit/forms you give to the employee depends on the option they choose.

NOT Vested	Vested (36 months of Service Credit or age 65)
<p><b>Leave member account balance with NDPERS</b></p> <ul style="list-style-type: none"> <li>▪ If you return to employment, accrued service and account balance are recognized</li> <li>▪ Account accrues interest*</li> </ul>	<p><b>Receive a lifetime annuity</b></p> <p><u>Early Retirement</u> - member age is 55 (Age 60 if hired after 1/1/2016)</p> <p><u>Normal Retirement</u> - member age is 65 or meeting "Rule", whichever occurs first.</p> <p>Interest no longer accrues once payments begin.</p>



<b>Lump Sum Refund</b> <ul style="list-style-type: none"> <li>▪ Tax Implications</li> <li>▪ Forfeit service credit and RHIC</li> </ul>	<b>Lump Sum Refund</b> <ul style="list-style-type: none"> <li>▪ Tax Implication</li> <li>▪ Forfeit service credit and RHIC</li> </ul>
<b>Direct Rollover</b> Forfeit service credit and RHIC	<b>Direct Rollover</b> Forfeit service credit and RHIC
<b>Combination rollover/refund</b>	<b>Combination rollover/refund</b>

\*Interest accrual subject to legislative change or Board action

- **RETIREE** – Early retirement may begin as early as age 55 (or age 60, if hired after 1/1/2016) in the Main Plan. Normal (unreduced) retirement benefits may begin at age 65 in the Main Plan or age 55 in the Public Safety Plan. If you meet the “Rule”, when your age plus service credit equals 85 (or 90, if hired after 1/1/2016), you may also receive an unreduced monthly retirement benefit. Member should review “**Retirement Kit**” and **complete the necessary forms**.
- **DEFERRED VESTED** – **Whether vested or not, a member may choose to leave his/her account balance at NDPERS** and receive a refund or rollover at a later date or, if vested, a monthly benefit. Interest is compounded monthly up to the time member chooses to receive a distribution. If member is not vested and the account balance is less than \$1,000, a refund will be issued automatically upon termination, unless NDPERS is notified the member wants to leave his/her account intact. Member should review “**Deferred Retirement Kit**” and **complete the necessary forms** to leave account at NDPERS.
- **DISABILITY** – If the member has 6 (six) months of service credit and medically qualifies; he/she may be eligible for disability benefits. The disability must have occurred during a period of eligible employment and the employee must submit an application to NDPERS within 12 months from date of termination. Member should review “**Disability Retirement Kit**” and **complete the necessary forms**.
- **TRANSFER** - If a member is transferring to another NDPERS employer and meets retirement eligibility, the member continues to make retirement contributions for service credit along with maintaining his/her current level of benefits. If the receiving employer will not accept the accrued sick leave balance, the member may choose to verify the hours with NDPERS, so at retirement, they have the option to purchase the converted sick leave. NDPERS must receive the verification of unused sick leave within sixty days after the member leaves employment with the former employer. Member should review “**Notice of Transfer Kit**” and **complete the necessary forms**.
- **REFUND\*** - If a member chooses to receive a refund of his/her account balance, payment is made directly to the member and is subject to payment of federal and state taxes. If you are under the age of 59 1/2, you may be subject to an additional 10 percent penalty for early withdrawal. Member should review “**Refund/Rollover Kit**” and **complete the necessary forms**.

- **ROLLOVER\*** – If the member chooses to directly rollover all or a portion of his/her account balance into a traditional IRA or an eligible employer plan, the rolled over portion is not taxed until taken out of the plan. NDPERS requires a letter of acceptance from the institution indicating they will accept the funds. If no election is made regarding the amount to be rolled over, NDPERS will automatically rollover the taxable portion only. Any remaining non-taxable income will be sent to the member. Member should review **“Refund/Rollover Kit”** and **complete the necessary forms.**

**\*With refund/rollover options**, the funds are not available until member is off covered payroll for approximately 60-90 days. Also the member forfeits all service credit to the date of the distribution, as well as:

- Retirement Benefits
- Disability Benefits
- Non-Vested Employer Contributions
- Retiree Health Insurance Credit (RHIC)
- Health Insurance Coverage
- Dental Insurance Coverage
- Vision Insurance Coverage

## Employer Self Service

### Authorized Agents

Authorized agents play a very important role with NDPERS. These are individuals who are responsible to conduct business with NDPERS such as payroll reporting, enrolling employees, and being a liaison between employees and NDPERS. Authorized agents become the primary contact for NDPERS.

Any time an authorized agent leaves employment, or duties change that require authorized agent updates those changes need to be communicated to NDPERS. Any changes to your authorized agents can be made by completing SFN 17029: <https://ndpers.nd.gov/image/cache/SFN-17029-notice-of-appointment-of-authorized-agent-contact.pdf>

### 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 within ESS. Employers are encouraged to sign up now to start realizing cost savings and efficiencies sooner than later.

This is part of NDPERS efforts to reduce cost as directed during the last legislative session. To sign up for the Debit ACH functionality, please complete and submit the <https://ndpers.nd.gov/image/cache/SFN-59511-org-auth-for-electronic-payment.pdf>.

If you have questions please contact Derrick Hohbein at 701-328-3945 or [dhohbein@nd.gov](mailto:dhohbein@nd.gov).

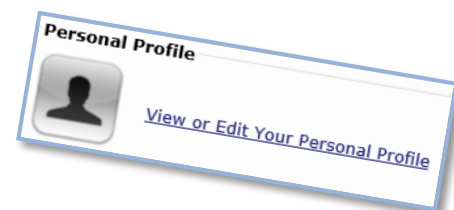
## Member Self Service

### **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



You may also update an email address through the PERSLink MSS Mobile App:

1. Open application
2. Select a plan
3. Select the hamburger at the top left
4. Go to Profile
5. Add or edit your email address
6. 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.

## NDPERS Board Election

### **NDPERS Board Election Results**

Ms. Kim Wassim was re-elected to a five-year term on the NDPERS Board. Her new term is effective July 1, 2018, and ends June 30, 2023. Ms. Wassim is currently a Human Resource Officer with the Human Resources Management Services division of OMB. View election results at <https://ndpers.nd.gov/latest-news/kim-wassim-re-elected-to-the-board/>



Look forward to your next edition of the PERSONnel Updates in August 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>