

**November 2015**

**Volume 23, Issue 6:**

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# PERSonnel UPDATES

**The Newsletter for Authorized Agents & Personnel/Payroll**

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## Events & Mailings

### **Special Enrollment for ACA Temporary Employees**

NDPERS will be conducting 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 23 through December 11, 2015.

See "Group Insurance Plan Updates" section for details.

## Retirement Plan Updates

### **Eligibility and Participation Requirements**

An employee is eligible to participate in NDPERS either as a mandatory or an optional participant if they are employed by a participating employer.

#### **Mandatory Participation Requirements**

Any employee working a minimum of 20 hours per week (32 hours for Law Enforcement) for 20 or more weeks of the year, at least eighteen years of age, and filling a permanent position that is regularly funded and not of limited duration must be enrolled at NDPERS effective the first month of employment for retirement purposes.

The new employee must submit a retirement membership application before NDPERS can accept retirement contributions. New employees must make application through PERSLink Member Self Service or by completing the Retirement Membership Application SFN 2561 in the New Hire Kit. Both the link to Member Self Service & the New Hire Kit can be found on the NDPERS website.

#### **Optional Participation Requirements**

Any employee who is at least eighteen years old, and does not meet the mandatory participation requirements, may elect to participate in NDPERS within the first 180 days of employment, or within 180 days of changing from permanent to temporary/part-time employment. They may not participate in NDPERS if actively contributing to another employer-sponsored plan. This applies to both private and public pension funds. Retirement participation is at their expense. State Law NDCC 54-52-02.9, expressly prohibits the employer from paying any portion of an optional participant's contribution.

## **NDPERS Political Subdivisions Administering Roth 403(b) & 457(b) Plans**

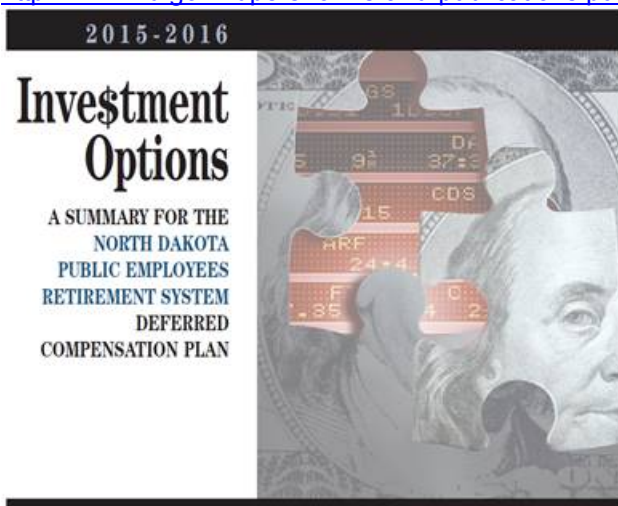
At the September 2015 NDPERS Board meeting, it was approved that Roth (after-tax) contributions into non-NDPERS sponsored 403(b) and 457(b) plans may be reported to NDPERS as contributions eligible for PEP purposes. Previously political subdivisions that administered Roth 403(b) and Roth 457(b) plans were not allowed to report these contributions. However, the purpose of PEP is to encourage supplemental savings for retirement. Effective January 1, 2016, political subdivisions that offer non-NDPERS employer sponsored 403(b) and 457(b) plans with Roth contributions may begin reporting these contributions to NDPERS, as these contributions will be eligible for PEP purposes. Roth contributions will be allowed on a prospective basis effective January 1, 2016, and no adjustments will be made for Roth contributions prior to this date.

*Please note: Only regular 403(b) and 457(b) plans may be used to purchase additional years of service credit within the NDPERS retirement plans, if a member chooses this option. Roth contributions are not eligible for rollover to purchase service credit.*

## **NDPERS 457 Deferred Compensation Plan**

The updated Investment Options Summary for the NDPERS 457 Deferred Compensation Plan is now available. The booklet contains information on all the providers and investment options available in the plan. Inside you will find a description of the investments options available and the contact information for all the active providers. For each provider, all the investments are listed along with their investment objective, associated expenses and historical performance. The investment options summary is located on the NDPERS web site at:

<http://www.nd.gov/ndpers/forms-and-publications/publications/investment-options.pdf>



## Group Insurance Updates

### **NDPERS Approval Required for the State of ND FlexComp Plan Change in Status**

All qualified IRS Change in Status Events for Flexcomp Medical Spending Accounts, Dependent Care Accounts, and/or Premium Conversion must be reviewed and approved by NDPERS. **No changes should be made to an employee's record without having NDPERS authorization that the change is permitted.** Employers will be notified via email and/or the ESS Benefit Enrollment Report if the change is approved. The notification indicates the new pledge amount and effective date of the change.

Unapproved IRS changes may result in a discrepancy between ADP, NDPERS, and Payroll. Unapproved changes may also impact the eligibility of the Flexcomp claim and violate IRS rules.

Qualified IRS Change in Status Events includes:

- Change in marital status
- Change in number of dependents

- Change in employment status
- Change in dependent's eligibility
- Certain Judgments, Decrees and Orders
- Medicare or Medicaid
- Change in cost of dependent care services or change in dependent care provider
- Unpaid Leave of Absence

These guidelines only apply to qualified Change in Status Events occurring throughout the plan year.

### **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 health insurance coverage due to meeting the Affordable Care Act (ACA) requirements. The special enrollment window will be from **November 23 through December 11, 2015**. If coverage is elected during this window opportunity, it will be effective January 1, 2016.

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."

For temporary employees wishing to enroll, NDPERS 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. Please download this form from the NDPERS home page as a special header for the ACA Temporary Employee special enrollment has been added to the form for use during this window.

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. NDPERS will enter the enrollments into PERSLink and they will be included on the Benefit Enrollment report that you generate through PERSLink Employer Self Service (ESS). Enrollments for temporary employees will be listed first on the report.

In addition, NDPERS has created the Acknowledgement of or Decline Offer of Health Insurance Coverage SFN 60711 that will be available during this special enrollment period. If a temporary employee wishes to decline coverage, this form must be completed and must also be used for any future new hires whose position is temporary and meets the ACA eligibility definition. This form should also be completed by any eligible (permanent or temporary) state employee who is not the policy holder as they are married to another state employee who carries the policy. 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](mailto:rfricke@nd.gov).

### **State Employee Changes in Employment Status from Permanent to Temporary**

NDPERS has recently updated the Employer Guide clarifying the impact to group insurance coverage for state employees who change their employment status from Permanent employment to Temporary employment status. If a state employee goes from Permanent employment to Temporary employment status, then the employer paid insurance benefits can only be provided through the employer under the permanent employee rates through the end of the month of permanent employment. Please refer to the employer guide at <http://www.nd.gov/ndpers/employers/docs/handbook/health.pdf> for additional details on changes in status of this nature.

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

### **ACA Reporting Requirements**

Sanford Health Plan has provided a resource to assist our political subdivision employers with their ACA reporting requirements. Sanford Health Plan recently held a seminar (for their other lines of business) regarding the 6055/6056 reporting requirements, presented by Lisa Carlson, Sanford Health Plan's Executive Director of Planning and Regulation and Tom Pruner, Jr. with Eide Bailly. The seminar can be viewed here: <https://youtu.be/TYhC8DH9rG0>

The video will outline the forms required to be completed, as well as what Sanford Health Plan will be providing. The video is approximately 1 hour in length, so plan accordingly. Please remember that the video was presented to a broad audience

and therefore, may have some information that is not applicable to the NDPERS population. *The NDPERS group health insurance is a fully-insured health plan.*

Topics included in the presentation:

- 6055/6056 reporting – using appropriate tax forms to prove that individuals had appropriate health insurance coverage during calendar year 2015
- Potential implications of the small group definition for 2016
- Counting hours for applicable large employers and the employer responsibility provision
- Due dates and other important information

After listening to the seminar, you will learn that:

- A forms – are sent by Federal Facilitated Marketplace – to members who purchased insurance through [healthcare.gov](http://healthcare.gov)
- B forms – are sent by Sanford Health Plan and BCBS - to all fully insured members (except for members insured through [healthcare.gov](http://healthcare.gov))
- C forms – are sent by employers - to all full-time employees as defined by ACA (note this is applicable to large employers only)

For large employers (50 or more full-time employees or equivalents), Sanford Health Plan will supply these employers with information required for the 1095-C forms in approximately mid-December. Sanford Health Plan will provide details on coverage from July through December 2015. If you have questions after viewing the seminar, please contact Lorie (Helgeson) Ellis at (605) 328-6803 or [Lorie.Helgeson@sanfordhealth.org](mailto:Lorie.Helgeson@sanfordhealth.org).

For coverage information from January through July 2015, Onalee Sellheim (BCBS) will be a resource for employers. Her contact information is (701) 282-1154 or [Onalee.Sellheim@bcbsnd.com](mailto:Onalee.Sellheim@bcbsnd.com).

***State agencies will not need to complete these tax reporting requirements as they will be handled through the Office of Management and Budget (OMB).***

NDPERS will be posting additional materials regarding these tax reporting requirements on the ACA page of our website at <http://www.nd.gov/ndpers/news/special-aca-forum.html> by December 1 to further assist employers.

If you have any questions, please contact Rebecca Fricke at (701) 328-3978.

## **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.

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 100 employees or less in 2016), 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 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. **Please respond to Sanford Health Plan by the requested date of December 1.**

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.

If you have questions, please contact or Rebecca Fricke (NDPERS) at (701) 328-3978.

## Member & Employer Self Service Updates

### MEMBER SELF SERVICE (MSS)



NDPERS  
PERSLink  
Member Self Service

Featured Topic:

#### **Employee Review of Designated Retirement & Life Insurance Beneficiaries**

Remind employees to review and if necessary update their designated beneficiaries. On MSS, employees can review their designated beneficiaries for retirement and life insurance by clicking on the plan and scrolling to the bottom of the screen where they will be listed.

If there is no beneficiary listed or they need to make a change, the employee must complete and mail a Designation of Beneficiary to the NDPERS office (Designation of Beneficiary for Group Retirement Plan SFN-2560 or Life Insurance Designation of Beneficiary SFN-53855). The forms are available by clicking on the link at the bottom of the Beneficiary Section or in the Forms Tab at the top of their MSS.

### EMPLOYER SELF SERVICE (ESS)



Employer  
Self  
Service  
PERSLink

#### **Additional Rate Columns Added to Main Retirement Plan in ESS**

Senate Bill 2015 was passed this last legislative. It provides that each active member of the NDPERS Defined Contribution (DC) plan will be given the opportunity to rejoin the NDPERS Defined Benefit (DB) plan. If an eligible employee transfers to from the DC plan to the DB plan, they will be required pay an additional 2% employee contribution. Employers will be notified of the employee's transfer.

Employers will see new columns in ESS to accommodate the additional 2% contribution. Here is an example:

Retirement Rate										
Export To Excel										
Employment Type	Effective Date	EE Post Tax	EE Pre Tax	EE Emp Pickup	ER Pre Tax	ER RHIC	EE RHIC	DC-DB EE Pre Tax	DC-DB EE Post Tax	DC-DB EE ER Pickup
Main Regular8	11/01/2015	0.00%	3.00%	4.00%	7.12%	1.14%	0.00%	2.00%	0.00%	0.00%
Main Temp	01/01/2014	14.12%	0.00%	0.00%	0.00%	0.00%	1.14%	0.00%	0.00%	0.00%



## **New Employees**

Employers must enter their new employee into ESS as soon as they are hired. (State Agencies on Central Payroll must enter the new employee into PeopleSoft). Once the new employee's employment details are sent to NDPERS through ESS or PeopleSoft, a PERSLink Member Id is created. Once the new Member Id is created, the employee may make application for their retirement and/or insurance benefits through Member Self Service or submit a New Hire Kit.

It is the employer's responsibility to make sure the employee has completed their benefit enrollment(s) and that the monthly payroll reports are posted. Without enrollments, NDPERS is not able to post an employee's payroll that has been submitted. This is problematic when an employee terminates before completing the enrollment and contributions have already been submitted NDPERS.

## NDPERS Website Resources

Home Page	NDPERS News	Employer Services Program Administrations
<ul style="list-style-type: none"><li>• Proposed Changes to Administrative Rules</li><li>• Express Scripts Medicare (PDP)</li></ul>	<ul style="list-style-type: none"><li>• Register for TIAA-CREF Visits</li></ul>	<ul style="list-style-type: none"><li>• Helpful Tips on ESS</li><li>• ACA Information</li><li>• GASB 68</li></ul>

Look forward to receiving your next edition of the PERSonnel Updates in January 2016.

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.

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We're **on** the Web!

*See us at:*

[www.nd.gov/ndpers](http://www.nd.gov/ndpers)