

NDPERS RETIREE BENEFITS COMMITTEE

May 5, 2017

MINUTES

* - Present

BOARD MEMBERS: *Yvonne Smith

STAFF: *Sparb Collins, *Bryan Reinhardt, *Kathy Allen, *Rebecca Fricke,
*MaryJo Steffes, *Aime Miller, *Sharon Schiermeister

Guests:

Interest Groups:

Membership Representatives:

*Dave Zentner, *Weldee Baetsch, *Bill Lardy, *Ron Leingang, *Denae Kautzman, *Curt Zimmerman

ND Capitol Ft. Totten Room

Minutes

10:00 – Sparb started the meeting and thanked everyone for coming. The presentation started with the retirement plan. The funded ratio is stable, but without the final year of the recovery contribution increase, it will not move to 100% funded status. The plan would move down with the change in the return assumption to 7.75%. The funding increase did not pass this legislative session. One new change is firefighters can now join the law enforcement plans.

The active health rates went up 17.4%, but after plan design changes and buying down premiums the State increase will be 9.8% for the biennium (Same for the Non-Medicare rates). The retiree health rates only increase on the medical side about 6.5% (Part-D increases are in January). The plan is buying down the rates by over 2% using reserves. The total increase will just over 2% for the next two years (Additional increases may come in January of each year depending on the Medicare Part-D renewals).

The group discussed the changes and potential cost savings for the Part-D EGWP plan. The group discussed if the plan should be unbundled or remain bundled with the medical plan. There are advantages/disadvantages to both. Adverse selection is a big unknown and potential problem. At the prior meeting the group discussed surveying the membership. The group discussed the survey questions developed by staff. The topic is complicated and getting the best wording is difficult. It was noted that Federal changes could happen. The committee decided to wait and not do a survey of the membership. These topics could be communicated in the newsletters and the retirement kit.

The group discussed the retirement plan and funding. Sharon discussed the NDPERS budget reductions and the move toward more electronic communications and payments. There were no other questions or issues.

11:30 – Adjourn

To: Claudia Ruffolo

From: Bryan Reinhardt

Subject: NDPERS Retiree Benefits Subcommittee Meeting

In accordance with the policy effective August 26, 1993 for compensating Board members for attendance at sub-committee meetings, the date of the Retiree Benefits sub-committee meeting and member attendance is as follows:

Date: May 5th 2017

Meeting Time: 10:00am – 11:30am

<u>Attendees</u>	<u>Meeting Length</u>
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Yvonne Smith	1.50 hours
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