



# pectives

*RETIREE EDITION*  
*Volume 29, Number 1*

## *A Word from the Executive Director*

As the NDPERS Executive Director, one of the things I most like to do is talk with our members and retirees. You can imagine I don't get that opportunity very often – our counselors and staff get to do that on a regular basis, and they do their jobs incredibly well. Usually the only time I get the chance to do that is when the member or retiree isn't happy with the result of their discussion with my staff (although I am happy to say I also get frequent calls from folks who are incredibly appreciative with how things are going, and I truly love those calls). I am, of course, happy to take the unhappy calls, as well – our job is to provide service to you, after all.

One of the most frequent types of “those” calls is to ask why retirees have not received a benefit increase in almost 20 years. The short answer to that is unfortunately clear – we simply do not have the money. Our astute retirees point out that we have over \$3 billion in our pension trust fund. Surely that is enough to provide an increase, isn't it!?

Unfortunately, the answer to that question is equally clear – no, it's not nearly enough. You see, while we do have over \$3 billion in assets, we have over \$4.5 billion in liabilities (“liabilities” means how much we owe to all of our Main NDPERS plan members, both actives and retirees alike). As a result, we only have about 68% of the assets we need in order to ensure that we can pay all of the benefits (that is, all of the liabilities) that we owe to our actives and retirees. Based on the current structure of our Main PERS retirement plan, we are projected to run out of money by the year 2120. There is simply no way to get legislative approval for a retiree benefit increase

when we are not projected to have enough money to pay the benefits we currently owe.

We have tried for five legislative sessions in a row to improve our funding. I am happy to say that we have been somewhat successful in doing so; in 2011 and 2013 the Legislative Assembly approved contribution increases, and has since then passed several benefit reductions for new employees, all of which have extended the date at which we are projected to run out of money.

However, more needs to be done. The NDPERS Board has submitted two different bills for the upcoming legislative session that would increase contributions to the Main PERS plan (and one bill for the Highway Patrol plan) in an effort to improve our funding and our ability to pay benefits in the future. I understand there will be at least two other bills introduced this upcoming session that are also intended to do the same thing. Significant legislative help to improve the funding of our pension plans is a necessity before we could consider any other benefit proposals. If you would like to take an active role in our attempt to become better funded, please consider reaching out to your Legislator.



**Scott A. Miller**  
*Executive Director*

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*Images courtesy of:  
Medora (cover),  
National Park Service  
State Capitol (page 6)  
North Dakota Tourism*

## Retirement Plans

- Main
- Judges
- Public Safety
- Highway Patrol
- Job Service
- Defined Contribution
- Supplemental Retirement Savings (457 Deferred Compensation)
- Retiree Health Insurance Credit (RHIC)

## Insurance Plans

- Health
- Medicare Part D Prescription Drug Coverage
- Dental
- Vision
- Life
- Flexible Compensation Program
- Employee Assistance Program

# Your 1099-R is on its way

You will have access to your 1099-R by the end of January. This tax form lists the retirement benefits you received from NDPERS during 2020. Use it to file your taxes with your tax accountant professional.

NDPERS will mail a copy to the mailing address on your account or you can download and print it through Member Self Service (MSS).

☐ CORRECTED (if checked)

|   |  |  |  |  |   |   |
|---|--|--|--|--|---|---|
| PAYER'S name, street address, city, state and ZIP code<br><b>ND PUBLIC EMPLOYEES RETIREMENT SYSTEM<br/>PO BOX 1657<br/>BISMARCK ND 58502-1657</b> |  |  | 1 Gross distribution<br><b>BOX 1</b>   |  | OMB No. 1545-0119<br><b>2020</b><br>Form 1099-R   | Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. |
| PAYER'S TIN<br><b>45-0282090</b>  |  |  | 2a Taxable amount<br><b>BOX 2a</b>   |  | 2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/> |   |
| RECIPIENT'S TIN<br><b>45-0282090</b>  |  |  | 3 Capital gain (included in box 2a)  |  | 4 Federal income tax withheld<br><b>BOX 4</b>   |   |
| RECIPIENT'S name, street address, city, state and ZIP code  |  |  | 5 Employee contributions/Designated Roth contributions or insurance premiums<br><b>BOX 5</b> |  | 6 Net unrealized appreciation in employer's securities  |   |
|   |  |  | 7 Distribution code(s)   |  | 8 Other %   |   |
|   |  |  | 9a Your percentage of total distribution   |  | 9b Total employee contributions   |   |
| 10 Amount allocable to IRR within 5 years.  |  |  | 11 1st year of desig. Roth contrib.  |  | 12 FATCA filing requirement <input type="checkbox"/>  |   |
| 13 Date of payment  |  |  | 14 State tax withheld<br><b>BOX 14</b>   |  | 15 State/Payer's state no.<br><b>ND / 45-0282090</b>  |   |
| Account number (see inst.)  |  |  | 17 Local tax withheld  |  | 18 Name of locality   |   |
|   |  |  |  |  | 16 State distribution   |   |
|   |  |  |  |  | 19 Local distribution   |   |

Form 1099-R Department of the Treasury - Internal Revenue Service

## What do these numbers mean?

- **Box 1 Gross Distribution**  
This amount represents the total NDPERS benefits paid to you for the year.
- **Box 2a Taxable Amount**  
This amount represents the portion of NDPERS benefits reported in Box 1 that is TAXABLE income.
- **Box 4 Federal income tax withheld**  
This is the total amount of the federal income tax withheld for the year by NDPERS.
- **Box 5 Employee Contributions**  
This amount represents the portion of NDPERS benefits reported in Box 1 that are NON-TAXABLE income. This amount is not insurance premiums paid.
- **Box 14 State tax withheld**  
This is the total amount of the state tax withholdings for the year.

You might receive more than one 1099-R from us if

- You turned 59½ during 2020. In this case, you receive one 1099-R for the time you were under 59½ years of age and a separate one for the time after turning 59½.
- You receive more than one monthly retirement benefit from NDPERS.



## *Don't miss the deadline!*

If you have not used your Retiree Health Insurance Credit (RHIC) for July 1, 2020 through December 31, 2020, don't miss the deadline. Claim your RHIC funds by March 31, 2021.

*Your monthly RHIC can be used as reimbursement of eligible after-tax insurance premiums.*

ASIFlex is the third party administrator for the NDPERS Retiree Health Insurance Credit. Contact ASIFlex with any questions by calling 800-659-3035 or emailing [asi@asiflex.com](mailto:asi@asiflex.com).

## *Access your annual statement online*

Remember, your annual statement is available on your Member Self Service (MSS) account. This statement is informational only and summarizes your current enrollment in NDPERS plans.

## *Create your will for FREE*

If you are currently enrolled in the NDPERS Life Insurance Plan through Voya, you have access to a NEW will preparation service at no additional cost. With Will Prep, you'll have online access to the tools you need to create:

- Wills
- Health Care Directives
- Power of Attorney
- Elder Care Agreements
- HIPAA Authorizations
- plus more

*This service is only available to current participants in the NDPERS Life Insurance.*

*If you are not currently enrolled, you are not eligible for Will Prep.*

To use Will Prep, log in or create a new account at [everestfuneral.com/voya](http://everestfuneral.com/voya). Then, click on Will Prep to get started. If you have questions, contact Voya at 612.342.7262.





# *Make the most of your 2021*

## *Your Guide to the Dakota Wellness Program*

### *Sanford Health Plan*

*NDPERS retiree members  
and covered spouses are eligible  
to earn up to \$250 each a year  
(\$500 per household).  
It is easy as 1-2-3!*

### **Step 1: Take Your Health Assessment**

A health assessment is required each year if you wish to redeem your \$250 benefit or receive fitness center reimbursements. Log into your account at [sanfordhealthplan.com/memberlogin](https://sanfordhealthplan.com/memberlogin). If you do not have an account, select the “Request Access for Yourself” button. Under the Insurance tab, click Portals and Links, then select Wellness Portal.

### **Step 2: Earn Your Incentive**

You can earn points toward your \$250 wellness benefit by online tracking or Fitness Center Reimbursements.



### Step 3: Redeem Points

Redeem your \$250 benefit in the Redemption Center by 11:59 p.m. on December 31. You can cash in your rewards for as little as \$10 (1,000 points) at a time.

- Go to your Sanford Health Plan account.
- Click the Insurance tab, then Portals and Links, then Redemption Center.
- The maximum amount you can receive from fitness reimbursements and redemptions is \$250 per year.

*Email Sanford at  
NDPERSWellness@  
sanfordhealthplan.com  
or call 800.499.3416.*

### Fitness Center Reimbursement

The Fitness Center Reimbursement program provides up to \$20 monthly reimbursement when you use your fitness center at least 12 times per month. Participating retirees and covered spouses are eligible to receive up to \$20 each month. The reimbursement goes towards your annual \$250 wellness benefit.

### Get Started

Go to [NIHCArewards.org](http://NIHCArewards.org) and click First Time enrollment. Members must enroll individually.

### New Virtual Workout Options Through Participating Gyms

Many of our gym partners are offering virtual workout options you can do right from the safety of your home. Check with your gym to see if they are offering virtual classes and submitting this type of workout.

### Online Tracking

Earn points towards your \$250 wellness benefit in our online wellness portal in your Sanford Health Plan account. Health trackers, information and other tools will be available to you after you take your Health Risk Assessment- which comes with its own \$25 reward. Check out the Wellness Requirements tab for all the ways you can earn your benefit online.

- Wellness Requirements: Annual doctor (\$50) and dental (\$25) visits, Tobacco Cessation (\$15), About the Patient Diabetes Management (\$15)
- Monthly Sessions: Learn about a new wellness topic (\$10 each)
- Daily trackers: Steps – Fruits & Vegetables – Strength – Low Calorie Snacks – Cups of Water  
Aerobic Exercise – Latest Weight (\$ varies)
  - Sync your wearable fitness device or download the mobile app to automatically earn \$7 a month when you are wearing your device. Click on the top right of your portal.



## Upcoming Legislative Assembly

The NDPERS Board introduced seven bills to the 67th Legislative Assembly. These bills were studied by the Legislative Employee Benefits Programs Committee, which provided favorable recommendations for each of them:

*These proposed bills  
are not final  
and are provided for  
your information only.*

### **1. Funding of Defined Benefit (Main) Hybrid and Defined Contribution Retirement Plans – Actuarially Determined Contribution Rate**

Proposes a 5.12% employer contribution increase starting January 1, 2022.

This increase proposal denotes the actuarially determined contribution rate (as of July 1, 2019) to fund the Main PERS Plan.

### **2. Funding of Defined Benefit (Main) Hybrid and Defined Contribution Retirement Plans – Fourth Year of the Recovery Plan**

Proposes a 1% employee and a 1% employer increase in contributions effective January 1, 2022 to the “Main” and Defined Contribution Retirement Plans.



### **3. Funding of the Highway Patrol Retirement Plan**

Proposes a 2% employer contribution increase on January 1, 2022 and another 2% increase on January 1, 2023.

### **4. Health Insurance Clarification – Pharmacy Benefit Manager Transparency**

Clarifies which health insurance plans need to meet Pharmacy Benefit Manager (PBM) transparency requirements as established within HB 1374 approved during the 66th Legislative Assembly.

### **5. Payment of Administrative Expenses Related to the 457 Deferred Compensation Plan**

Establishes a continuing appropriation to pay for the expenses of administering the 457 Deferred Compensation Plan.

### **6. Financial Penalties for Employers**

Establishes financial penalties for employers violating statutory processes related to benefit administration and payroll reporting.

### **7. NDPERS Technical Corrections**

- Clarifies the eligibility requirements for Retiree Health Insurance Credit (RHIC) payments.
- Provides additional guidance for payments of any remaining account balance after a member passes away.
- Changes the age at which Required Minimum Distributions must begin to be consistent with recent federal law changes.





**NORTH DAKOTA**  
PUBLIC EMPLOYEES  
RETIREMENT SYSTEM

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## ***NDPERS Board of Trustees***

The NDPERS Board consists of nine members and acts as the governing body overseeing numerous benefits for the North Dakota employees and retirees.

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