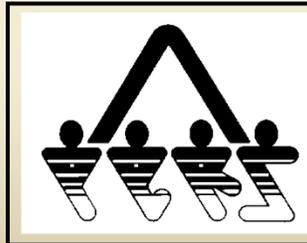


Overview of NDPERS 2013



1

PERS BOARD

- **SEVEN MEMBERS**
 - **CHAIR - APPOINTED BY GOVERNOR**
 - **THREE ELECTED BY ACTIVE MEMBERS**
 - **ONE ELECTED BY RETIRED MEMBERS**
 - **STATE HEALTH OFFICER**
 - **ONE APPOINTED BY ATTORNEY GENERAL**

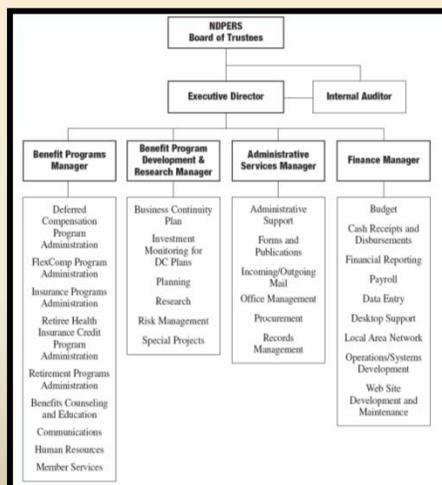
2

PERS BOARD

- *Jon Strinden* *Chair*
- *Kim Wassim* *Elected - Actives*
- *Joan Ehrhardt* *Elected - Actives*
- *Mike Sandal* *Elected - Actives*
- *Howard Sage* *Elected - Retirees*
- *Arvy Smith* *Health Officer*
- *Tom Trenbeath* *Attorney General*

3

Organization



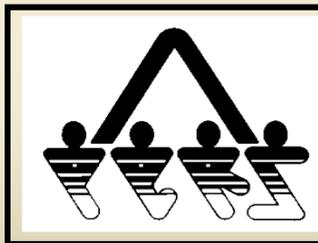
4

PROGRAMS

- **RETIREMENT**
- **GROUP INSURANCE**
- **FLEX COMP**
- **EMPLOYEE ASSISTANCE**

5

RETIREMENT PROGRAMS



6

RETIREMENT

- **DEFINED BENEFIT PLANS – 6**
 - Main
 - Judges
 - National Guard
 - Law Enforcement -2
 - Highway Patrol
 - Job Service
- **DEFINED CONTRIBUTION PLANS – 2**
 - 457
 - 401(a)
- **RETIREE HEALTH CREDIT**
- **ADMINISTRATIVE SERVICES**
 - PRIOR JUDGES
 - JOB SERVICE RETIREE HEALTH CREDIT

7

PERS Statistics

| January 1, 2013 | | RETIREMENT PROGRAMS MANAGED AND ADMINISTERED BY NDPERS | | | | | | | | | |
|----------------------|---------------------|---|----------------|-------------------|-----------|-----------|--------------------|----------------|------------------|------------------|--|
| | TOTAL RETIREMENT | Main System | D.C. 401(a) | Highway Patrol | Judges | Guard | Law Enforcement | Job Service | DEFERRED COMP | HEALTH CREDIT | |
| PARTICIPATION | | | | | | | | | | | |
| AGENCY | | | | | | | | | | | |
| State | 93 | 93 | 32 | 1 | 1 | 1 | 1 | 1 | 89 | 93 | |
| Counties | 49 | 48 | | | | | 11 | | 35 | 49 | |
| School Dist | 114 | 114 | | | | | | | 18 | 114 | |
| Cities | 81 | 75 | | | | | 6 | | 34 | 81 | |
| Others | 73 | 73 | | | | | | | 29 | 73 | |
| | 410 | | | | | | | | 205 | 410 | |
| EMPLOYEES | | | | | | | | | | | |
| State | 10,512 | 10,014 | 219 | 141 | 47 | 36 | 37 | 18 | 4,561 | 10,512 | |
| Counties | 3,583 | 3,388 | | | | | 129 | | 580 | 3,583 | |
| School Dist | 4,988 | 4,988 | | | | | | | 75 | 4,988 | |
| Cities | 1,475 | 1,431 | | | | | 44 | | 225 | 1,475 | |
| Others | 557 | 457 | | | | | | | 189 | 557 | |
| Retirees | 7,816 | 7,214 | 49 | 109 | 22 | 12 | 11 | 120 | | 4,442 | |
| | 28,931 | 27,492 | 268 | 250 | 69 | 48 | 221 | 138 | 5,630 | 25,557 | |

8

January 1, 2013

RETIREMENT PROGRAMS MANAGED AND ADMINISTERED BY NDPERS

| RETIREMENT | TOTAL | PERS 54-52 | | | | | 39-03.1 | Job Service |
|----------------------|--------|------------|--------|-------|-------------|---------|---------|-------------|
| | | Main | | Law | | Highway | | |
| | | System | Judges | Guard | Enforcement | Patrol | | |
| PARTICIPATION | | | | | | | | |
| AGENCY | | | | | | | | |
| State | 93 | 93 | 1 | 1 | 1 | 1 | 1 | |
| Counties | 49 | 48 | | | 11 | | | |
| School Dist | 114 | 114 | | | | | | |
| Cities | 81 | 75 | | | 6 | | | |
| Others | 73 | 73 | | | | | | |
| | 410 | 403 | 1 | 1 | 18 | 1 | 1 | |
| EMPLOYEES | | | | | | | | |
| State | 10,512 | 10,014 | 47 | 36 | 37 | 141 | 18 | |
| Counties | 3,583 | 3,388 | | | 129 | | | |
| School Dist | 4,988 | 4,988 | | | | | | |
| Cities | 1,475 | 1,431 | | | 44 | | | |
| Others | 557 | 457 | | | | | | |
| RETIRES | | | | | | | | |
| | 7,816 | 7,214 | 22 | 12 | 11 | 109 | 120 | |
| | 28,931 | 27,492 | 69 | 48 | 221 | 250 | 138 | |

9

Retirement Terms

- **Actuarial Valuation** – annual evaluation done by the systems actuary which determines and compares the actuarial value of assets to the accrued liabilities and determines the actuarial required employer contribution
- **Actuarial value of assets** – is a method for valuing assets over a five year period which provides more stability for planning purposes.
- **Market value of assets** – the actual value of assets on a given day
- **Statutory Rate** – the employer and employee contribution set in the North Dakota Century Code
- **Actuarial Rate** – the employer contribution for the upcoming year as determined by the actuary based upon the annual valuation
- **Margin** – The difference between the statutory rate and the actuarial rate
 - $4.12 - 6.26 = -2.14$
 - $4.12 - 3.61 = .51$

10

Retirement Equation

- **Contributions + Investment = Benefits + Expenses**

Economic

- Plan return
- Salary increases

Demographic

- Retirement rates
- Disabilities
- Mortality

- Experience Study
- Asset Liability Study

11

KEY ASSUMPTION

- **INVESTMENT RETURN**

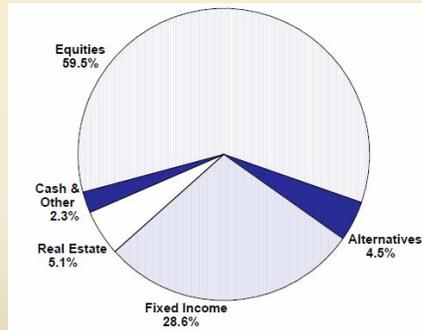
8%

Average return assumption for 127 public plans is 8%

12

NDPERS COMPARED TO OTHER STATE RETIREMENT PLANS

| <i>Asset class</i> | <i>PERS</i> |
|----------------------------|-------------|
| Domestic Equities | 31 |
| International Equities | 21 |
| Private Equity | 5 |
| Domestic Fixed Income | 17 |
| International Fixed Income | 5 |
| Real Estate | 10 |
| Other | 10 |
| Cash | 1 |



13

NDPERS and RIO

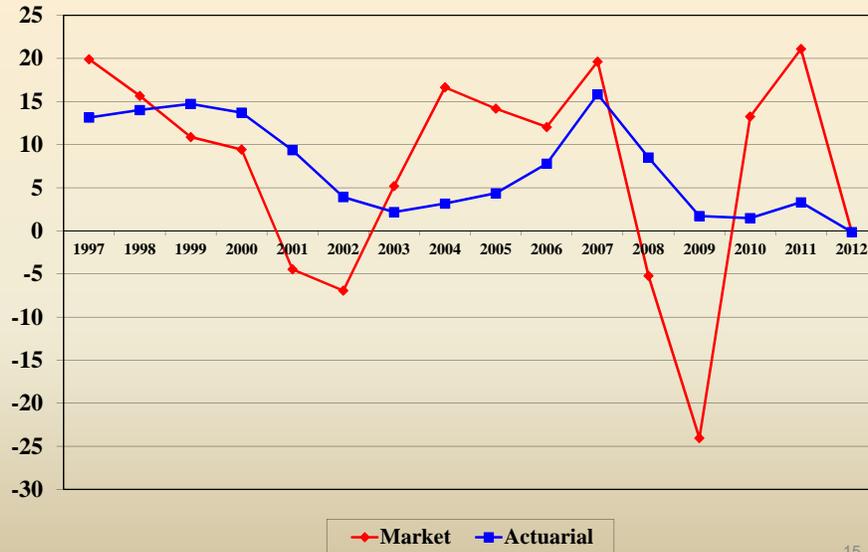
- NDPERS
 - Investment Policies
 - Asset Allocation
 - Major asset classes

- RIO
 - Hire money managers
 - Monitor money managers
 - Refine the asset classes

| SIB membership: | |
|------------------------|------------------------|
| 3 PERS Bd members | Lt Governor, Chair |
| 3 TFFR Bd members | State Treasurer |
| Land Dept Rep | Insurance Commissioner |
| | WSI Representative |

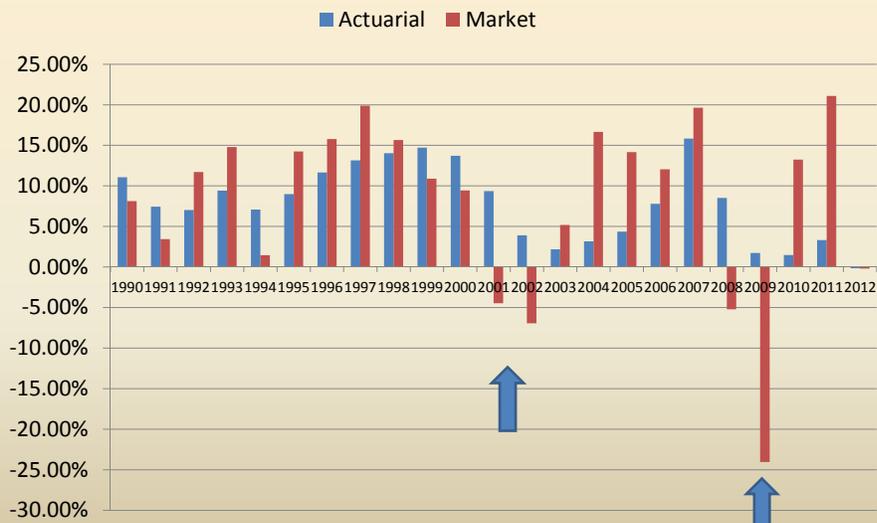
14

NDPERS Returns – (Year Ended 6/30)



15

NDPERS Main System Investment Returns



16

RETIREMENT SYSTEM

BACKGROUND DATA

17

NDPERS Main System – July 2012

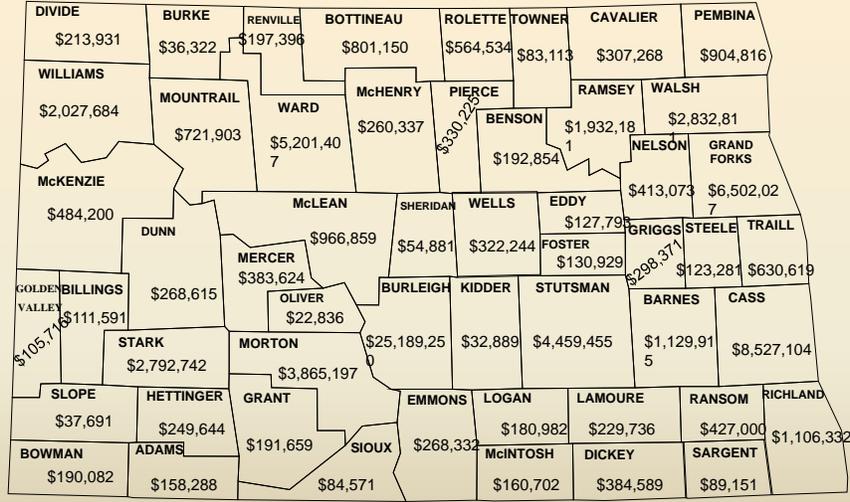
**TOTAL
CONTRIBUTIONS:
\$1,115,000,000**

**TOTAL
PAYMENTS:
\$1,125,000,000**

**FUND BALANCE:
\$1,734,000,000**

18

**NDPERS Retirees
Annual Benefits 2011**

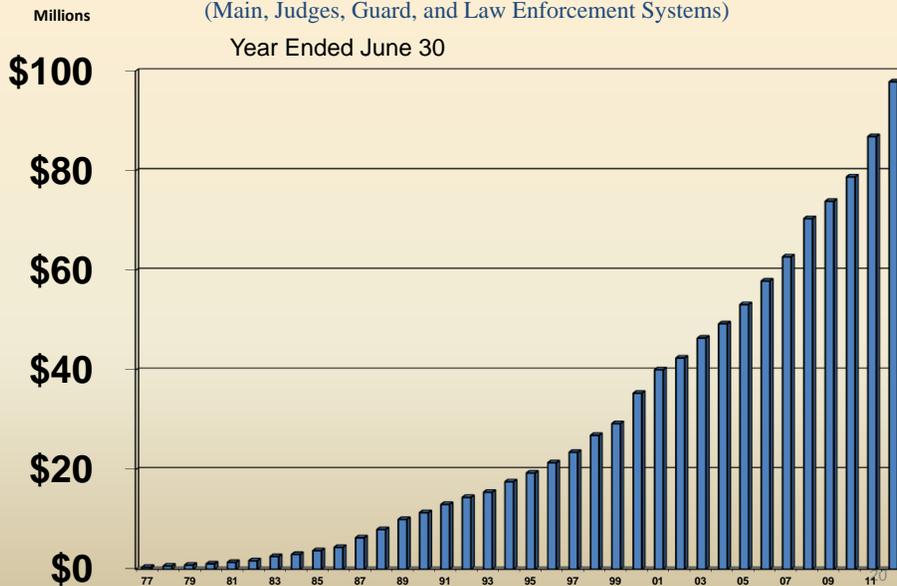


Out-of-State - \$10,415,064
Total - \$87,724,967

NDPERS Retiree Benefits

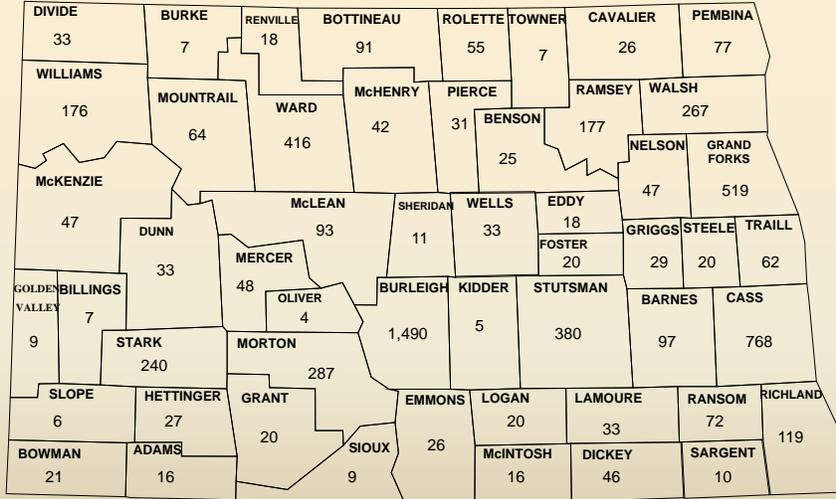
(Main, Judges, Guard, and Law Enforcement Systems)

Year Ended June 30



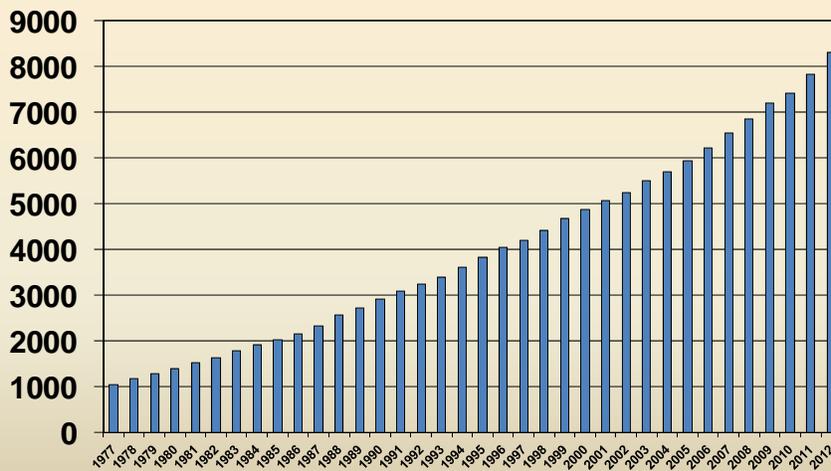
NDPERS Retirees

June 2012

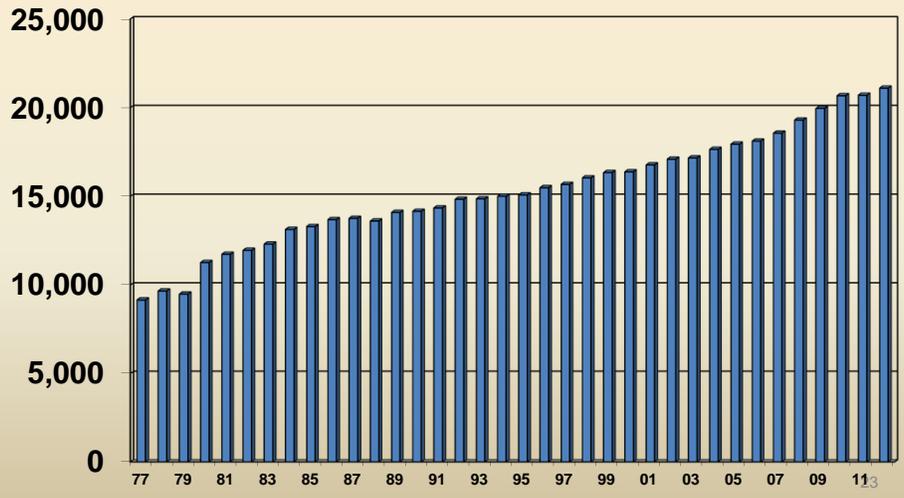


Out-of-State – 1,001

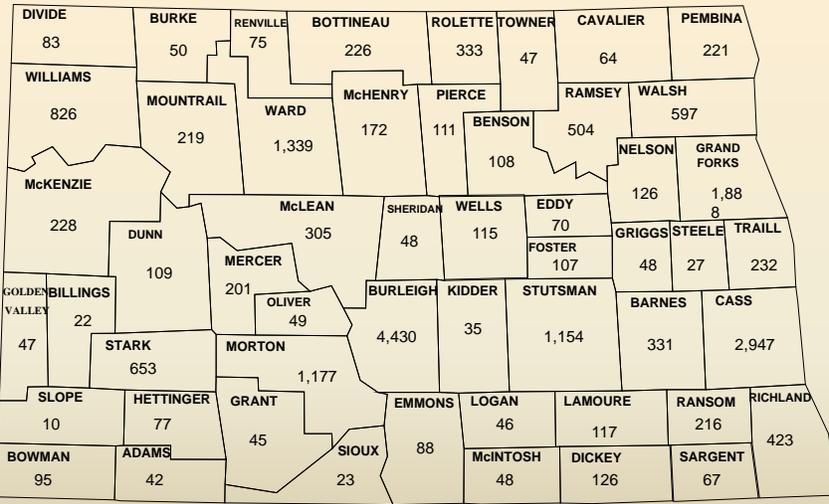
Total – 7,221



NDPERS Main System Active Members



NDPERS Active Retirement Members August 2013



Out-of-State - 1,130
Total - 21,877

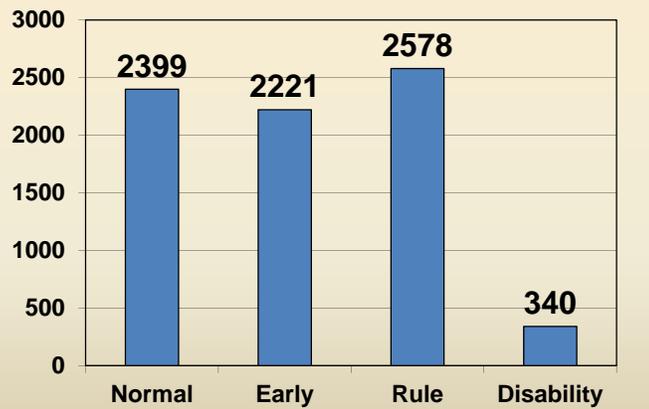
NDPERS - State

Eligible for Retirement



NDPERS Pensions In Force

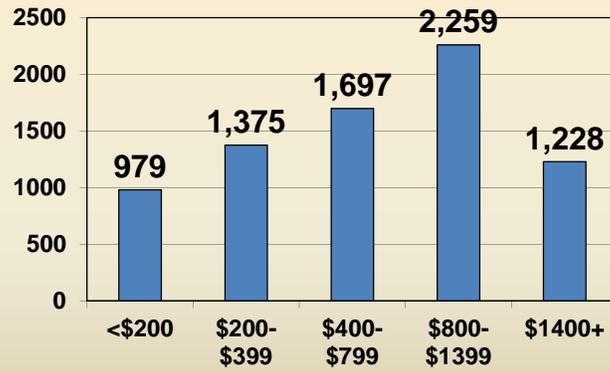
July 1, 2012



Main System, Judges, Guard, and Law Enforcement Plans

NDPERS Pensions In Force

Monthly Benefit - July 1, 2012

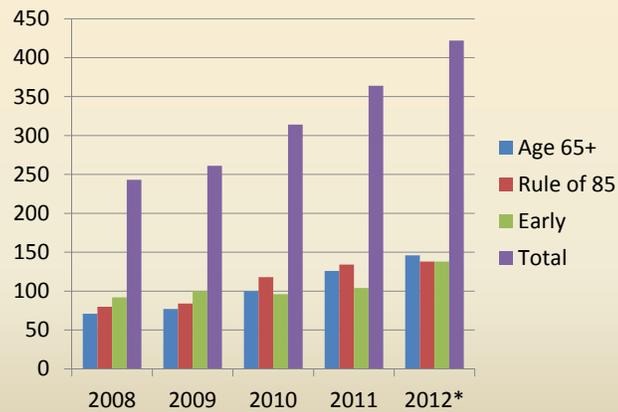


Main System, Judges, Guard, and Law Enforcement Plans

27

NDPERS - State

Retired



* - Projected

NDPERS - State

Retired Percent of Eligible

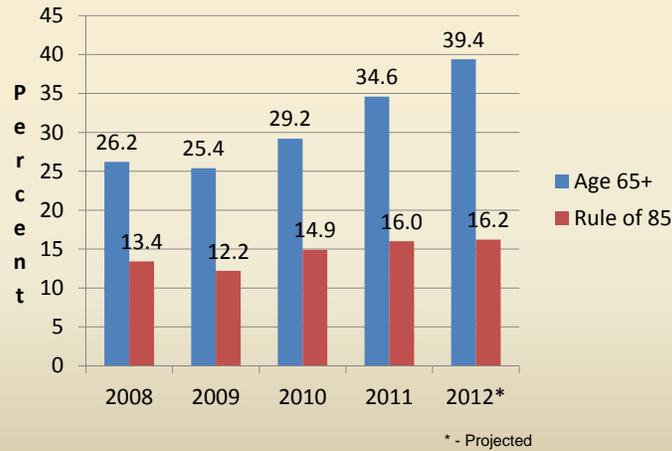


Figure 1: State and local spending on public pensions as percentage of total government spending, 2010

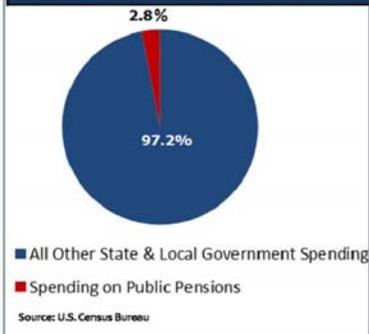


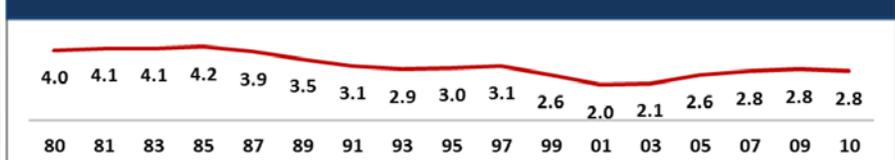
Table 1: State and local government contributions to pensions as a percentage of all state and local government spending, by state, 2010

| | | | | | |
|----------------------|------|---------------------|------|--------------------|------|
| Alabama | 2.85 | Louisiana | 3.31 | Oklahoma | 3.34 |
| Alaska | 2.25 | Maine | 2.77 | Oregon | 1.46 |
| Arizona | 2.42 | Maryland | 3.14 | Pennsylvania | 1.29 |
| Arkansas | 3.02 | Massachusetts | 3.36 | Rhode Island | 3.99 |
| California | 3.58 | Michigan | 2.32 | South Carolina | 2.24 |
| Colorado | 2.08 | Minnesota | 1.62 | South Dakota | 1.54 |
| Connecticut | 4.54 | Mississippi | 2.81 | Tennessee | 1.97 |
| Delaware | 1.99 | Missouri | 3.08 | Texas | 2.16 |
| District of Columbia | 1.33 | Montana | 2.40 | Utah | 2.76 |
| Florida | 2.58 | Nebraska | 1.60 | Vermont | 1.09 |
| Georgia | 2.14 | Nevada ¹ | 2.84 | Virginia | 3.15 |
| Hawaii | 3.57 | New Hampshire | 2.47 | Washington | 1.40 |
| Idaho | 2.38 | New Jersey | 2.03 | West Virginia | 3.87 |
| Illinois | 4.75 | New Mexico | 2.77 | Wisconsin | 2.07 |
| Indiana | 2.82 | New York | 3.68 | Wyoming | 1.24 |
| Iowa | 1.73 | North Carolina | 0.99 | U.S. weighted avg. | 2.77 |
| Kansas | 2.03 | North Dakota | 1.20 | | |
| Kentucky | 2.58 | Ohio | 2.85 | | |

States where more than one-half of public employee payrolls are estimated to be outside of Social Security are italicized.

¹ in addition to being a non-Social Security state, one-half of Nevada PERS employers' contribution is attributable to a non-refundable pre-tax salary reduction to fund the employees' portion of the contribution.

Figure 2: Pension costs as a percentage of all state and local government spending, 1980-2010



Retirement

Main System



31

RETIREMENT - MAIN

Public Employees Retirement Plan

Chapter 54-52, NDCC

| | |
|---------------------------------|--------------|
| Employer Contribution: | 6.12% |
| Employee Contribution: | <u>6.00%</u> |
| Total Retirement Contributions: | 12.12% |

Vesting in Disability Benefit: 180 days

Vesting in Retirement Benefit: 36 months

Normal Retirement: Age 65 or Rule of 85

32

Retirement – Main System

Assets as of 06/30/2012:

| | |
|-----------|-----------------|
| Market | \$1,683,377,253 |
| Actuarial | \$1,627,395,636 |

Members:

| | |
|-----------------|--------|
| Active | 20,738 |
| Retired | 7,551 |
| Beneficiaries | 752 |
| Inactive Vested | 3,584 |

33

RETIREMENT - Main

Retirement Formula:

Final Average Salary x 2% x Years of Credited Service

Example:

$$\$2000 \times 2\% \times 20 = \$800$$

34

PERS – Hybrid Plan

- PEP – Portability Enhancement Provision
- PEP allows the member the option to vest in up to 4.00% of the employer contribution paid into the retirement pool of funds and have this vesting percentage credited to their member account.
- For every dollar you put in a Deferred Compensation plan, NDPERS will transfer one dollar from the retirement pool of funds to your member account balance.



35

MAINTAIN PURCHASING POWER OF RETIREMENT BENEFITS BY PROVIDING COLA - AD HOC RETIREE ADJUSTMENTS

| <u>Date</u> | <u>Multiplier</u> | <u>Retiree Adjustment</u> | <u>1980 Retiree with \$500 Benefit</u> |
|-------------|-------------------|---------------------------|--|
| 7/77 | 1.04% | 1.04% | \$500 |
| 7/83 | 1.20% | 15.38% | \$577 |
| 7/85 | 1.30% | 8.33% | \$625 |
| 7/87 | 1.50% | 15.38% | \$721 |
| 7/89 | 1.65% | 15.76% | \$835 |
| 7/91 | 1.69% | 2.42% | \$855 |
| 8/93 | 1.725% | 2.00% | \$872 |
| 1/94 | 1.74% | 1.00% | \$881 |
| 8/97 | 1.77% | 5.00% | \$925 |
| 8/99 | 1.89% | 8.00% | \$999 |
| 8/01 | 2.00% | 6.00% | \$1,059 |

In 2006 there was a 13th check equal to half the monthly payment.

In 2008 there was a 13th check equal to ¾ the monthly payment.

36

Funded Status

| Year | Actuarial Accrued Liability (millions) | Actuarial Value of Assets (millions) | Act Funded Ratio | Market Value Of Assets (millions) | Mkt Funded Ratio |
|------|--|--------------------------------------|------------------|-----------------------------------|------------------|
| 2002 | 1,087 | 1,130 | 104% | 1,044 | 96% |
| 2003 | 1,170 | 1,145 | 98% | 1,093 | 93% |
| 2004 | 1,251 | 1,172 | 94% | 1,267 | 101% |
| 2005 | 1,333 | 1,210 | 91% | 1,433 | 108% |
| 2006 | 1,450 | 1,286 | 89% | 1,587 | 109% |
| 2007 | 1,576 | 1,470 | 93% | 1,879 | 119% |
| 2008 | 1,700 | 1,571 | 92% | 1,761 | 104% |
| 2009 | 1,861 | 1,578 | 85% | 1,320 | 71% |
| 2010 | 2,157 | 1,577 | 73% | 1,474 | 68% |
| 2011 | 2,284 | 1,604 | 70% | 1,758 | 77% |
| 2012 | 2,442 | 1,580 | 65% | 1,683 | 69% |

37

NDPERS Retirement Systems Assets

(Main, Judges, Guard, and Law Enforcement Systems)



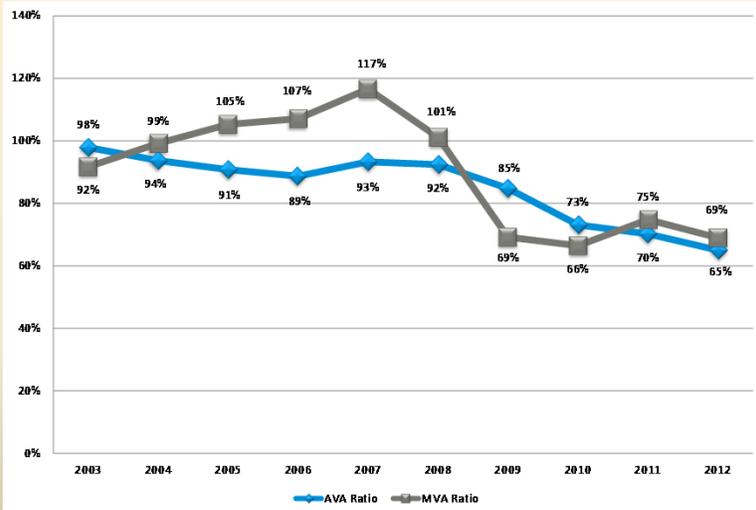
38

NDPERS Funded Ratio

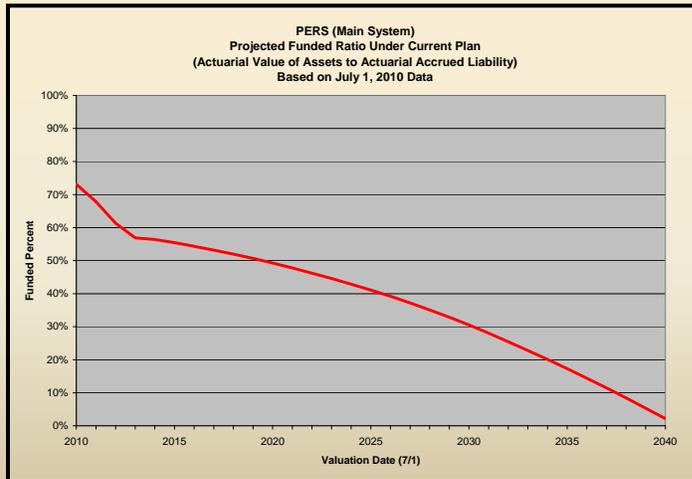
Actuarial Value



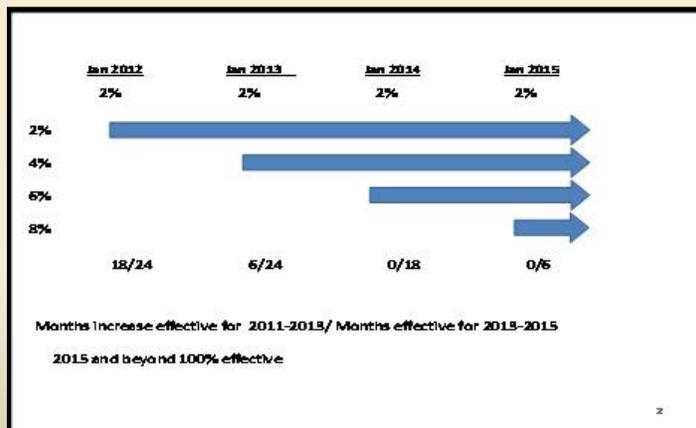
Funded Ratios – Main System



The challenge



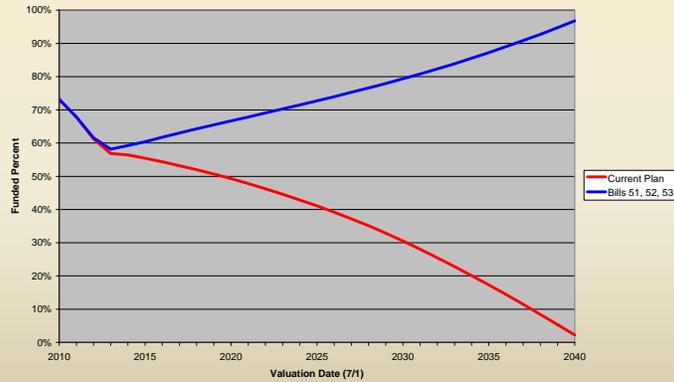
2011 Session Recovery Plan



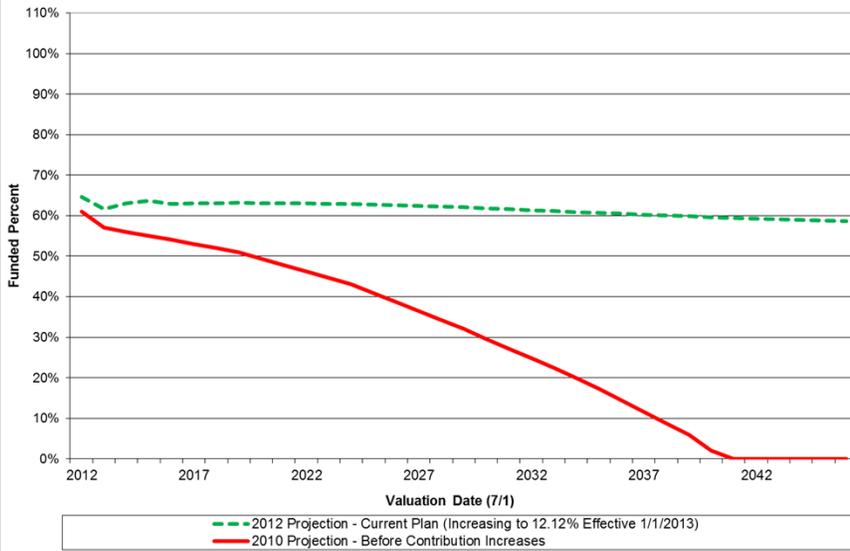
SHARED RECOVERY PLAN

2011 Session Recovery Plan

PERS (Main System)
Comparison of Funded Ratio
(Actuarial Value of Assets to Actuarial Accrued Liability)
Based on July 1, 2010 Data



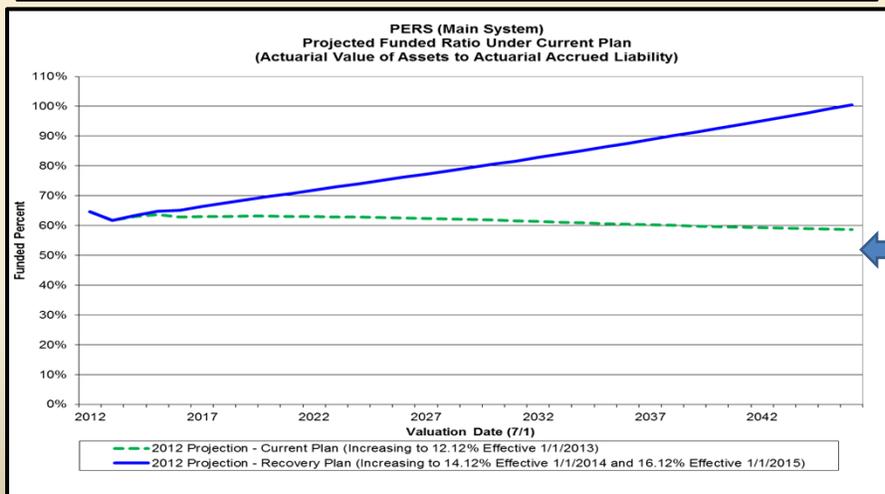
PERS (Main System)
Projected Funded Ratio Under Current Plan
(Actuarial Value of Assets to Actuarial Accrued Liability)



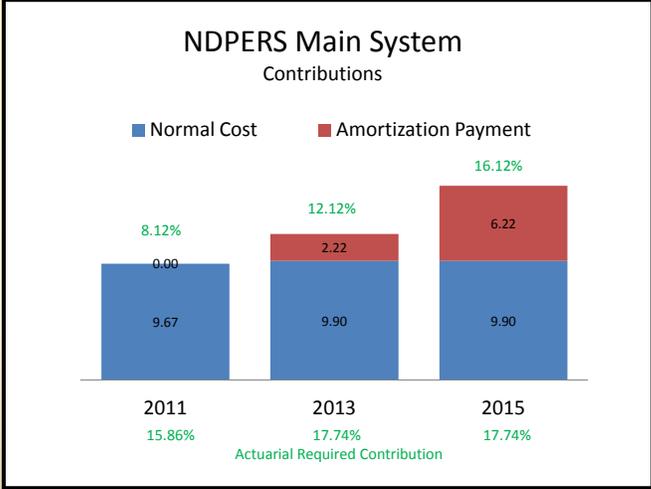
NDPERS Main System Investment Returns



2013 Session Recovery Plan (last half)



2013 Session Recovery Plan also a DC option for State Employees



HB 1452

**Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013**

HOUSE BILL NO. 1452
(Representatives Kasper, Seltzer, Carlson, Lindell, Granda, Kasper, Klein, Ruby, Steyler)
(Senators Grindberg, Hogue, Klein)

AN ACT to create and amend a new section to chapter 39-03.1 and a new section to chapter 54-52 of the North Dakota Century Code, relating to expiration of the increase in highway patrolmen's retirement plan and public employees retirement system member and employer contributions; to amend and recast sections 39-03.1-09 and 39-03.1-10, subsection 2 of section 54-52-01, sections 54-52-03, 54-52-06, 54-52-09, 54-52-10, 54-52-12, 54-52-13, and 54-52-14, subsection 6 of section 54-52-16-02, and sections 54-52-16-02 and 54-52-16-09 of the North Dakota Century Code, relating to increased employer and employee contributions under the highway patrolmen's retirement plan and public employees retirement system and eligibility to participate in the defined contribution retirement plan; to provide for a legislative management study; to provide an appropriation; to provide an effective date; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

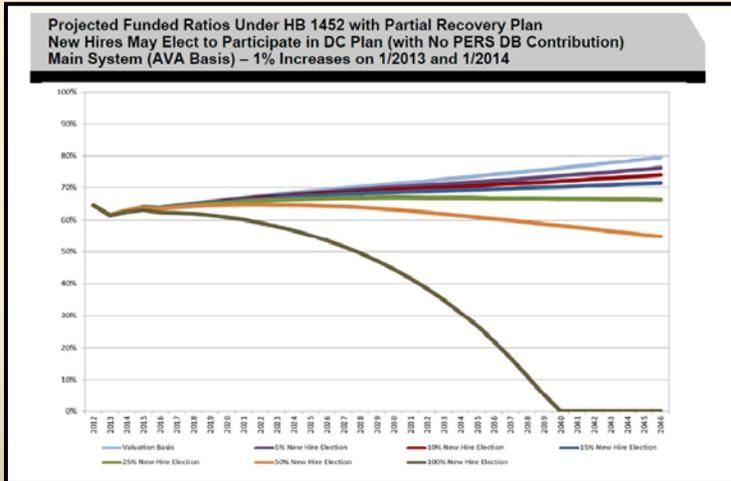
SECTION 1. AMENDMENT. Section 39-03.1-09 of the North Dakota Century Code is amended and recast as follows:

39-03.1-09. Payments by contributors - Employer payment of employee contribution.

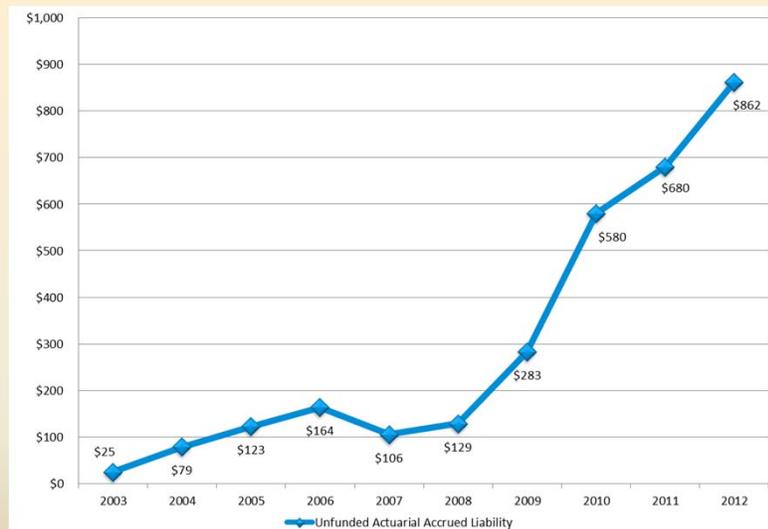
- Every member, except as provided in section 39-03.1-07, shall contribute into the fund ten and thirty-hundredths percent of the member's monthly salary, which sum shall be deducted from the member's salary and credited to the member's account in the fund. Member contributions increase by one percent of the member's monthly salary beginning with the monthly reporting period of January 2012, and with an additional increase of one percent, beginning with the monthly reporting period of January 2013, and with an additional increase of one percent, beginning with the monthly reporting period of January 2014.
- The state of North Dakota, at its option, may pay the member contributions required by subsection 1 for all compensation earned after June 30, 1983, and may pay the member contributions required to purchase service credit on a pro rata basis pursuant to subsection 8 of section 39-03.1-02.2. The amount paid must be paid by the state in lieu of contributions by the member. A member may not receive the contributed amount directly once the employer has elected to pay the member contributions. If the state decides not to pay the contributions, the amount that would have been paid will continue to be deducted from compensation. If contributions are paid by the state, they must be treated as employee contributions in determining tax treatment under this code and the federal Internal Revenue Code. If contributions are paid by the state, they must not be included as gross income of the member in determining tax treatment under this code and the Internal Revenue Code until they are distributed or made available. The state shall pay these member contributions from the same source of funds used in paying compensation to the members. The state shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. If member contributions are paid by the state, they must be treated for the purposes of this chapter in the same manner and to the same extent as member contributions made prior to the date the contributions were assumed by the state. The option given employers by this subsection must be exercised in accordance with rules adopted by the board.
- For compensation earned after August 1, 2009, all employee contributions required under subsection 1, and not otherwise paid under subsection 2, must be paid by the state in lieu of

- Increased contributions by 1% for the employer and 1% for the employee
- Added a DC option for state employees til 2017

2013 Session Recovery Plan also a DC option for State Employees

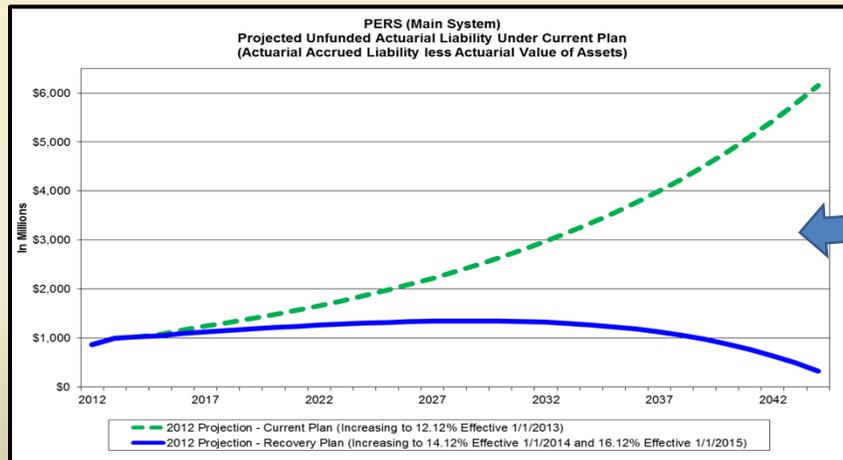


Above assumes DC option is permanent, as passed it is only till the middle of 2017 consequently cost would be closer to blue. If permanent then additional cost would be as shown above.



Unfunded Actuarial Accrued Liability –
Main System

Going Forward



Going Forward

- Additional contribution increases will be needed in the future
- DC plan costs will need to be added if continued
- Effect on political subdivisions will need to be considered and adjustments made if needed

Other Issues

- **GASB Reporting**
 - **SPOUSE BENEFITS/DOMESTIC PARTNERS/DOMA**

55

Retirement

Judges
System



56

Retirement - Judges

Public Employees Retirement Plan-Judge's

Chapter 54-52, NDCC

Employer Contribution: 16.52%

Employee Contribution: 7.00%

Total Retirement Contributions: 23.52%

Vesting in Disability Benefit: 180 days

Vesting In Retirement Benefit: 60 months

Normal Retirement: Age 65 or Rule of 85

57

RETIREMENT - JUDGES

Retirement Formula:

First Ten Years:

Final Average Salary x 3.5% x First 10 Years of Credited Service

Second Ten Years:

Final Average Salary x 2.80% x Second 10 Years of Credited Service

Remaining Years:

Final Average Salary x 1.25% x Remaining Years of Credited Service

Example: $\$6861 \times 3.50\% \times 10 = \2401.35

$\$6861 \times 2.80\% \times 10 = \1921.08

$\$6861 \times 1.25\% \times 5 = \underline{\$428.80}$

$\$4751.23$

58

RETIREMENT - JUDGES

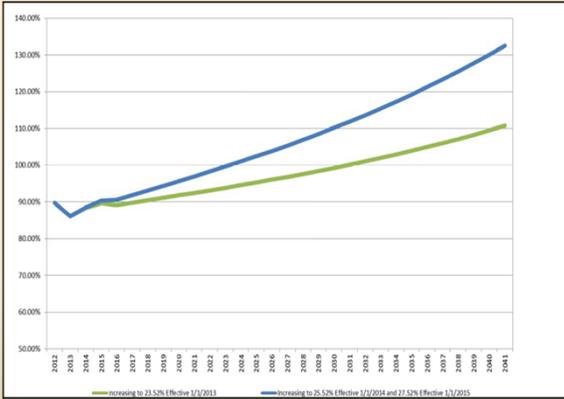
Assets as of 06/30/2012:

Market \$32,217,585
 Actuarial \$30,237,804

Members:

| | |
|---------------|----------|
| Active | 49 |
| Retired | 25 |
| Beneficiaries | <u>9</u> |
| | 83 |

Judges retirement plan



Retirement

- National Guard and Law Enforcement Plans



61

RETIREMENT - NATL. GRD.

Public Employees Retirement Plan

National Guard

Chapter 54-52, NDCC

Employer Contribution: 7.00% of covered payroll

Employee Contribution: 4.50% of salary

Total Retirement Contribution: 11.50%

Vesting In Disability Benefit: 180 days

Vesting In Retirement Benefit: 36 months

Normal Retirement:

Age 55 with 3 years consecutive service
as Firefighter or Security Police Officer

62

Law Enforcement Plans

With Prior Service:

- Employee Contribution
 - 5.50%
- Current Employer Groups
 - 10.31% Employer Contribution
 - Contribution based on Normal Cost and past service credit liability

Without Prior Service:

- Employee Contribution
 - 5.50%
- Current Employer Groups
 - 8.43% Employer Contribution
 - Contribution based on Normal Cost and no past service credit liability

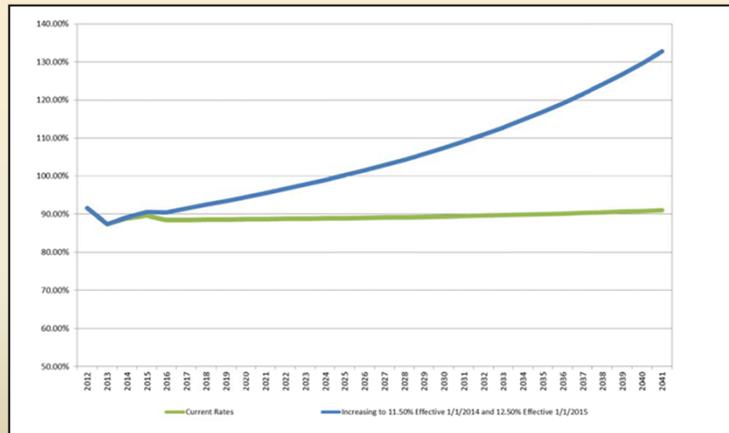
63

Eligibility

- Peace Officers
 - A public servant authorized by law or government agency or branch to enforce the law and to conduct or engage in investigations of violations of the law.
- Correctional Officers
 - A person who has completed a correctional officer course approved/certified by the North Dakota department of corrections and rehabilitation and is employed by a correctional facility as defined in the North Dakota Century Code section 12-44.1.

64

National Guard plan



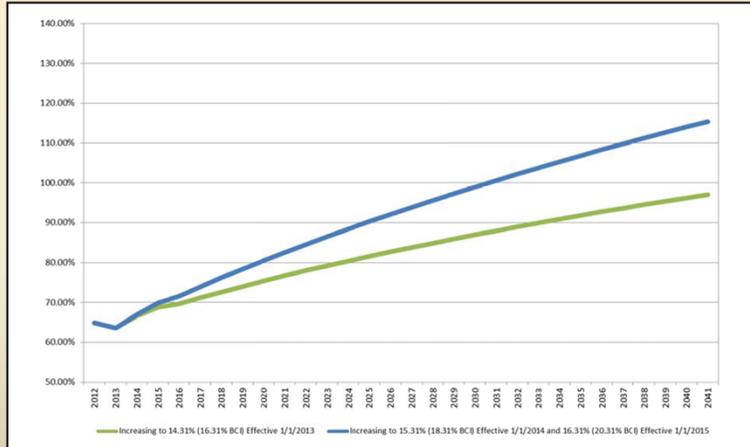
65

Law Enforcement Plan

- Provides for an earlier normal retirement date – age 55
- Set up as two systems
 - With past service
 - Without past service

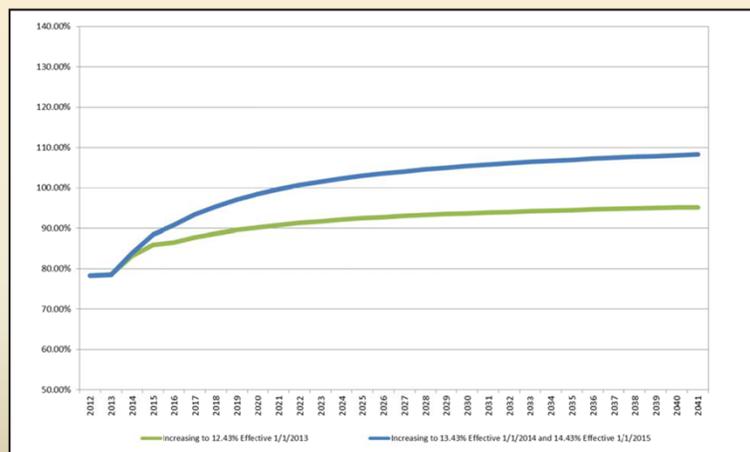
66

Enforcement Plan With Prior Service.



67

Law Enforcement Plan Without Prior Service



68

RETIREMENT



HIGHWAY PATROL RETIREMENT SYSTEM

69

Retirement - Highway Patrol

Chapter 39-03.1, NDCC

Employer Contribution: 16.7% of covered payroll

Employee Contribution: 10.3% of salary

Total Retirement Contribution: 27.0%

Vesting In Disability Benefit: 180 days

Vesting in Retirement Benefit: 120 months

Normal Retirement: Age 55 or Rule of 80

70

Retirement - Highway Patrol

Retirement Formula:

First 25 Years:

Final Average Salary x 3.60% x First 25 Years

Remaining Years:

Final Average Salary x 1.75% x Remaining Years

Example: $\$3000.92 \times 3.60\% \times 25 = \$2,700.83^*$

*Not eligible for Social Security Benefits

71

Retirement - Highway Patrol

Assets as of 06/30/2012:

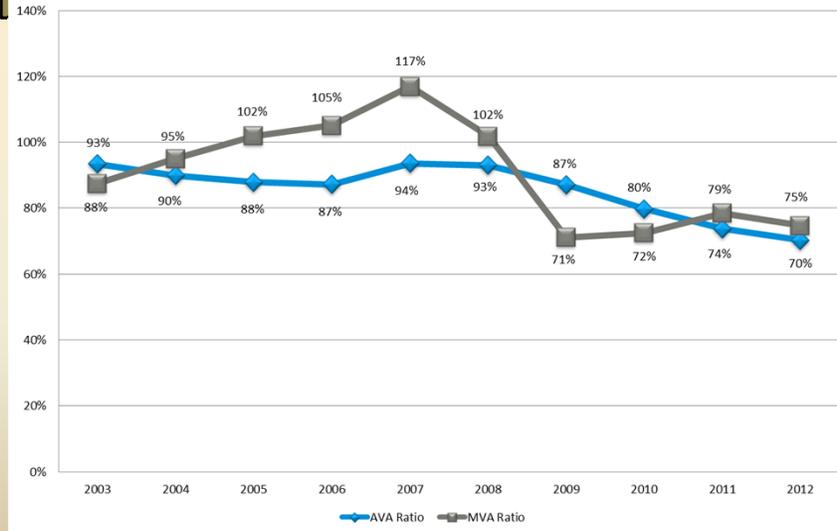
| | |
|-----------|--------------|
| Market | \$51,243,115 |
| Actuarial | \$48,094,209 |

Members:

| | |
|---------------|-----|
| Active | 145 |
| Retired | 88 |
| Beneficiaries | 27 |

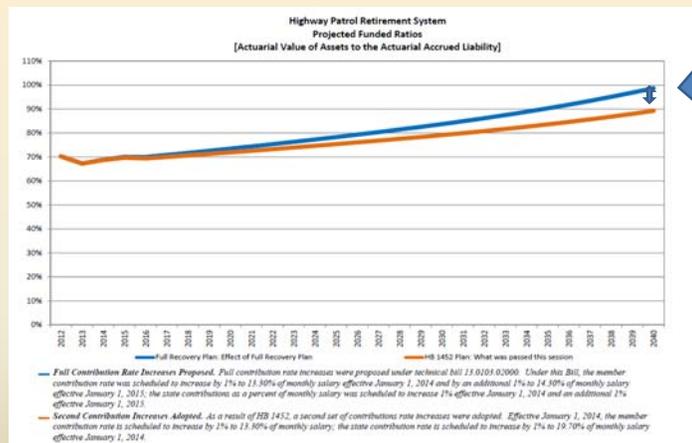
72

Funded Ratios – Highway Patrol



73

- Last part of recovery plan may still be needed (year 4)



Going Forward

Retirement

Job Service



75

Retirement – Job Service

Employer Contribution: 0% of covered payroll

Employee Contribution: 7% of salary

Total Retirement Contribution: 7%

Vesting In Disability Benefit: 5 years

Vesting in Retirement Benefit: 5 years

Normal Retirement: Age 65

Age 62 with 5 years

Age 60 with 20 years

Age 55 with 30 years

76

Retirement - Job Service

Retirement Formula:

First 5 Years:

Final Average Salary x 1.50% x First 25 Years

Next 5 Years:

Final Average Salary x 1.75% x next 5 Years

Remaining Years

Final Average Salary x 2% x Remaining Years

77

Retirement – Job Service

Assets as of 06/30/2012:

| | |
|-----------|--------------|
| Market | \$84,706,540 |
| Actuarial | \$75,117,973 |

Members:

| | |
|----------|-----|
| Active | 19 |
| Inactive | 3 |
| Retired | 212 |

78

COLA's

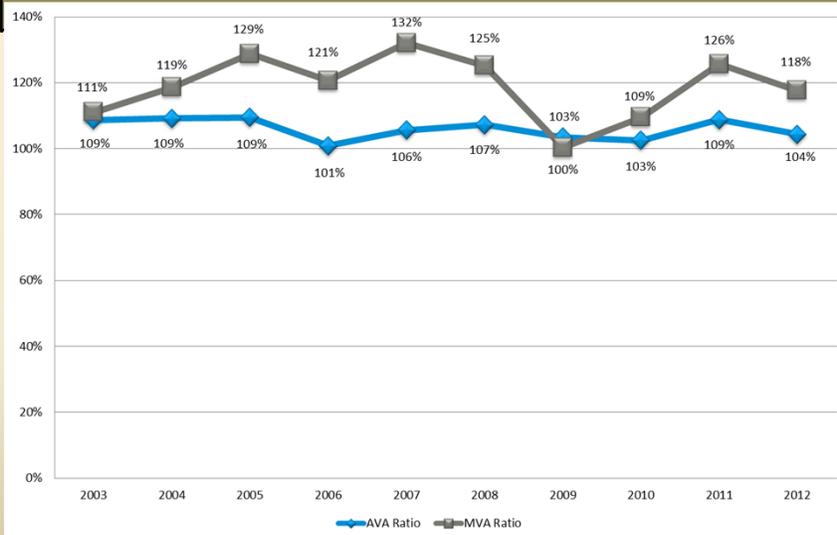
- History:

| | |
|------|------|
| 2003 | 2.1% |
| 2004 | 2.7% |
| 2005 | 4.1% |
| 2006 | 3.3% |
| 2007 | 2.3% |
| 2008 | 5.8% |
| 2011 | 3.6% |
| 2012 | 1.7% |



79

Funded Ratios – Job Service



Based on PVB.

80

RETIREMENT

Defined Contribution Plans

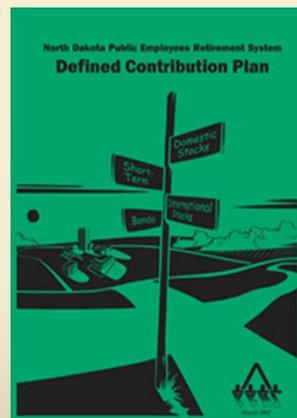
457 plan
401(a) plan

81

DC Plans



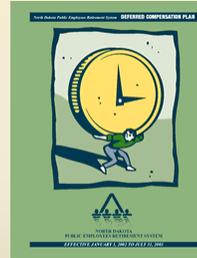
Deferred Comp Plan



Defined Contribution Plan

82

Deferred Comp Plan



83

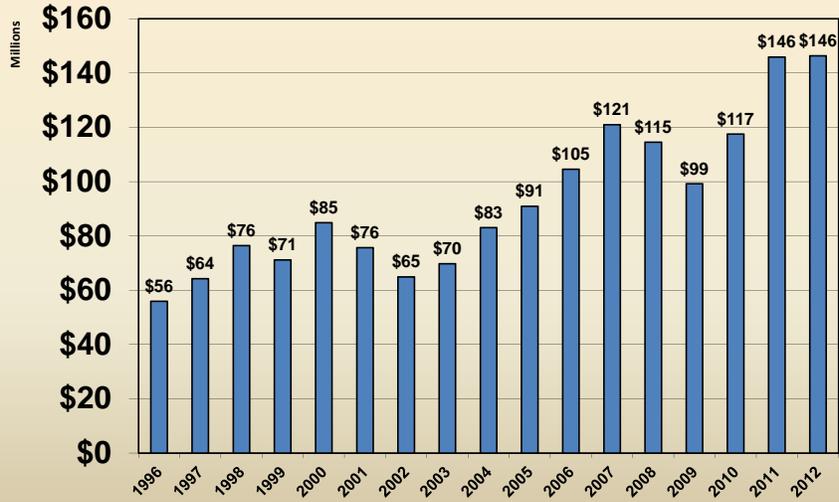
DEFINED CONTRIBUTION PLAN - DEFERRED COMP PROGRAM

The deferred compensation plan is a voluntary, supplemental retirement plan which allows a member to make pretax deductions from their salary with the intent to receive the deferred amount at a later date, such as retirement.

84

NDPERS 457 Plan Assets

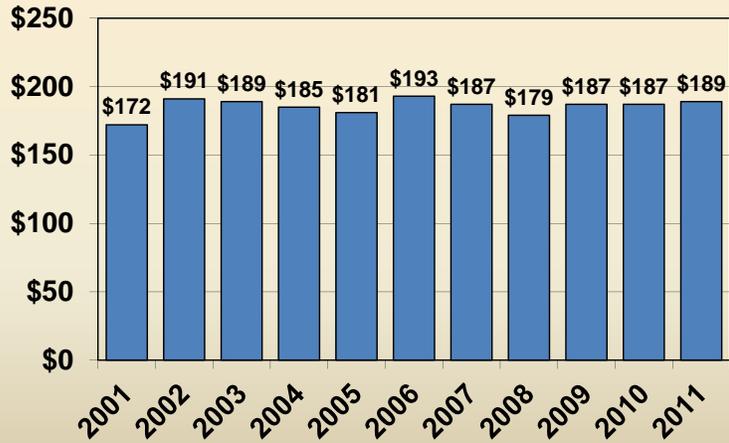
Year Ended



85

NDPERS 457 Plan

Average Monthly Contribution



86

Portability Enhancement Provision (PEP)

- PEP allows you to vest in the employer contribution
 - *Requires participation in an eligible Deferred Compensation Plan*
 - 457
 - 403(b)
- Vested employer contributions are added to your member account balance
- Results in accelerated accrual of member's account balance

How PEP Works

For every dollar you put in a Deferred Compensation Plan, NDPERS will reallocate one dollar to your member account balance, subject to a vesting schedule.

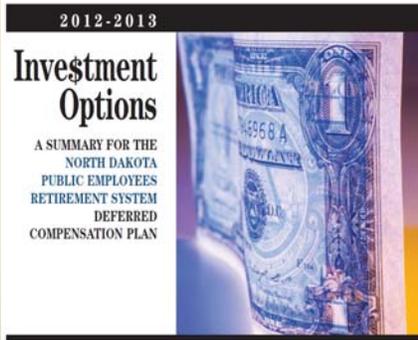


DEFINED CONTRIBUTION PLAN - DEFERRED COMP PROGRAM

- **10 ACTIVE PROVIDERS**
- **250 INVESTMENT PRODUCTS**
- **240 AGENTS**

89

Investment Firms Offered



| | |
|---|----|
| SECTION I | |
| Summary of Investment Options NDPERS Companion Plan | 6 |
| SECTION II | |
| Summary of Investment Options NDPERS Section 457 Deferred Compensation Plan | 10 |
| American Trust Center | 10 |
| AXA Equitable | 15 |
| Bank of North Dakota | 24 |
| Hartford Life Insurance Company | 25 |
| Jackson National Life | 28 |
| Nationwide Life Insurance | 30 |
| Valle | 33 |
| Waddell & Reed Financial Services | 37 |

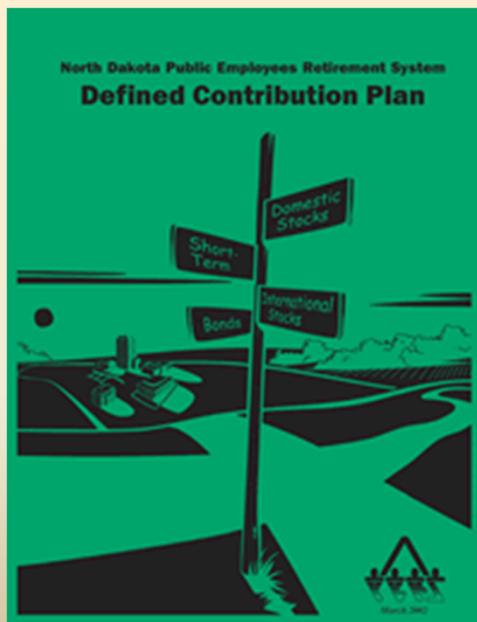
90

PERS Companion Plan & DC Plan Provider



<https://www.tiaa-cref.org/tcm/ndpers>

91



DEFINED
CONTRIBUTION
PLAN

92

DC 401(a) Plan – June 2013

| | |
|------------------------|-----|
| • Active participants: | 213 |
| • Suspended: | 54 |
| • Retired: | 12 |
| • Withdrawn: | 121 |

93

NDPERS Retirement Plans' Investment Menu

| Investment Options Tier 1 (Target Date Funds) | |
|--|-----------------------------|
| Asset Class | Fund |
| Retirement Income | TIAA-CREF Lifecycle Ret Inc |
| Target Date | TIAA-CREF Lifecycle 2010 |
| Target Date | TIAA-CREF Lifecycle 2015 |
| Target Date | TIAA-CREF Lifecycle 2020 |
| Target Date | TIAA-CREF Lifecycle 2025 |
| Target Date | TIAA-CREF Lifecycle 2030 |
| Target Date | TIAA-CREF Lifecycle 2035 |
| Target Date | TIAA-CREF Lifecycle 2040 |
| Target Date | TIAA-CREF Lifecycle 2045 |
| Target Date | TIAA-CREF Lifecycle 2050 |
| Target Date | TIAA-CREF Lifecycle 2055 |

| Investment Options Tier 2 (Core Index Funds) | |
|---|-------------------------------------|
| Asset Class | Fund |
| Mid-Cap Blend | Columbia Mid Cap Index A |
| Large Blend | Vanguard 500 Index Signal |
| Foreign Large Blend | Vanguard Total Intl Stock Index Inv |

| Investment Options Tier 3 (Core Active Funds) | |
|---|---|
| Asset Class | Fund |
| Inflation-Protected Bond | PIMCO Real Return Admin |
| Intermediate-Term Bond | PIMCO Total Return Admin |
| Large Growth | Franklin Growth Adv |
| Moderate Allocation | T. Rowe Price Capital Appreciation Adv |
| High Yield Bond | Prudential High-Yield Z |
| Large Growth | Wells Fargo Advantage Growth Adm |
| Mid-Cap Blend | ASTON/Fairpointe Mid Cap I |
| Large Value | Hartford Dividend & Growth R5 |
| Large Blend | Nuveen Tradewinds Value Opportunities I |
| Mid-Cap Growth | Prudential Jennison Mid Cap Growth Z |
| Large Value | T. Rowe Price Equity Income |
| Mid-Cap Value | RidgeWorth Mid-Cap Value Equity I |
| Small Growth | Brown Capital Mgmt Small Co Inv |
| Real Estate | Cohen & Steers Realty Shares |
| World Stock | Mutual Global Discovery Z |
| Diversified Emerging Mkts | Oppenheimer Developing Markets Y |
| Small Blend | Parnassus Small-Cap |
| Small Value | Allianz NFJ Small Cap Value Admin |
| World Bond | Templeton Global Bond Adv |

Investing involves risk, including possible loss of principal.

| 94

Self-Directed Brokerage Services

- Easy to set up
- Access to more than 3,500 mutual funds from hundreds of investment companies
- Buy, sell and transfer funds either online or through a toll-free number
- Minimum \$500 investment.
- The annual Brokerage Account Maintenance Fee will be waived for NDPERS participants
- Brokerage Services fees for transactions may apply (see below)

| Type | Initial Cost | Short-term Redemption | Short Term Redemption/ Fund Co. Fee |
|---------------------------|--|--------------------------|--|
| Transaction Fee Funds | \$35 Buy or Sell* | N/A | Varies by Fund - Consult Prospectus |
| Non-Transaction Fee Funds | \$0 Buy or Sell | \$50.00 | Varies by Fund - Consult Prospectus |
| Load Funds | Sales Charge/Varies by Fund – Consult Prospectus | Dependent on Fund Family | Varies by Fund - Consult Prospectus |

*Ongoing Transaction Fee waived when an Automatic Investment Plan is established.

95 | 95

SECTION 16. LEGISLATIVE MANAGEMENT STUDY - NORTH DAKOTA RETIREMENT PLANS.

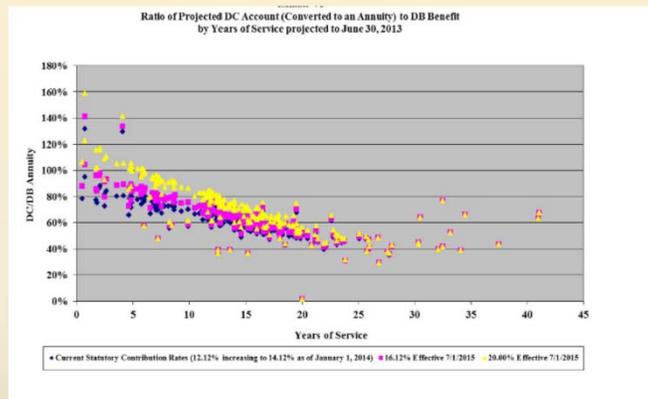
During the 2013-14 interim, the legislative management shall consider studying the feasibility and desirability of existing and possible state retirement plans. The study must include an analysis of both a defined benefit plan and a defined contribution plan with considerations and possible consequences for transitioning to a state defined contribution plan. The study may not be conducted by the employee benefits programs committee. The legislative management shall report its findings and recommendations, together with any legislation needed to implement the recommendations, to the sixty-fourth legislative assembly.

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| Ratio of Projected DC to DB Benefits | Future Contribution Rate | | |
|---|---|---|---|
| | Current Plan 14.12% effective January 1, 2014 | Increase to 16.12% effective July 1, 2015 | Increase to 20.00% effective July 1, 2015 |
| Less than 50% | 49 | 41 | 32 |
| 50% - 75% | 149 | 131 | 106 |
| 75% - 100% | 27 | 52 | 69 |
| 100% and Over | <u>2</u> | <u>3</u> | <u>20</u> |
| Total | 227 | 227 | 227 |

DC Plan Challenge

97

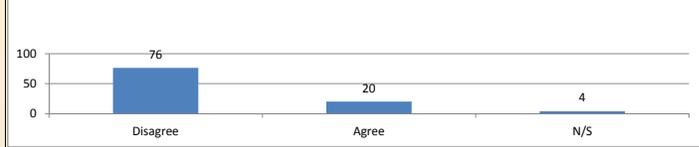


98

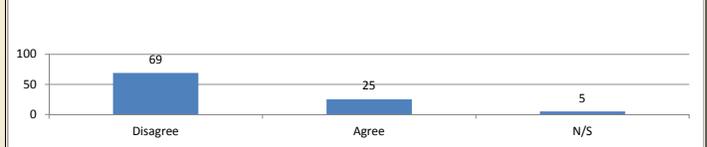
Concerning the above, the Segal report stated: *Overall, this analysis shows that the majority of the current DC Plan members are projected to receive significantly less retirement income under the DC Plan than projected under the DB Plan. In particular, the ratio of DC Plan to DB Plan benefits declines somewhat as age increases, and declines dramatically as length of service increases. The DC Plan benefits are projected to be higher with an increase in the contribution rate but are still less than 100% of the DB Plan benefits for most participants. Under existing contribution levels, the only way that DC Plan benefits would consistently reach the level of DB Plan benefits would be to earn long term investment returns above the assumed 8%.*

DC Questions

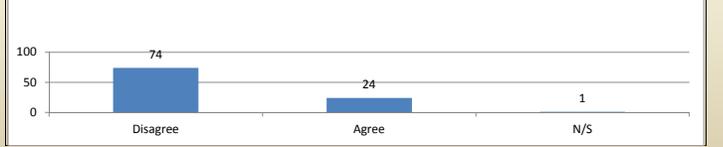
14. I feel I made the right decision selecting the DC 401(a) plan over the Defined Benefit plan. 54 9 13 7 8 5 4



17. I would recommend the PERS Defined Contribution 401(a) plan to other employees? 47 15 7 15 9 1 5



18. I am confident I will have enough money to retire. 47 13 14 6 16 2 1



RETIREE HEALTH

RETIREE HEALTH CREDIT PROGRAM

101

RETIREMENT - RETIREE HEALTH CREDIT PROGRAM

Main System

Highway Patrol

National Guard

Judges

Defined Contribution

102

RETIREMENT - RETIREE HEALTH CREDIT PROGRAM

BENEFIT FORMULA:

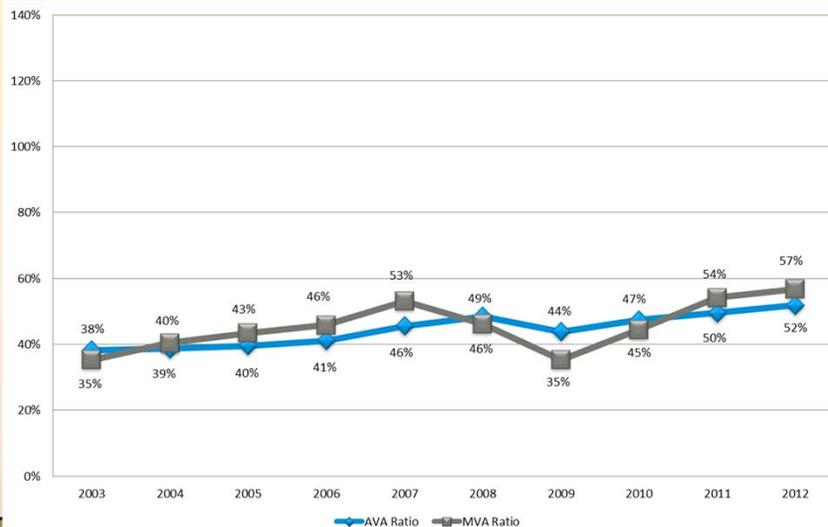
\$5.00 for each year of credited service

Example: $\$5.00 \times 25 = \125.00

CONTRIBUTION

1.14% of payroll

103



Funded Ratios – Retiree Health Insurance Credit Fund

104

Group Insurance PLANS

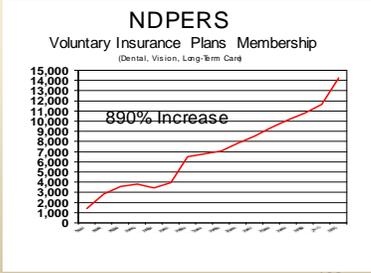
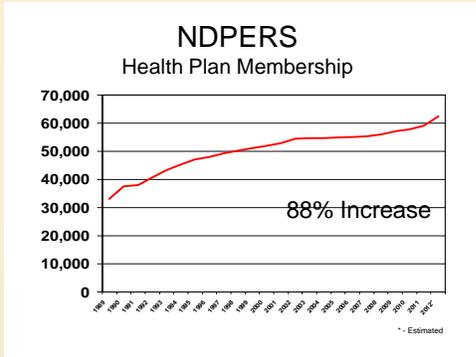
Health
Dental
Vision
LTC
Life Insurance

EAP
Flex Plan

107

| January 1, 2013 | | | | | | | |
|--|---------------|---------------|--------------|--------------|---------------|--------------|-----------|
| GROUP INSURANCE PROGRAMS MANAGED AND ADMINISTERED BY NDPERS | | | | | | | |
| | HEALTH | LIFE | DENTAL | VISION | EAP | FLEXCOMP | LT Care |
| PARTICIPATION | | | | | | | |
| AGENCY | | | | | | | |
| State | 95 | 95 | 85 | 90 | 95 | 77 | 95 |
| Counties | 51 | 51 | | | | | |
| School Dist | 68 | 65 | | | | | |
| Cities | 65 | 55 | | | | | |
| Others | 70 | 34 | | | 20 | 3 | |
| | 379 | 335 | 85 | 90 | 115 | 80 | 95 |
| EMPLOYEES | | | | | | | |
| State | 14,774 | 15,137 | 5,636 | 6,696 | 16,067 | 2,755 | 55 |
| Counties | 2,270 | 2,569 | | | | | |
| School Dist | 1,273 | 327 | | | | | |
| Cities | 1,642 | 270 | | | | | |
| Others | 540 | 340 | | | | | |
| Retirees | 6,389 | 2,800 | 1,531 | 1140 | | | |
| COBRA | 354 | | 41 | 44 | | | |
| | 27,242 | 21,443 | 7,208 | 7,880 | 16,067 | 2,755 | 55 |

108



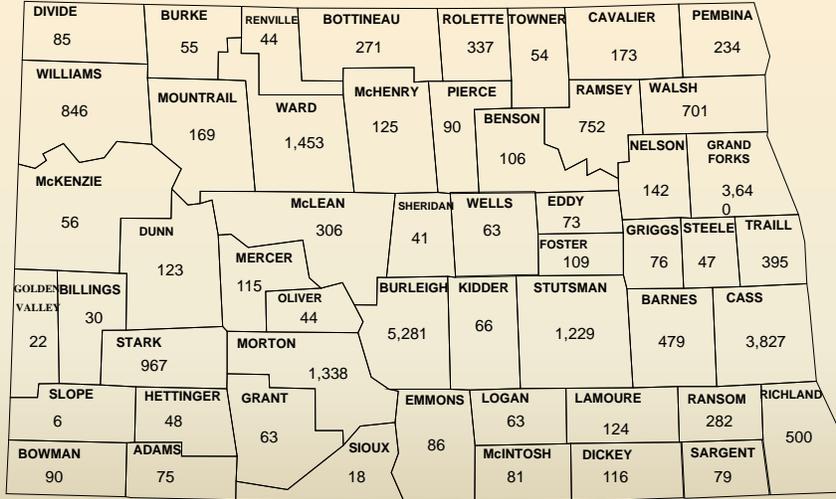
HEALTH PLAN

DAKOTA PLAN



NDPERS Health Contracts

June 2013



Out-of-State – 2,476

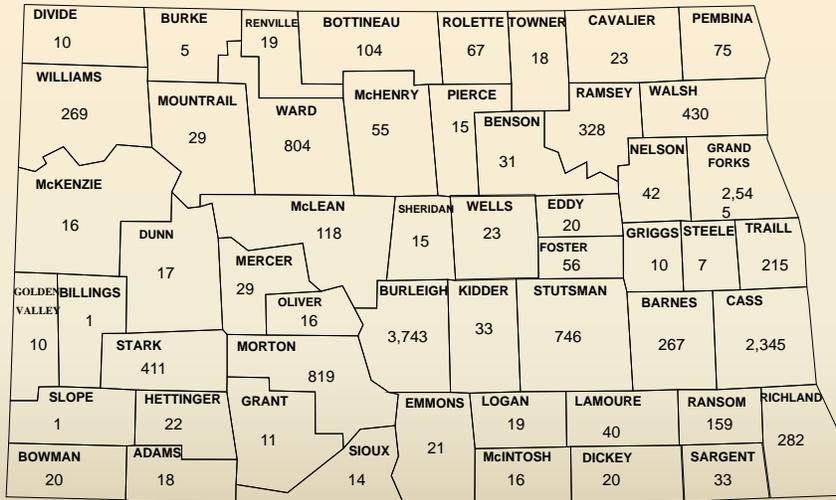
Total – 28,068

Average Contract Size = 2.27

111

NDPERS State Active Employees

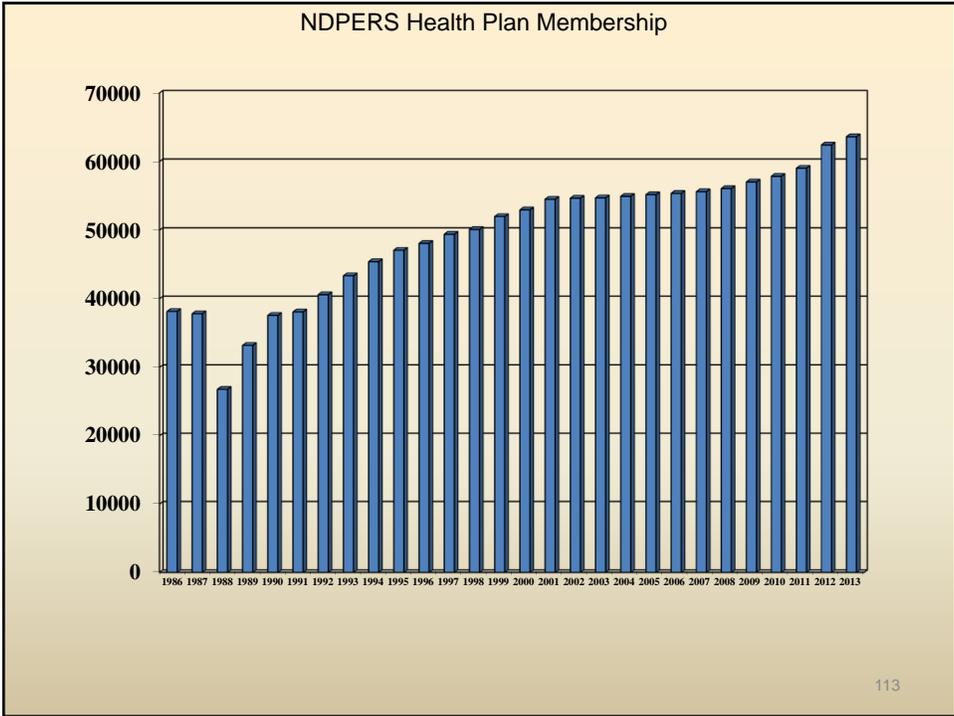
April 2013



Out-of-State – 1,125

Total – 15,588

112



| | |
|---|---|
| <p><u>2009-11 Premium</u></p> <p>\$825.66</p> | <p><u>2011-13 Premium</u></p> <p>\$886.62</p> |
| <p><u>2013-15 PREMIUM</u></p> <p>\$981.68</p> | |
| <ul style="list-style-type: none"> •09-11 to 11-13 Two year increase is 7.38% or about 3.7% per year. •Includes extending coverage to dependents and eliminating the lifetime max. •The cost assumes we maintain our grandfathered status. | |
| <ul style="list-style-type: none"> •11-13 to 13-15 Two year increase is 10.72% or about 5.5% per year. | |

114

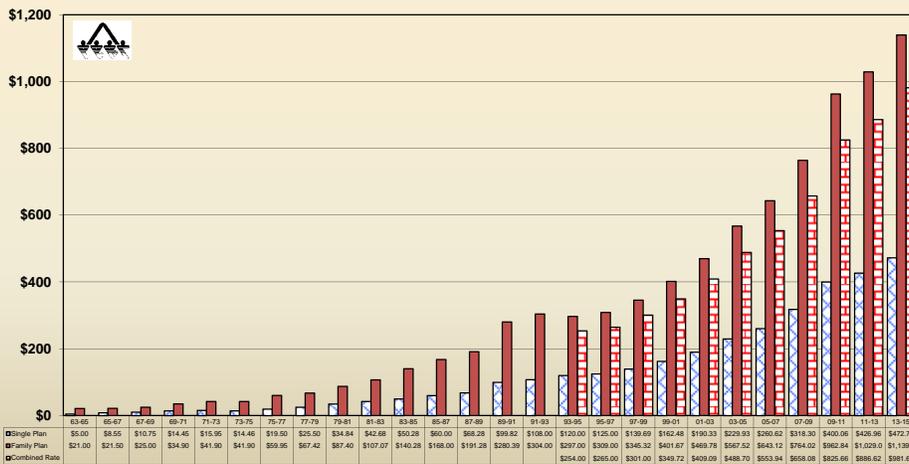
SECTION 39. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. **The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.**

Grandfathered status?

115

Active State Billed Health Insurance Premium

Single Plan
 Family Plan
 Combined Rate

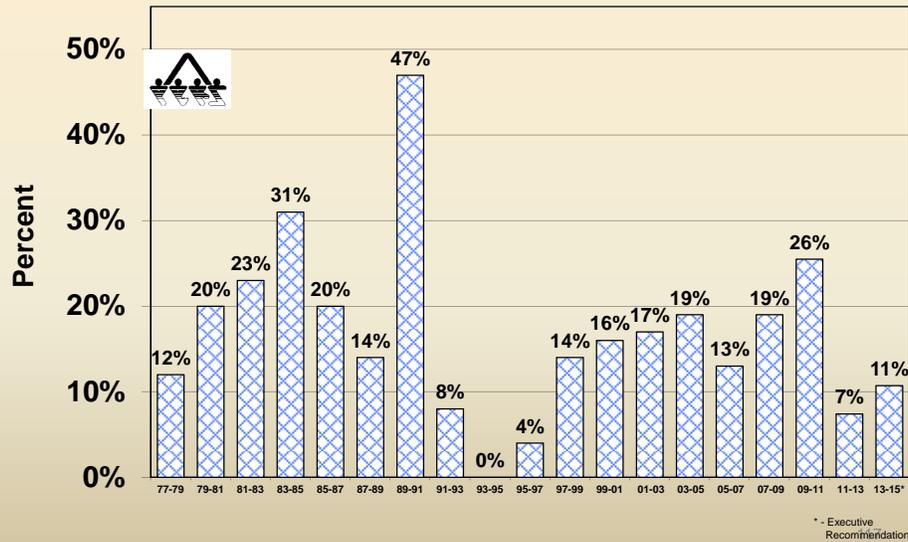


* Executive Recommendation
116

State Health Premium Percentage Increase

From Previous Biennium

(Excludes Plan Design Changes)



State of North Dakota Health Plan Appropriations (Excludes Higher Education)

| | Total Budget Appropriation | FTE | Health Premium | Health Plan Appropriation | % of Total Appropriations |
|----------|----------------------------|-------|----------------|---------------------------|---------------------------|
| 1991-93 | 2,771,064,605 | 8,179 | \$254.00 | \$49,859,184 | 1.80% |
| 1993-95 | 2,935,767,081 | 8,216 | \$254.00 | \$50,084,736 | 1.71% |
| 1995-97 | 3,107,356,520 | 8,024 | \$265.00 | \$51,032,640 | 1.64% |
| 1997-99 | 3,347,823,922 | 8,118 | \$301.00 | \$58,644,432 | 1.75% |
| 1999-01 | 3,767,007,536 | 8,400 | \$349.72 | \$70,503,552 | 1.87% |
| 2001-03 | 4,325,559,659 | 8,538 | \$409.09 | \$83,827,450 | 1.94% |
| 2003-05 | 4,587,351,203 | 8,392 | \$488.70 | \$98,428,090 | 2.15% |
| 2005-07 | 5,186,963,789 | 8,438 | \$553.94 | \$112,179,497 | 2.16% |
| 2007-09 | 5,843,419,715 | 8,808 | \$658.08 | \$139,111,900 | 2.38% |
| 2009-11 | 8,052,214,358 | 8,960 | \$825.66 | \$177,549,926 | 2.20% |
| 2011-13* | 8,556,123,763 | 9,011 | \$886.62 | \$191,743,988 | 2.24% |

* - Executive Recommendation

118

NDPERS Active Health Insurance Out-Of-Pocket

July-June Fiscal Year ending: *****Calendar Year: Jan - Dec*****

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Active Contracts | 16,565 | 17,253 | 17,632 | 17,573 | 17,889 | 18,114 | 18,303 | 18,791 | 19,116 | 19,728 | 20,014 | 20,940 |
| Deductibles | \$2,307,596 | \$1,789,727 | \$1,967,859 | \$5,765,933 | \$5,080,986 | \$4,859,625 | \$5,006,043 | \$8,968,213 | \$8,092,001 | \$9,816,469 | \$10,073,095 | \$10,967,963 |
| Coinsurance | \$6,427,972 | \$7,340,161 | \$8,424,109 | \$9,315,964 | \$11,044,560 | \$11,358,692 | \$11,932,003 | \$10,710,173 | \$11,179,053 | \$12,712,265 | \$11,714,676 | \$13,930,488 |
| Sanctions | \$0 | \$0 | \$0 | \$795,964 | \$0 | \$0 | \$0 | \$1,469,334 | \$1,791,889 | \$2,794,769 | \$2,695,473 | \$2,650,929 |
| Copayments | \$5,188,715 | \$8,445,132 | \$8,768,553 | \$7,456,340 | \$7,533,643 | \$7,546,375 | \$7,686,951 | \$9,334,245 | \$9,190,399 | \$11,465,517 | \$11,696,304 | \$12,214,972 |
| Exceed Max | \$247,044 | \$361,158 | \$672,490 | \$378,841 | \$550,479 | \$744,321 | \$549,843 | \$2,752,873 | \$1,910,581 | | | |
| Exclusions | \$1,560,268 | \$1,702,808 | \$1,847,570 | \$2,322,307 | \$2,516,646 | \$2,919,717 | \$3,112,107 | \$4,044,846 | \$3,956,861 | \$4,497,621 | \$5,850,646 | \$9,056,696 |
| TOTAL | \$15,731,595 | \$19,638,986 | \$21,680,581 | \$26,035,349 | \$26,726,314 | \$27,428,730 | \$28,286,947 | \$37,279,684 | \$36,120,784 | \$41,286,641 | \$42,030,194 | \$48,821,048 |
| Per Contract | \$950 | \$1,138 | \$1,230 | \$1,482 | \$1,494 | \$1,514 | \$1,545 | \$1,984 | \$1,890 | \$2,092 | \$2,100 | \$2,331 |

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Basic Health Equation

Units of * Cost - Out of / Number of = Premium
service per unit pocket Contracts

- Wellness Programs
- Disease Mgt
- Medical Review

- Rates
- PPO
- HDHP

- Deductibles
- Coinsurance
- Copayments

Adverse Selection

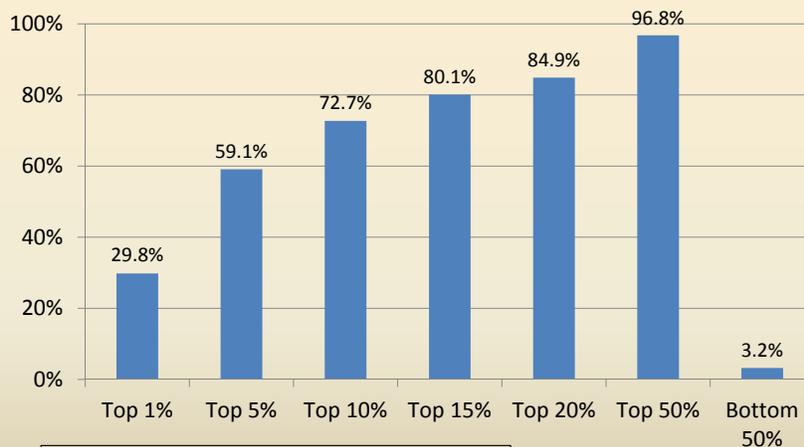
- Minimum premiums
- Minimum participation

Mix

- Employer
- Employee

120

Concentration of Per Member NDPERS Health Care Spending in 2011



Who is going to join the HDHP/HSA?

Includes Hospital, Physician/Clinic and Pharmacy Claims paid through April, 2012. 121

Members

Basic Utilization Equation

| NDPERS PAID | % Members | % of | | | |
|-----------------|-----------|-------------|--------------|---------|-----|
| | | NDPERS Paid | % of Charges | | |
| | | Plan | Member* | Other** | |
| \$0 | 10.7% | 0.0% | 0% | 11% | 89% |
| \$1 - \$499 | 41.9% | 3.5% | 21% | 10% | 69% |
| \$500 - \$999 | 13.6% | 4.2% | 27% | 11% | 62% |
| \$1000 - \$2119 | 13.9% | 8.7% | 23% | 8% | 69% |
| \$2120+ | 20.0% | 83.6% | 45% | 5% | 50% |

* - Includes Deductibles, Coinsurance, and Copayments

** - Includes Fee Schedule, UCR, Discounts, other payers, non-covered, etc.

20% of NDPERS members account for 84% of Health Plan medical expenses.
80% of NDPERS members account for 16% of Health Plan medical expenses.

10% of NDPERS members account for 71% of Health Plan medical expenses.
90% of NDPERS members account for 29% of Health Plan medical expenses.

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Plan Design

123

Deductible (*Non-Physician Services ONLY*)

| | <u>Basic</u> | <u>PPO</u> | <u>EPO</u> |
|-----------------------|--------------|------------|------------|
| Individual | \$400 | \$400 | \$200 |
| Family (3 or more) | \$1200 | \$1200 | \$600 |



124

Co-payment Amounts



Basic PPO EPO

| | | | |
|---------------------------------|------|------|------|
| Office Visit (No limit) | \$30 | \$25 | \$20 |
| Emergency Room (No limit) | \$50 | \$50 | \$50 |

125

Coinsurance Amounts



Basic PPO EPO

Coinsurance
All Services
except office
visits

75/25 80/20 85/15

Coinsurance
Maximum

| | | | |
|-------------------|---------|---------|---------|
| Individual | \$1,250 | \$ 750 | \$ 500 |
| Family | \$2,500 | \$1,500 | \$1,000 |

126

HDHP Differences

* includes the Basic Plan

- This will be a Comprehensive Deductible and Coinsurance plan.
- Deductible will apply first dollar since there is no copay structure on Prescriptions.
- Because this is a Comprehensive HDHP a Member can exceed the \$1500 Individual Deductible/Coinsurance.

127

Deductible

| PLAN | INDIVIDUAL | FAMILY |
|-------|-----------------|--------------------|
| PPO | \$ 1500 (\$400) | \$ 3,000 (\$1,200) |
| BASIC | \$ 1,500(\$400) | \$ 3,000 (\$1,500) |

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Coinsurance Maximums

| PLAN | INDIVIDUAL | FAMILY |
|-------------------------|------------------|------------------|
| PPO 80/20 % | \$ 1500 (750) | \$ 3,000 (1,500) |
| BASIC 75/25 % | \$ 2,000 (1,250) | \$ 4,000 (2,500) |

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Total Out-of-Pocket Maximum

*Includes deductible and coinsurance only

| PLAN | INDIVIDUAL | FAMILY |
|--------------|------------------|------------------|
| PPO | \$ 3,000 (1,150) | \$ 6,000 (2,700) |
| BASIC | \$ 3,500 (1,650) | \$ 7,000 (3,700) |

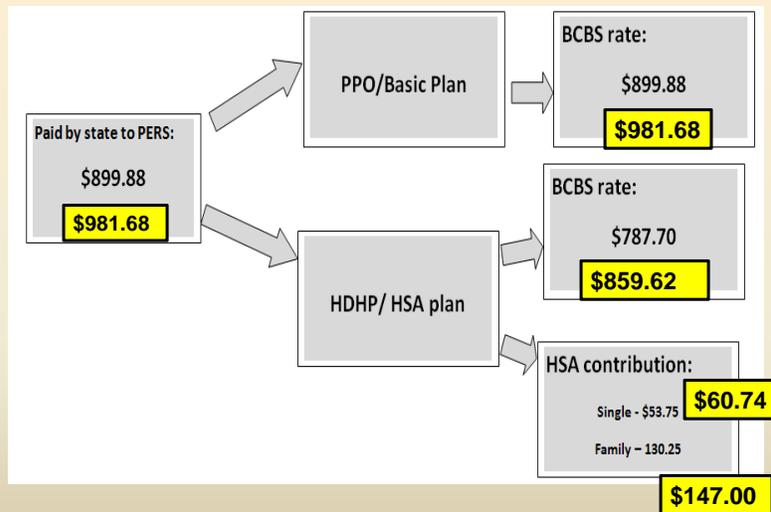
130

Health Savings Account

- Benefits**
 - Enroll in High Deductible Health Plan
 - Enroll in the HSA
- Before Deductible Met**
 - Use HSA to pay for out-of-pocket/deductible expenses
- After Deductible Met**
 - Now covered by HDHP
 - Save your HSA funds!

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HDHP/HSA



132

What is a Health Savings Account?

- A Health Savings Account allows you to set aside funds to pay for qualified medical expenses for you, your dependents or your spouse.
- ***Think of it as a Medical IRA!***

133

Qualified Expenses

- Medical
- Dental
- Vision
- Chiropractor
- Prescriptions
- Some Over-the-Counter (OTC)*

May Require a Rx

- Not all eligible expenses go toward your HDHP deductible
- Visit www.discoverybenefits.com for more information
- Save your receipts

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Eligibility

- Must be covered by a HDHP to participate
- If you cease participation in HDHP, can no longer contribute to H.S.A, but can spend down balance
- You are not eligible if:
 - covered by any other insurance
 - you/spouse participate in a traditional FSA
 - receiving Medicare/Tricare benefits

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AFFORDABLE CARE ACT (ACA)

Upcoming compliance provisions

Health Care Reform - Coverage

- Grandfathered vs Non Grandfathered status
Additional benefits for non grandfathered Plan
- Cost for additional benefits about 1.5%
- Additional \$13.30 per month per contract

Well Child Care to Members 6th birthday:
 No Office Visit Copayment on Wellness Services
 7 visits for Members from birth through 12 months
 4 visits for Members from 13 months through 35 months
 1 visit per Benefit Period for Members 36 months through 72 months

Preventive Screening Services for Members age 6 and older:
 No Office Visit Copayments on Wellness Services
 Adult Aortic Aneurysm Screening for male Members age 65 and older
 Lipid Disorders Screening once every 5 years
 Osteoporosis Screening for female Members once every 2 years
 Sexually Transmitted (STD) Screening
 Type 2 Diabetes Mellitus Screening
 Colorectal Cancer Screening for Members age 50 through 75:
 Colonoscopy – Subject to a Maximum Benefit Allowance of 1 test every 10 years; or
 Sigmoidoscopy – Subject to a Maximum Benefit Allowance of 1 test every 5 years

Nutritional Counseling – 100% of Allowed Charge. Deductible Amount is waived.
 Hyperlipidemia – Maximum Benefit Allowance of 4 visits per Member per Benefit Period.
 Gestational Diabetes – Maximum Benefit Allowance of 4 visits per Member per Benefit Period.
 Diabetes Mellitus - Maximum Benefit Allowance of 4 visits per Member per Benefit Period.
 Hypertension - Maximum Benefit Allowance of 2 visits per Member per Benefit Period.
 Obesity- Maximum Benefit Allowance of 4 visits per Member per Benefit Period.

Tobacco Cessation Services Tobacco cessation services obtainable with a Prescription Order
 are paid at 100% Of Allowed Charge. Deductible Amount is waived.

Prescription Non-Nicotine Benefits are subject to a Maximum Benefit Allowance of 2 quit
 Replacement Therapy attempt cycles Per Member per Benefit Period. A quit attempt cycle includes
 4 counseling visits and/or a 3-month supply of nicotine or non-nicotine
 replacement therapy.

Payable Over-the-Counter (OTC) Nicotine Replacement Therapy (nicotine lozenges, Patches, gum)

Prescription Nicotine Replacement Therapy (nicotine Nasal spray, inhaler, patches)

Related Office Visit 100% of Allowed Charge. Deductible is waived.

Currently for age 26 – even if the dependent has access to their own Employer Group coverage they can be added to the parents plan.

137

Health Care Reform -Birth Control

ACH requires this benefit to be added to all non-grandfathered plan

Cost to add will be about \$8.38 per contract per month

138

Health Care Reform - Shared Responsibility Rules

The Affordable Care Act's Shared Responsibility rules, effective beginning on January 1, 2014, will impose potential penalties on "applicable large employers" that –

1. fail to offer "minimum essential coverage" to "full-time employees" and their dependents ("No Coverage"), or
2. offer "minimum essential coverage" to full-time employees and their dependents, but the coverage does not meet certain minimum value and affordability thresholds ("Inadequate Coverage").

- For purposes of the Shared Responsibility rules, a "full-time employee" for any month is anyone who is employed on average at least 30 hours of service per week during that month.

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Large Employers

Must:

- Offer coverage to all full time employees
- Must meet certain minimum value guidelines (benefit design and cost- no more than 9.5% of household income)

- Small employer is 50 or more employees
- Employer responsibility not a health plan responsibility
- PERS did change our statute this session to comply with the ACA

AFFORDABLE CARE ACT (ACA)

Significance of “Full-Time Employee” Status

- Employer Shared Responsibility rules apply only to “Applicable Large Employers”
 - Employed an average of at least 50 “Full-Time Employees” for more than 120 days during the preceding calendar year
 - “Full-Time Equivalent” employees counted for this purpose only
 - Special rule for seasonal employees
- Employer Shared Responsibility penalties apply only with respect to “**Full-Time Employees**”
 - Potential **\$2,000** penalty per FTE if coverage not offered to FTEs and their dependents
 - Potential **\$3,000** penalty for each FTE who opts out of the employer’s coverage if it isn’t “affordable” or doesn’t meet a “*minimum value*” threshold
 - Note: Penalties are “potential” because they are imposed only if a FTE obtains coverage in a State Health Insurance Exchange and qualifies for a Premium Tax Credit or Cost-Sharing Subsidy

**AFFORDABLE CARE ACT
(ACA)**

Other Issues

- Spouse Coverage - - Domestic partners - DOMA

HB 1059

Sixty-third Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 8, 2013

HOUSE BILL NO. 1059
(Government and Veterans Affairs Committee)
(At the request of the Public Employees Retirement System Board)

AN ACT to amend and reenact sections 54-52-1-03.1, 54-52-1-03.4, and 54-52-1-18 of the North Dakota Century Code, relating to withdrawal of a political subdivision from the uniform group insurance program; the definition of an eligible employee; payment of the cost of uniform group insurance premiums for temporary employees; and the health savings account option offered to political subdivisions as part of the high-substitute health plan alternative under the uniform group insurance program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-52-1-03.1 of the North Dakota Century Code is amended and reenacted as follows:

54-52-1-03.1. Certain political subdivisions authorized to join uniform group insurance program - Employee contribution.

A political subdivision may extend the benefits of the uniform group insurance program under this chapter to its permanent employees, subject to minimum requirements established by the board and a minimum period of participation of sixty months. If the political subdivision withdraws from participation in the uniform group insurance program, before completing sixty months of participation, unless federal or state laws are modified or interpreted in a way that makes participation by the political subdivision in the uniform group insurance program no longer allowable or appropriate, the political subdivision shall make payment to the board in an amount equal to any expenses incurred in the uniform group insurance program that exceed income received on behalf of the political subdivision's employees as determined under rules adopted by the board. The Current Charges Consistency District and district health units required to participate in the public employees retirement system under section 54-52-22 shall participate in the uniform group insurance program under the same terms and conditions as state agencies. A retiree who has accepted a retirement allowance from a participating political subdivision's retirement plan may elect to participate in the uniform group under this chapter without meeting minimum requirements of age, residency, or when the employee's spouse reaches age sixty-five, upon the receipt of a benefit from the political subdivision from the uniform group insurance plan if the retiree was a member of the former plan, or when the spouse reaches retirement age. If a retiree or surviving spouse does not elect to participate at the times specified in this section, the retiree or surviving spouse must meet the minimum requirements established by the board. Each retiree or surviving spouse shall pay directly to the board the premiums in effect for the coverage then being provided. The board may require documentation that the retiree has accepted a retirement allowance from an eligible retirement plan other than the public employees retirement system.

SECTION 2. AMENDMENT. Section 54-52-1-03.4 of the North Dakota Century Code is amended and reenacted as follows:

54-52-1-03.4. Temporary employees and employees on unpaid leave of absence.

A temporary employee employed before August 1, 2007, may elect to participate in the uniform group insurance program by completing the necessary enrollment forms and qualifying under the medical underwriting requirements of the program. A temporary employee employed on or after August 1, 2007, is only eligible to participate in the uniform group insurance program if the employee is employed at least twenty hours per week and at least twenty weeks each year of employment. A temporary employee first employed after December 31, 2012, is eligible to participate in the uniform group insurance program only if the employee meets the definition of a full-time employee under

- Section 1 allows political subs to leave plan if required by federal law
- Section 2 changes law to comply with shared responsibility rules
- Section 3 related to HDHP

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HB 1059 - Eligibility

| Federal Law | Full Time Employee | |
|--------------|--|--|
| State Law | Full time | Temp |
| Existing law | Services are not limited in duration, who is filling an approved and regularly funded position and who is employed at least 20 hours per week and at least 20 weeks per year | Not filling an approved and regularly funded position and is working at 20 hours per week for 20 weeks per year. |
| New law | Services are not limited in duration, who is filling an approved and regularly funded position and who is employed at least 20 hours per week and at least 20 weeks per year | Average of 30 hours per week during a month subject to the employers look back period |

100% employer premium payment

Employee pays only 9.5% of household income¹

No employer premium payment

PERS PreMedicare Coverage - HB 1058

•PreMedicare Retiree can stay on the PERS plan

- COBRA @ 102% of premium
- Thereafter at 150% for single, 2 to 2.5 times the single rate for family coverage



- Closes the plan in 2015
- Main reason is “guarantee issue” that is a PERS member will also be able to get health insurance
- Credit is tied to PERS health insurance to encourage a broader cross section of retirees to take plan thereby helping rates
- Also an indirect subsidy for rates, shows on states financials (\$95 per month for retiree plan and \$5 per month for active plan)
- Implicit Subsidy on state financials of about 54 million and growing – not presently funded

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Table 1: Retiree health care liabilities by state, 2010-2012²⁵

| State | Unfunded Actuarial Liabilities (millions) | Accrued Liability - Per Capita ²⁶ | Date of Report | State | Unfunded Liabilities (millions) | Unfunded Actuarial Liability - Per Capita | Date of Report |
|-------|---|--|----------------|-------|---------------------------------|---|----------------|
| AL | \$3,261 | \$676 | 2012 | MT | \$337 | \$335 | 2012 |
| AK | \$4,039 | \$5,522 | 2012 | NE* | \$0 | \$0 | 2012 |
| AZ | \$257 | \$39 | 2012 | NV | \$947 | \$343 | 2011 |
| AR | \$1,953 | \$662 | 2012 | NH | \$2,258 | \$1,710 | 2012 |
| CA | \$63,840 | \$1,678 | 2012 | NJ | \$18,078 | \$2,039 | 2012 |
| CO | \$1,429 | \$275 | 2011 | NM | \$3,347 | \$1,605 | 2011 |
| CT | \$17,905 | \$4,987 | 2012 | NY | \$59,668 | \$3,049 | 2012 |
| DE | \$5,641 | \$6,151 | 2012 | NC | \$29,610 | \$3,036 | 2012 |
| FL | \$4,903 | \$254 | 2012 | ND | \$54 | \$77 | 2012 |
| GA | \$4,312 | \$435 | 2012 | OH | \$18,211 | \$1,577 | 2011 |
| HI | \$11,706 | \$8,408 | 2012 | OK | \$359 | \$94 | 2008** |
| ID | \$24 | \$15 | 2012 | OR | \$161 | \$41 | 2011 |
| IL | \$33,295 | \$2,586 | 2011 | PA | \$12,907 | \$1,011 | 2012 |
| IN | \$(7) | \$(1) | 2012 | RI | \$775 | \$738 | 2012 |
| IA | \$378 | \$123 | 2012 | SC | \$9,145 | \$1,936 | 2011 |
| KS | \$283 | \$98 | 2012 | SD | \$66 | \$79 | 2012 |
| KY | \$2,679 | \$612 | 2012 | TN | \$1,476 | \$229 | 2012 |
| LA | \$4,862 | \$1,057 | 2012 | TX | \$20,823 | \$799 | 2012 |
| ME | \$1,180 | \$888 | 2012 | UT | \$375 | \$131 | 2012 |
| MD | \$9,371 | \$1,592 | 2012 | VT | \$998 | \$1,594 | 2012 |
| MA | \$16,299 | \$2,452 | 2012 | VA | \$1,849 | \$226 | 2012 |
| MI | \$14,251 | \$1,442 | 2012 | WA | \$3,492 | \$506 | 2012 |
| MN | \$799 | \$149 | 2012 | WV | \$6,987 | \$3,766 | 2011 |
| MS | \$665 | \$223 | 2012 | WI | \$953 | \$166 | 2012 |
| MO | \$1,511 | \$251 | 2012 | WY | \$219 | \$380 | 2012 |

*Note: NE carries an OPEB liability that is described as immaterial for purposes of reporting.²⁷
**2008 is the latest year that published data is available for Oklahoma OPEB liabilities.²⁸

OPEB

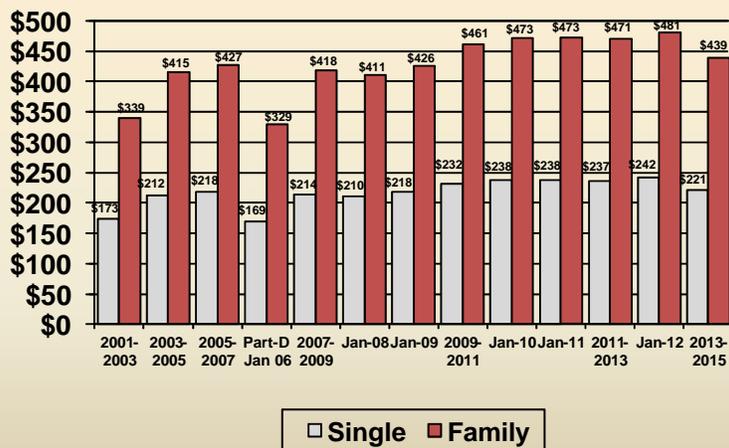
How we compare



Will be decreasing over time as a result of HB 1058

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PERS Medicare Group Plan



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NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT



VOLUNTARY DENTAL PLAN

Effective January 1, 2001

Dental Plan

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DENTAL PLAN

- Started in 1997
- Fully insured with Reliastar
- Available to state employees and retirees
- Now fully insured with Delta Dental

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DELTA DENTAL OF MINNESOTA

**North Dakota
Public Employees Retirement System
Group #537482**

**Delta Dental PPOSM and
Delta Dental Premier[®]**

A Snapshot of Your Coverage*

| Service & Description | Delta Dental PPO | Delta Dental Premier | Non-Participating |
|--|------------------|----------------------|-------------------|
| Diagnostic & Preventive Services Exams & cleanings, x-rays, fluoride treatments, space maintainers, sealants | 100% | 100% | 100%** |
| Basic Services Emergency treatment for relief of pain, amalgam restorations (silver fillings) and composite resin restorations (white fillings) on anterior (front) teeth and posterior (back) teeth | 80% | 80% | 80%** |
| Endodontics Pulpotomies on primary teeth for dependent children, root canal therapy on permanent teeth | 80% | 80% | 80%** |
| Periodontics Surgical/homological periodontics | 80% | 80% | 80%** |
| Oral Surgery Surgical/homological extractions, all other oral surgery | 80% | 80% | 80%** |
| Major Restorative Crowns | 50% | 50% | 50%** |
| Prosthetic Repairs and Adjustments Denture adjustments and repairs, bridge repair | 80% | 80% | 80%** |
| Prosthetics Dentures (full and partial), bridges | 50% | 50% | 50%** |
| Orthodontics Treatment for the prevention/correction of malocclusion, available for all covered dependents | 50% | 50% | 50%** |
| Deductible Deductible does not apply for diagnostic and preventive services or orthodontics | | \$50 per person | |
| Calendar Year Plan Maximum Per person | | \$1,000 | |
| Lifetime Dollar Maximum Per covered dependent | | \$1,500 | |

Eligible Dependents - spouse and unmarried dependent children up to age 26

*This is a summary of benefits only and does not guarantee coverage. For a complete list of covered services and limitations/exclusions, please refer to the Dental Benefit Plan Summary.

**Dentists who have signed a participating net-ork agreement with Delta Dental have agreed to accept the maximum allowable amount as payment in full. Non-participating dentists have not signed an agreement and are not obligated to limit the amount they charge; the member is responsible for paying any difference to the nonparticipating dentist.

Welcome to Delta Dental

Welcome to Delta Dental of Minnesota. We've designed your dental plan so it is easy to use and gives you and your family maximum flexibility, network savings, an unparalleled commitment to service and peace of mind. Together with your employer, our goal is to help you maintain healthy, happy smiles all year round.

Prevention is the key to good long-term oral health

Our plans are designed to encourage you to visit the dentist and help ensure your basic dental needs are met in a timely, cost-effective manner.

Access to regular checkups and sound preventive care are key to long-term oral health. In addition to visiting your dentist for regular preventive care, talk to your dentist about your specific oral health needs. Your dental plan is intended only to help you pay for care—your dentist is the one who will help you determine your actual care needs.

Helpful Online Tools

As part of our commitment to your long-term oral health, we provide members free access to valuable oral health information and dental benefit tools through our Web site, www.deltadentalmn.org.

| | |
|----------------------|----------|
| Rates | |
| Employee: | \$38.26 |
| Employee + Spouse: | \$73.84 |
| Employee + Children: | \$85.72 |
| Family: | \$122.08 |

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| | |
|------------|-------------|
| EMP ONLY | 3110 |
| EMP+CHLD | 447 |
| EMP+SP | 1618 |
| EMP+FAM | 1454 |
| Plan Count | 6629 |

The following monthly premiums apply January 1, 2013 through December 31, 2013:

| Level of Coverage | Active Premium |
|-------------------------|----------------|
| Individual Only | \$38.26 |
| Individual & Spouse | \$73.84 |
| Individual & Child(ren) | \$85.72 |
| Family | \$122.08 |

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GROUP INSURANCE PROGRAMS

Life Insurance Plan

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Amount of Coverage – August 2013

| | |
|---------------------|------------------------|
| Basic | \$69,182,700 |
| Supplemental | \$1,111,160,900 |
| Dependent | \$30,977,000 |
| Spouse | \$253,560,000 |

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Types of Coverage

- Basic – \$3,500
- Supplemental Life
 - Pretax first \$50,000
- Dependent Life
 - \$2,000/\$5,000
- Spouse supplemental coverage
- AD&D coverage
- Accelerated Life Benefit

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Considerations

- Basic Life for active employees increased from \$1,300 to \$3,500 – 269%
- Reduced employee and spouse rates
- Travel Assistance Benefits to include:
 - Pre-trip Information
 - Emergency Personal Service (non-medical)
 - Medical Assistance Services
 - Emergency Transportation Services
- Funeral Planning & Concierge Services

155

Pre-trip Information

- Visa, passport, and immunization requirements.
- Foreign exchange rates.
- Embassy/consular referral.
- Travel/tourist advisories.
- Temperature & weather conditions.
- Cultural information.

156

Emergency Personal Service (non-medical)

- Urgent message relay.
- Interpretation/translation services.
- Emergency travel arrangements.
- Recovery of lost or stolen luggage or personal possessions.
- Legal Assistance and/or bail bond.

157

Medical Assistance Services

- Medical referrals.
- Medical case monitoring.
- Rx assistance.
- Payment of emergency medical services up to \$10,000

158

Emergency Transportation Services

- Visit of family member or friend.
- Return of traveling companion.
- Return of dependent children.
- Return of vehicle.
- Return of mortal remains.
- For any of these services contact:
 - ING Travel Assistance: U.S. Toll Free: 800.859.2821
 - Worldwide Collect: 202.296.8355
 - Email: ops@europassistance-usa.com
 - Web: www.europassistance-usa.com

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GROUP INSURANCE PROGRAMS

LONG TERM CARE

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Long Term Care Plan

LEVELS OF CARE

- Nursing Home/Long-term Care Facility
\$3,000 monthly benefit
- Assisted Living Facility
\$1,800 monthly benefit
- Professional Home Care
\$50 daily benefit
- Total Home Care
\$1,500 monthly benefit

BENEFIT DURATION Lifetime Maximum*

3 years, \$108,000
5 years, \$180,000
**Bank of dollars depletes as you receive benefits.*

Additional Plan Features:

Paid-up Features
Protection for non-payment of premium.
• Coverage must be in force for 5 years.

Inflation Protection

Protects benefit from inflation.
• Increase equal to 5% of original benefit.

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PERS Bd Study of Program

- LTC planning is an important consideration in planning for retirement.
- Purchasing a LTC plan that is “partnership” qualified is the key to accessing the tax credit.
- The information from GRS indicated that an entirely voluntary plan (fully paid by the employee) would likely not get any interest in the market. Also there would likely be no preferential underwriting. With this understanding, an employee could buy a product just as effectively in the individual market directly from a local agent than through us.
- That if the employer paid a part of the premium and with the tax credit a group plan could likely draw a significant level of participation from its membership which would:
 - Reduce the underwriting requirement making the plan more accessible
 - Help with the overall pricing

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LTC underwriting

MODIFIED GUARANTEE ISSUE - Answer Questions in SECTION A only.
SIMPLIFIED ISSUE- Answer Questions in SECTIONS A & B.
FULL UNDERWRITING - Answer Questions in SECTIONS A, B & C.

1. During the last 6 MONTHS, have you been continuously and actively at work for your current employer for a minimum of 30 hours per week (away from home), except for vacation? Yes No

2. During the last 6 MONTHS, have you missed more than five consecutive days of work due to accidents, injury, illness or any physical or cognitive impairment? Yes No

3. During the last 12 MONTHS, have you ever required assistance or supervision of any kind to perform any everyday activity, such as mobility (including the use of pronged canes), taking medications, dressing, eating, walking, bathing, transferring, or toileting? Yes No

If any question 4 - 9 is answered Yes, You are not eligible for coverage.

4. Have you EVER had, or been diagnosed, treated or had symptoms of any of the following conditions? Yes No

If Yes, please check the applicable condition(s): Yes No

A

Alzheimer's disease Dementia or Senility Osteoporosis with fractures

Amputation due to disease Mobility Deficit

B

Amyotrophic Lateral Sclerosis Multiple Sclerosis Paraplegia or Quadriplegia (Lou Gehrig's disease)

Arthritis with narcotic pain medication Muscular Dystrophy Parkinson's disease

Cardiovascular Accident* (Stroke, CVA, TIA) Myasthenia Gravis Polymyositis

Huntington's Chorea Scurvy Memory loss requiring medical consultation

*If applicant has had a single Cardiovascular Accident more than 2 years ago, complete Section C.

5. Have you ever been diagnosed by a medical practitioner as having AIDS (Acquired Immune Deficiency Syndrome) or tested positive for HIV? Yes No

6. During the last 3 YEARS, have you used over 60 units of insulin per day to treat Diabetes, or have you been diagnosed or treated for Diabetes WITH COMPLICATIONS (Neuropathy, Retinopathy, Heart Disease, Stroke), Chronic Hepatitis or Cirrhosis, alcohol abuse, drug or prescription drug addiction, or Transient Global Amnesia? Yes No

7. During the last 12 MONTHS, have you used a catheter, dialysis, oxygen equipment, a quad or three-pronged cane, respirator, walker, wheelchair, crutches, motorized scooter or chair lift? Yes No

8. During the last 12 MONTHS, have you been confined to a nursing home, assisted living facility, attended an adult day care facility, or required home health care? Yes No

9. Do you have a direct family history (parents or siblings) of Huntington's Chorea or Polycystic Kidney Disease? Yes No

10. Are you currently taking or been prescribed any prescription drugs or medications? Yes No

If Yes, please list all: _____

PRIMARY PHYSICIAN'S NAME _____ TELEPHONE NUMBER _____ HMO/PPPO ID# (if known) _____

ADDRESS _____ DATE LAST CONSULTED _____

REASON LAST SEEN _____

If any question 11 - 14 is answered Yes, You are not eligible for coverage. For questions 15-17, if Yes, circle any applicable diagnosis or condition(s) and give details in question # 18.

11. Have you EVER had, been diagnosed with, treated for, or had symptoms of:

a) COPD (Emphysema) with oxygen use, or steroid medications? Yes No

b) Multiple Strokes (CVAs), or Metastatic or Multi-site Cancer? Yes No

12. In the last 24 MONTHS, have you had a Single Stroke (CVA or TIA)? Yes No

13. In the last 12 MONTHS, have you had Cardiomyopathy? Yes No

14. Within the last 3 MONTHS, have you had a Heart Attack (MI) or Chest Pain; uncontrolled Blood Pressure; Hip or Back Surgery; or Cancer? Yes No

15. In the last 5 YEARS, have you been diagnosed with, received treatment for, or had symptoms of:

a) Chronic Lymphocytic Leukemia, Diabetes, Cancer or Macular Degeneration? Yes No

b) Arthritis, Osteoporosis, Rheumatoid Arthritis, Fibromyalgia, Fractures, Joint Replacement or used a straight cane? Yes No

c) Heart Attack, Chest Pain, Heart Disease, Congestive Heart Failure (CHF), High Blood Pressure, Heart Murmur, Cardiomyopathy or Peripheral Vascular Disease? Yes No

d) Stroke, Cardiovascular Accident (CVA), Transient Ischemic Attack (TIA), Aneurysm, irregular heartbeat, Carotid Artery Stenosis, or Heart Surgery? Yes No

e) Mental or cognitive disorder including memory loss, confusion, disorientation, mental retardation, depression, or Epilepsy? Yes No

f) Asthma, Chronic Obstructive Pulmonary Disease (COPD), or Emphysema? Yes No

g) Dizziness, fainting, blurred vision, convulsions, paralysis, falls, loss of balance or strength? Yes No

h) Any condition requiring treatment, surgery, home care or hospitalization, but not mentioned above (NOT including routine Colds, Flu, etc.) or unplanned weight loss of 15 lbs or more? Yes No

16. In the last 12 MONTHS, has any medical treatment, follow-up, diagnostic testing, or surgery been recommended, but not yet completed? If Yes, give details: _____ Yes No

17. Do you have a handicap sticker, handicap placard, or handicap license plate? Yes No

18. Give details for all Yes answers. FOR EVERY MEDICATION THERE SHOULD BE A CONDITION AND FOR MOST CONDITIONS THERE SHOULD BE A MEDICATION OR TREATMENT.

| Question # | Nature of Condition/Medication | Date Last Treated/ Medication Taken | Name of Physician Seen/ Physician's Address |
|------------|--------------------------------|-------------------------------------|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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GROUP INSURANCE PROGRAMS

VISION PLAN

Vision PLAN

- Started in 1997
- Fully insured with Superior Vision
- Available to state employees and retirees
- Went to bid in 2010 changed carriers to Superior Vision

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VISION RATES

The following monthly premiums apply January 1, 2011 through December 31, 2014:

| <u>Level of Coverage</u> | <u>Active & Retiree Premium</u> |
|--------------------------|-------------------------------------|
| Individual Only | \$ 4.92 |
| Individual & Spouse | \$ 9.84 |
| Individual & Child(ren) | \$ 8.96 |
| Family | \$13.88 |

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Vision Plan – Superior Vision

161 providers in our network

Outline of Benefits

Co-payments: \$0 Comprehensive Eye Exam
\$35 Materials
\$35 Contact Lens Fitting

In-network co-pays are paid directly to the provider.
Materials co-pay applies to lenses and/or frames, not contact lenses.

| | In-Network ¹ | Out-of-Network ² |
|---|---|-----------------------------|
| Comprehensive Eye Exam: | | |
| Optometrist (OD) | Covered in Full | Up to \$45 |
| Ophthalmologist (MD) | Covered in Full | Up to \$45 |
| Standard Lenses (Per Pair): | | |
| Single Vision | Covered in Full | Up to \$35 |
| Bifocal | Covered in Full | Up to \$50 |
| Trifocal | Covered in Full | Up to \$70 |
| Leonticular | Covered in Full | Up to \$70 |
| Progressives | Covered to providers' retail bifocal amount | Up to \$70 |
| Contact Lenses (Per Pair):³ | | |
| Medically Necessary | Covered in Full | Up to \$210 |
| Elective ⁴ | Up to \$100 | Up to \$100 |
| Contact Lens Fitting⁵ | | |
| Standard | Covered in Full | Not Covered |
| Specialty | Up to \$50 | Not Covered |
| Frames-Standard⁶ | Up to \$75 | Up to \$40 |

¹All in-network and out-of-network allowances are at the retail value.
²Contact lenses are in lieu of eyeglass lenses and frame benefits.
³The insured is responsible for paying any charges in excess of this allowance.
⁴Standard contact lens fitting applies to an existing contact lens user who wears disposable, daily wear, or extended wear lenses only. The specialty contact lens fitting applies to new contact lens wearers and/or a member who wears toric, gas permeable, or multi-focal lenses.
⁵Frequency:
Comprehensive Exam 1 per Calendar Year
Contact Lens Fitting 1 per Calendar Year
Lenses 1 Pair per Calendar Year
Frames 1 per Calendar Year
Contact Lenses 1 Allowance per Calendar Year
Monthly Rates: Employee Only \$4.92
Employee and Spouse \$9.84
Employee and Child(ren) \$8.06
Employee and Family \$13.88

12/31/2012 Coverage

| | Employees | Dependents |
|-------------------|-----------|------------|
| Employee Only | 2,906 | |
| Employee + Child | 574 | 1,101 |
| Employee + Spouse | 2,071 | 2,054 |
| Employee + Family | 2,004 | 6,231 |
| | 7,555 | 9,386 |

Total Lives: 16,941

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EMPLOYEE ASSISTANCE PROGRAM

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EMPLOYEE ASSISTANCE PROGRAM

The EAP is designed to provide special assistance in guidance and counseling and to determine appropriate diagnosis and/or course of treatment to employees and their eligible dependents in cases of alcoholism, drug abuse and personal problems. This assistance is rendered for a specified number of visits and the EAP is responsible for recommending further referrals to clinical or supportive organizations and medical professionals if necessary. They also conduct educational seminars and provide informational brochures.

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EMPLOYEE ASSISTANCE PROGRAM

CURRENT EAP PROVIDERS

St. Alexius

Village Family Services

Deer Oaks

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Agency based selection process

- PERS bids the services
- PERS certifies those meeting the minimum requirements
- Agencies select vendors from list

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FLEX COMP PROGRAM

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FLEX COMP PROGRAM

The FlexComp Plan is administered in accordance with Internal Revenue Code Section 125. It is a voluntary benefit program that allows you to set aside a portion of your salary before state and federal taxes are deducted and have it credited to accounts from which you may draw Tax Free reimbursements to pay for eligible out-of-pocket medical and dependent care expenses. You may also have certain eligible payroll deducted insurance premiums deducted on a pre-tax basis. The Plan Year begins on January 1 and ends on December 31.

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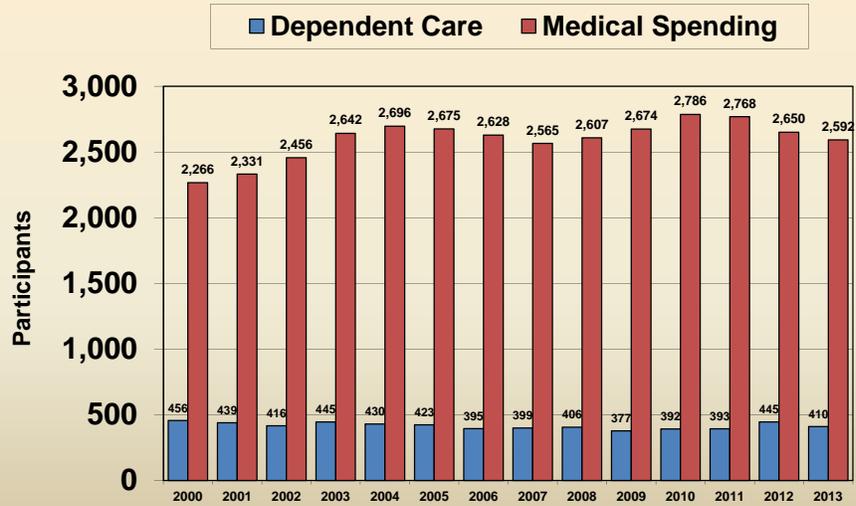
FLEX COMP PROGRAM

- **THREE TYPES OF ACCOUNTS**
 - MEDICAL**
 - DEPENDENT CARE**
 - PREMIUM CONVERSION**

- Use it or lose it**

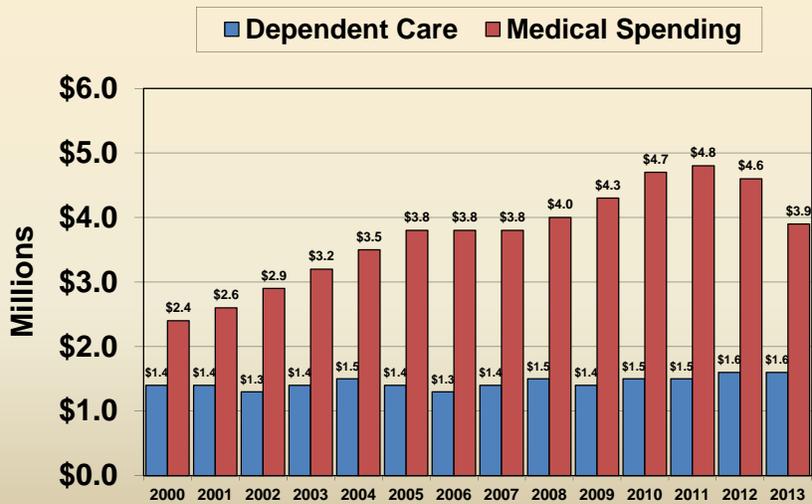
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NDPERS Flexcomp Participation



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NDPERS Flexcomp Participation



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NDPERS Flexcomp Participation

