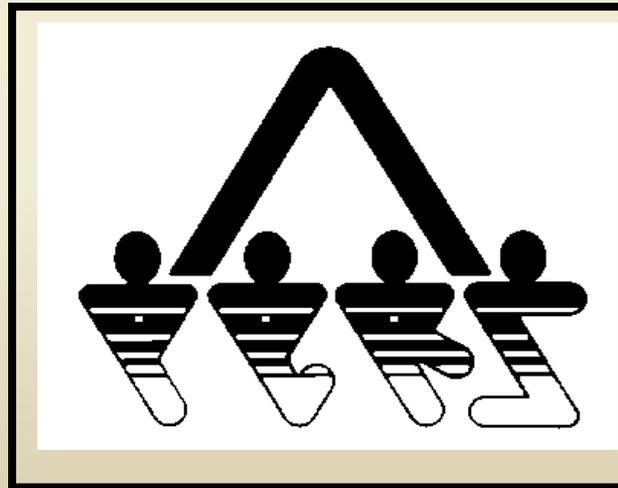


# Overview of NDPERS 2015



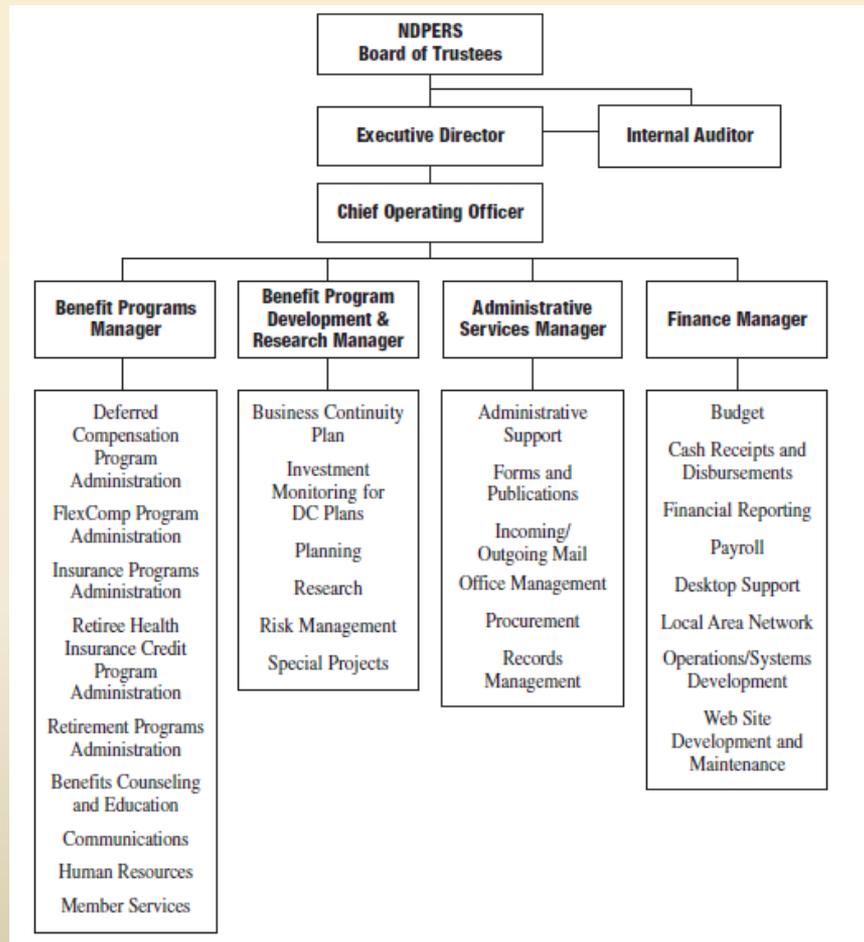
# PERS BOARD

- ***Nine MEMBERS***
  - ***CHAIR - APPOINTED BY GOVERNOR***
  - ***THREE ELECTED BY ACTIVE MEMBERS***
  - ***ONE ELECTED BY RETIRED MEMBERS***
  - ***STATE HEALTH OFFICER***
  - ***ONE APPOINTED BY ATTORNEY GENERAL***
  - ***TWO APPOINTED BY THE LEGISLATURE (SB 2022)***

# PERS BOARD

- *Jon Strinden*                      *Chair*
- *Kim Wassim*                      *Elected - Actives*
- *Casey Goodhouse*              *Elected - Actives*
- *Mike Sandal*                      *Elected - Actives*
- *Yvonne Smith*                    *Elected - Retirees*
- *Arvy Smith*                        *Health Department*
- *Tom Trenbeath*                  *Attorney General*
- *Sen Dick Dever*                 *Legislator*
- *Rep Pam Anderson*              *Legislator*

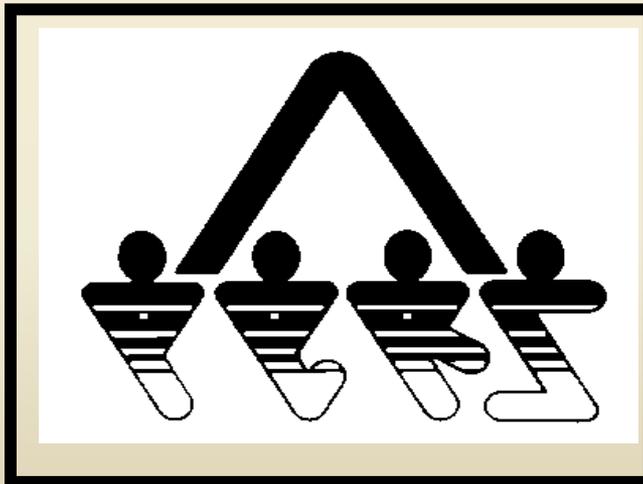
# Organization



# PROGRAMS

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

# RETIREMENT PROGRAMS



# 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 INSURANCE CREDIT**
- **ADMINISTRATIVE SERVICES**
  - *PRIOR JUDGES*
  - *JOB SERVICE RETIREE HEALTH CREDIT*

# PERS Statistics

January 2015	RETIREMENT PROGRAMS MANAGED AND ADMINISTERED BY NDPERS									
	TOTAL	Main			Law	Highway	Job	D.C.	DEFERRED	HEALTH
	RETIREMENT	System	Judges	Guard	Enforcement	Patrol	Service	401(a)	COMP	CREDIT
<b>PARTICIPATION</b>										
<b>AGENCY</b>										
State	94	94	1	1	1	1	1	94	90	94
Counties	49	49			13				37	49
School Dist	119	119							21	119
Cities	85	85			9				35	85
Others	76	76							34	76
	423								217	423
<b>EMPLOYEES</b>										
State	10,805	10536	48	16	44	153	11	233	5,118	10,805
Counties	3,941	3688			253				708	3,941
School Dist	6,037	6036			1				71	6,037
Cities	1,827	1758			69				243	1,827
Others	615	615							208	615
Retirees	8,966	8628	32	9	45	112	140			4,828
	32,191	31,261	80	25	412	265	151	233	6,348	28,053

# 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

3 TFFR Bd members

Land Dept Rep

Lt Governor, Chair

State Treasurer

Insurance Commissioner

WSI Representative

RETIREMENT SYSTEM

**BACKGROUND DATA**

## **NDPERS Main System – July 2014**

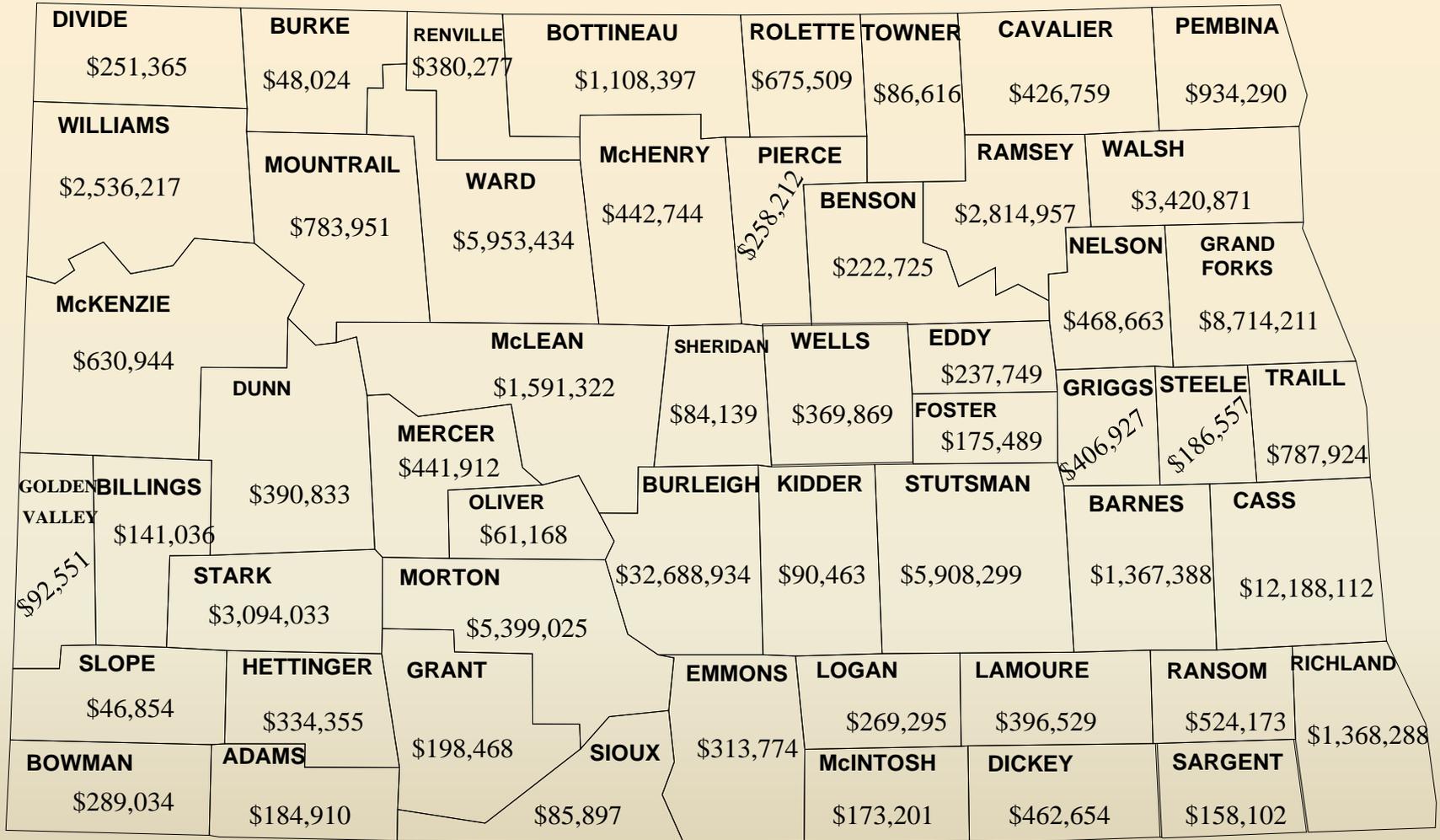
**TOTAL  
CONTRIBUTIONS:  
\$1,347,500,000**

**TOTAL  
PAYMENTS:  
\$1,358,300,000**

**FUND BALANCE:  
\$2,281,600,000**

# NDPERS Retirees

## Annual Benefits 2014

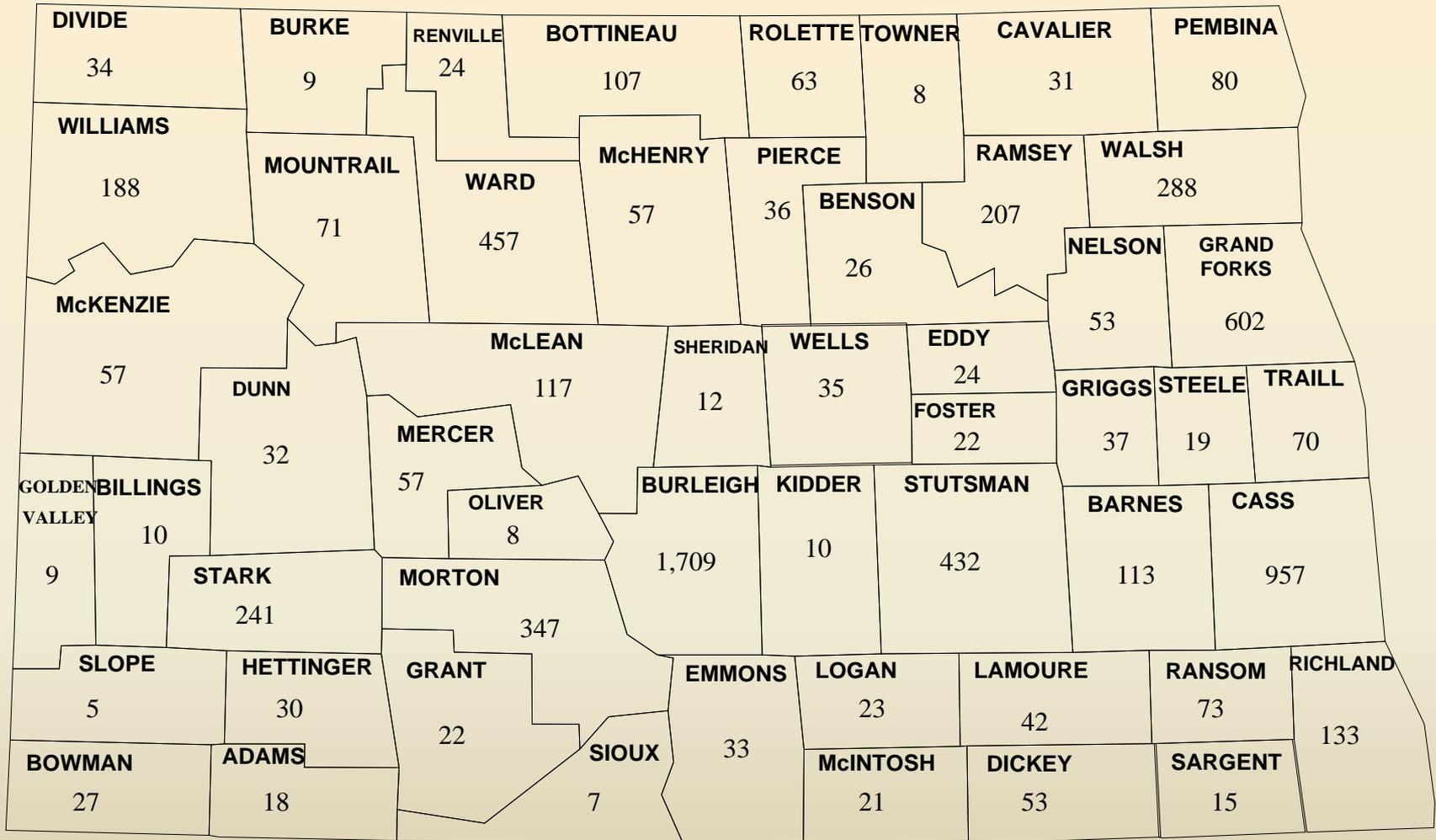


Out-of-State - \$15,474,063

Total - \$116,141,494

# NDPERS Retirees

June 2014

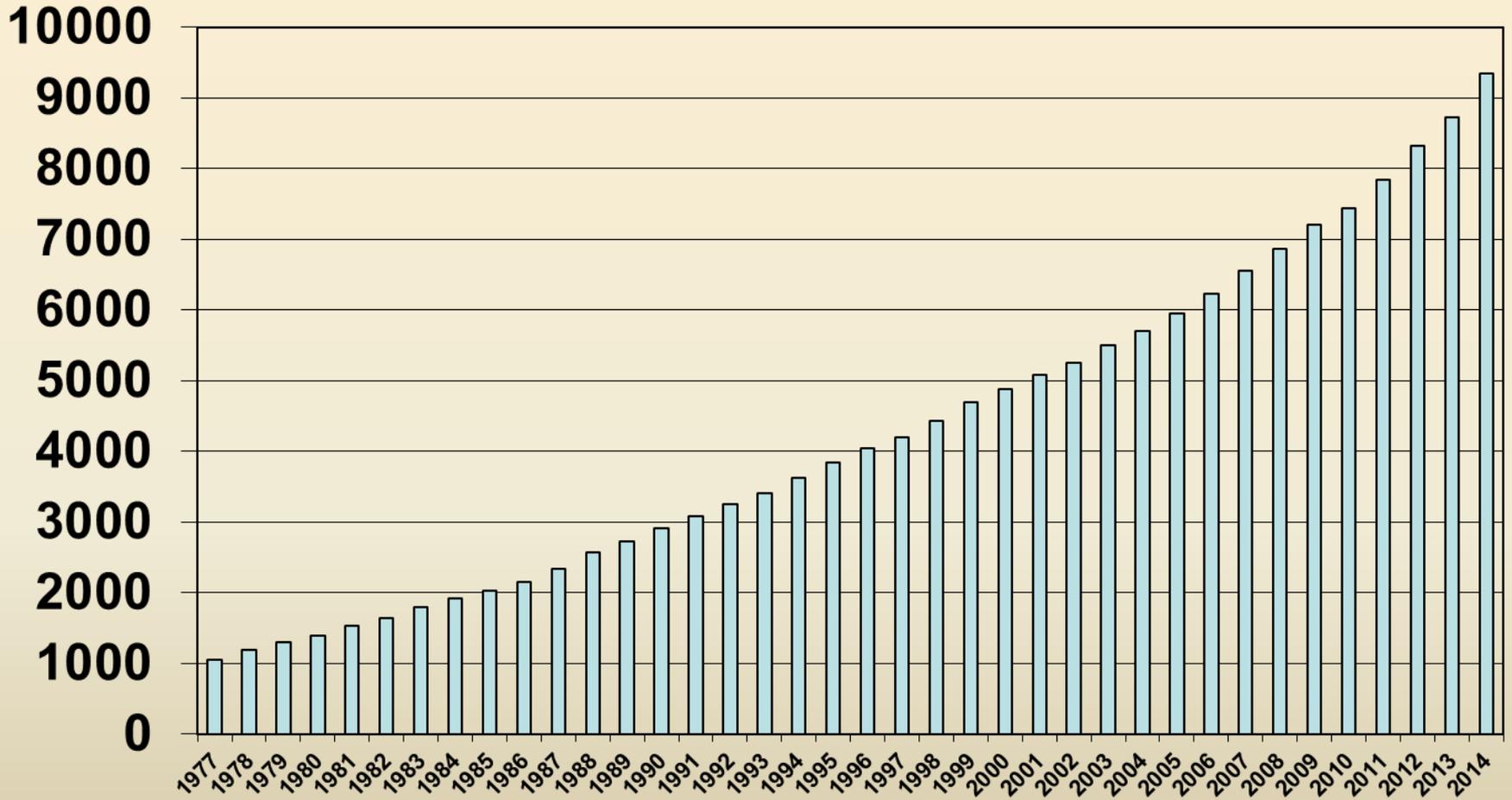


Out-of-State – 1,286

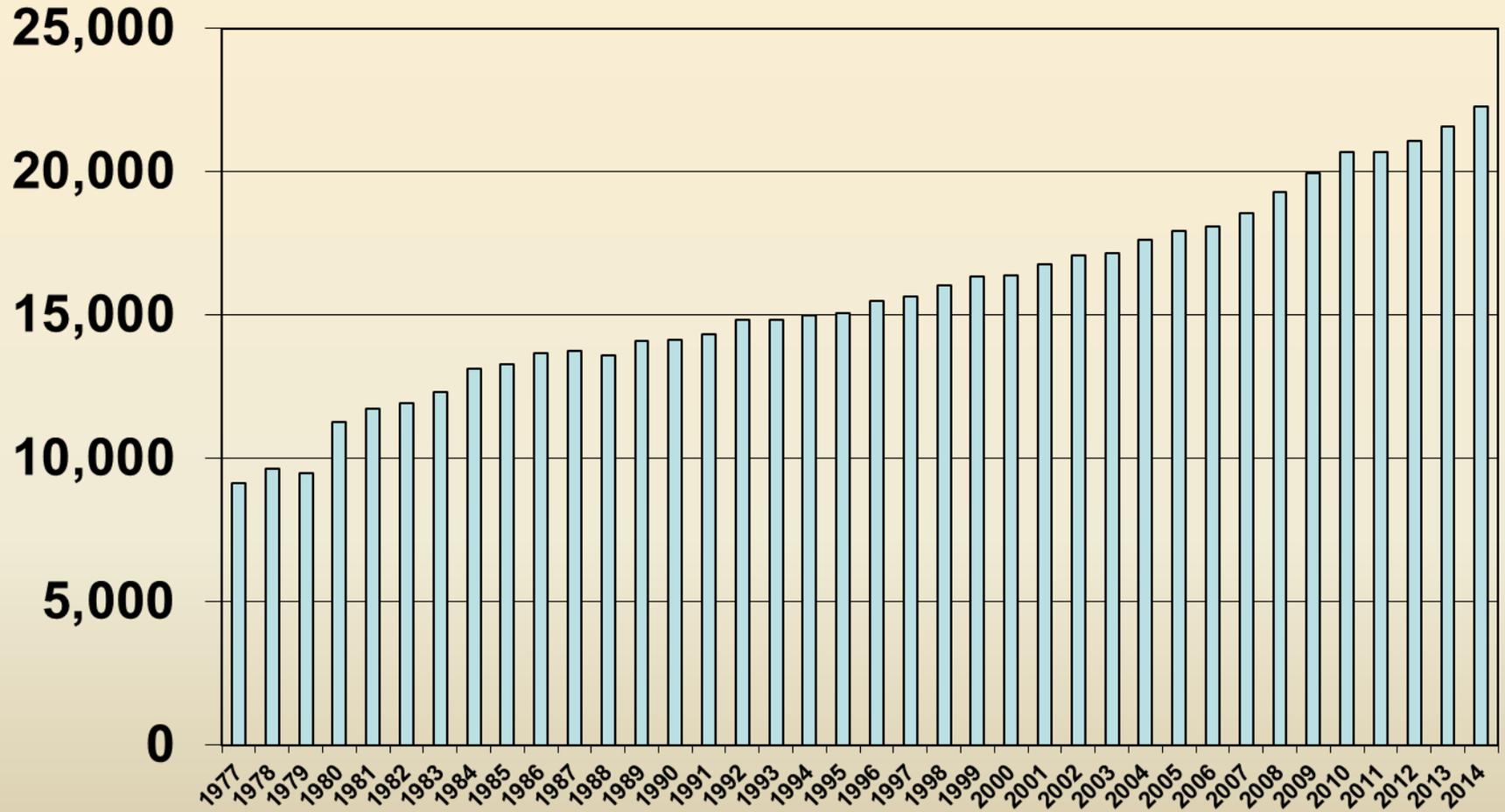
Total – 8,447

# NDPERS Retirement Retirees

(Main System, Judges, Guard, Law Systems)

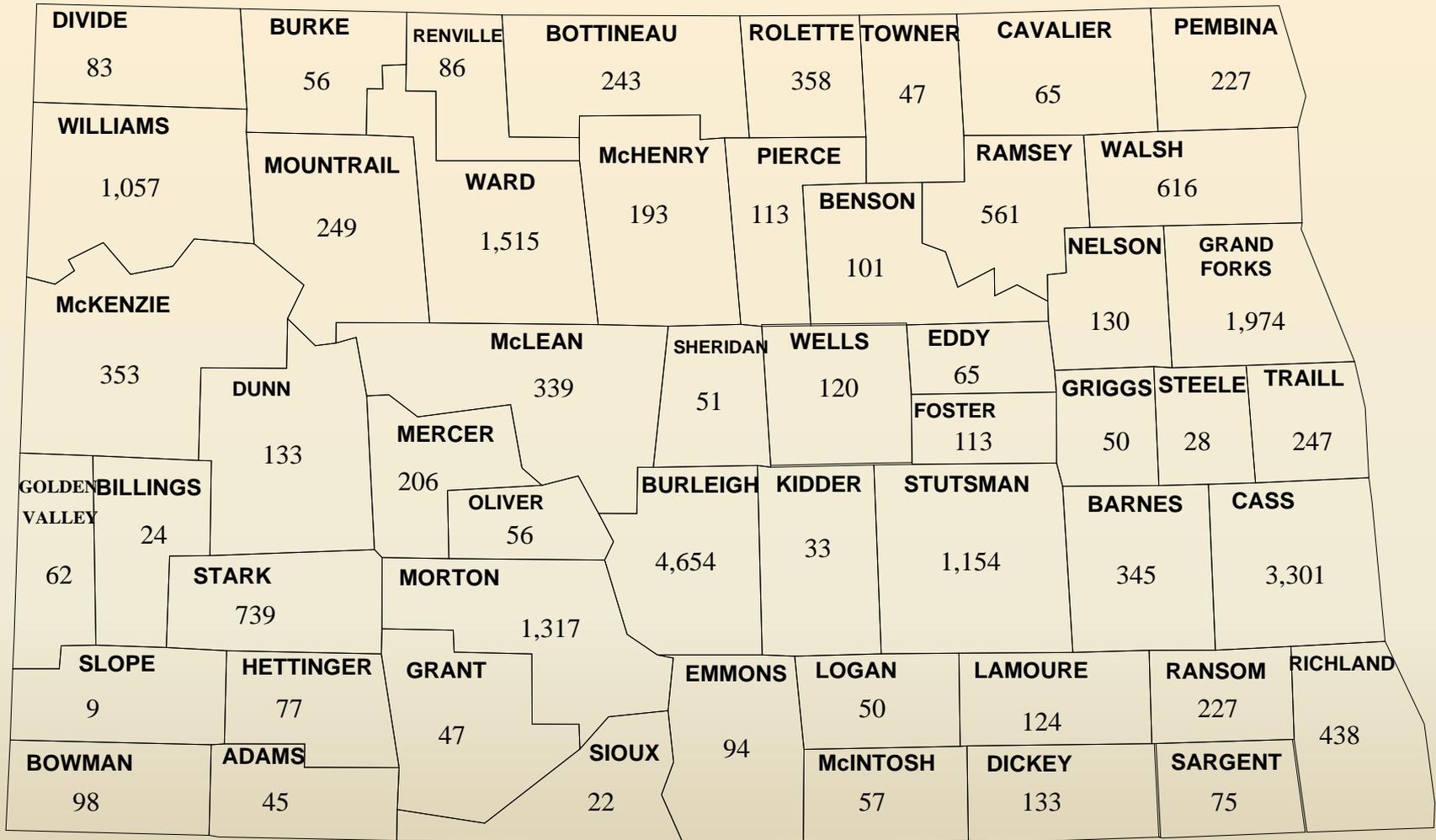


# NDPERS Retirement Actives (Main System, Judges, Guard, Law Systems)



# NDPERS Active Retirement Members

October 2015

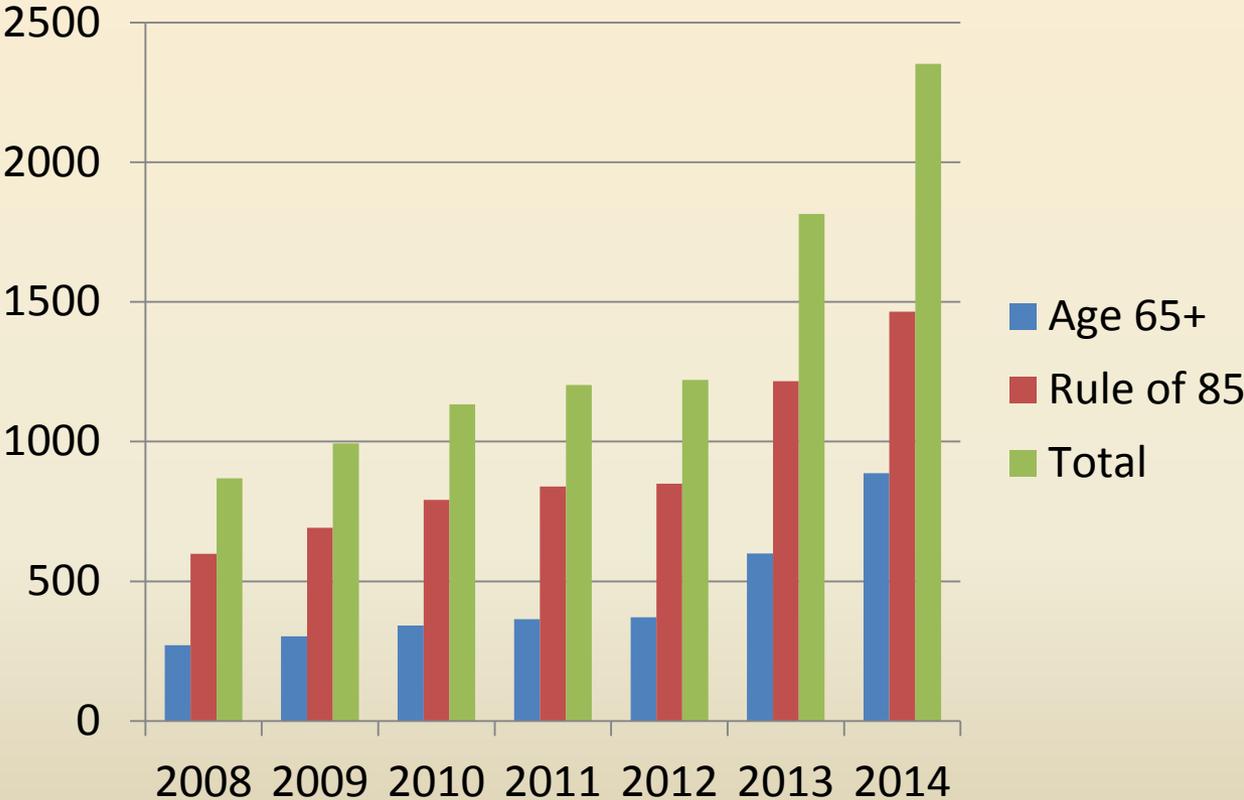


Out-of-State – 1,204

Total – 23,764

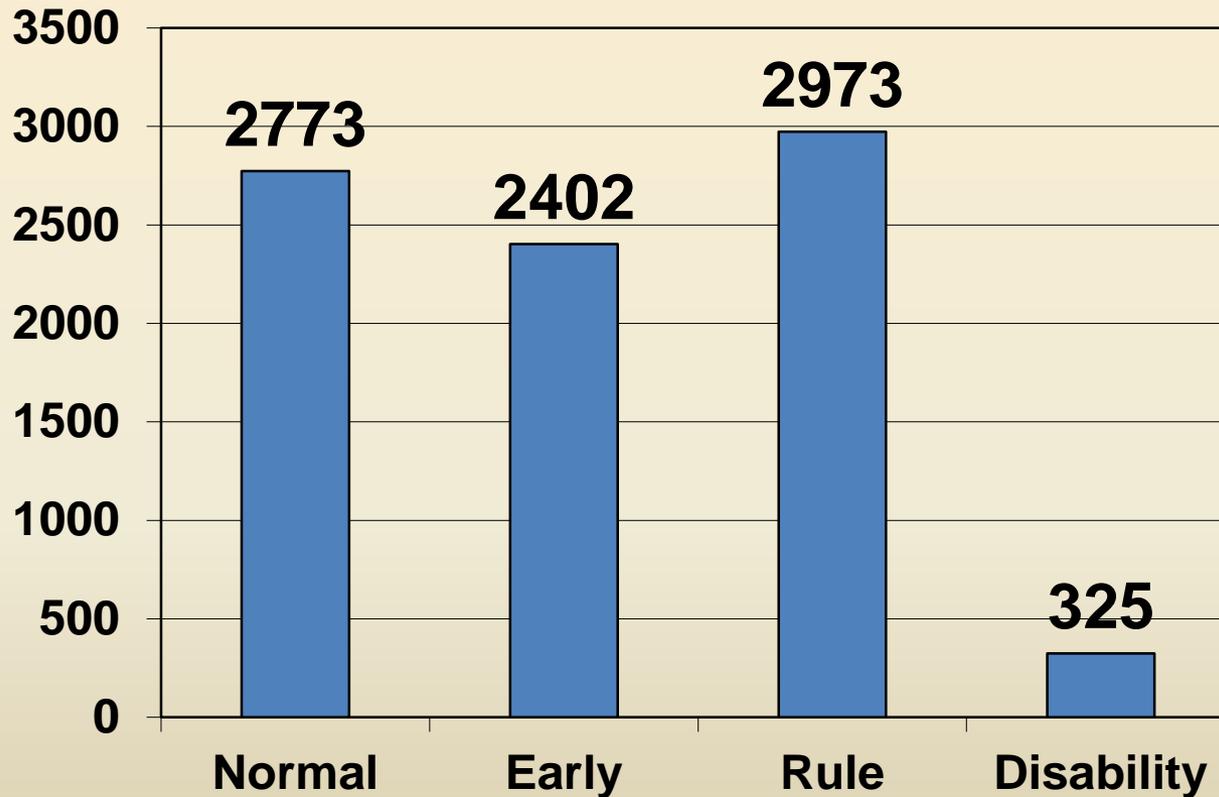
# NDPERS - State

## Eligible for Retirement



# NDPERS Pensions In Force

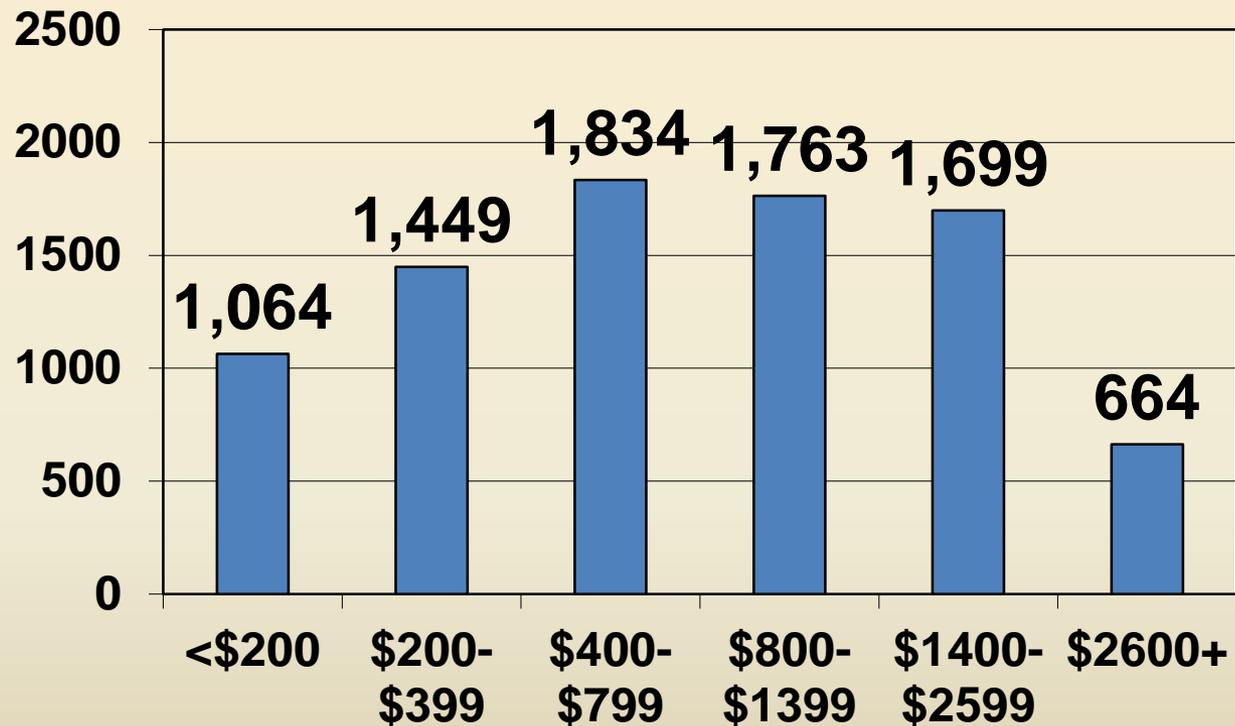
July 1, 2014



Main System, Judges, Guard, and Law Enforcement Plans

# NDPERS Pensions In Force

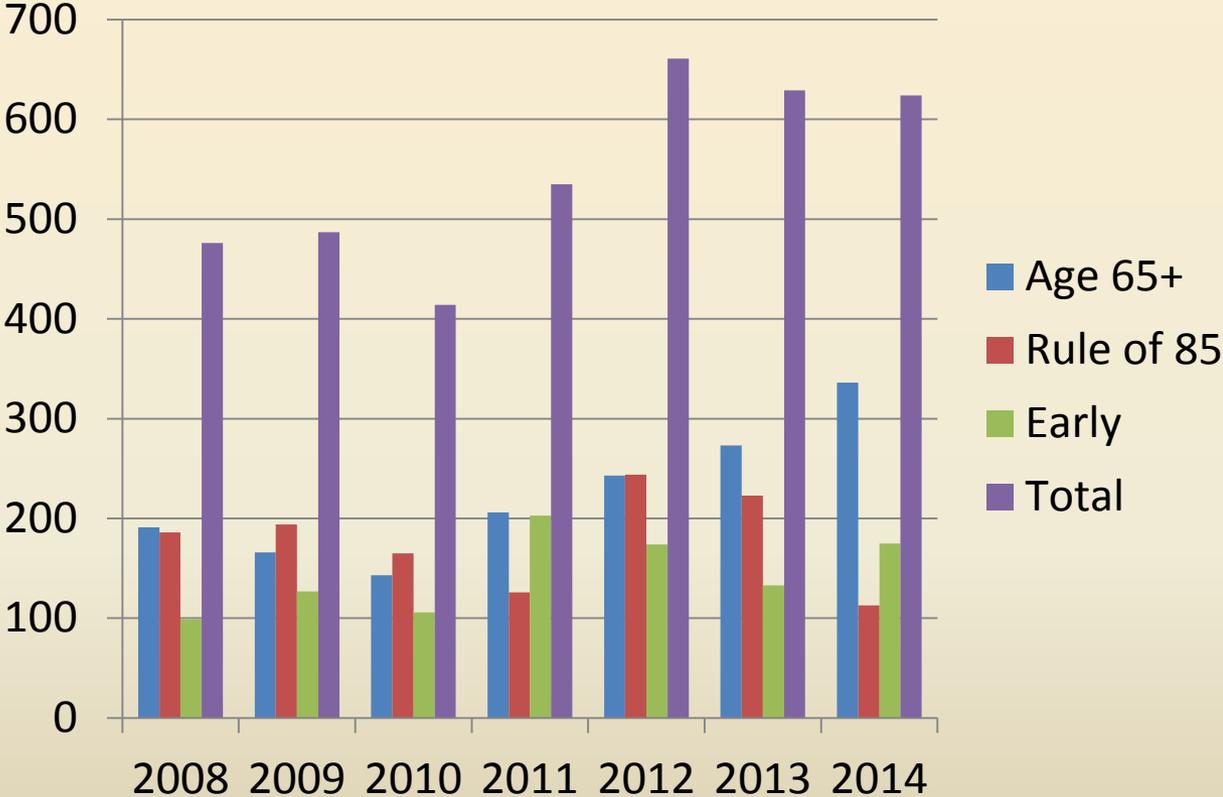
Monthly Benefit - July 1, 2014



Main System, Judges, Guard, and Law Enforcement Plans

# NDPERS - State

## Retired



# Retirement

## Main System



# RETIREMENT - MAIN

## **Public Employees Retirement Plan**

Chapter 54-52, NDCC

Employer Contribution:	7.12%
Employee Contribution:	<u>7.00%</u>
Total Retirement Contributions:	14.12%

Vesting in Disability Benefit: 180 days

Vesting in Retirement Benefit: 36 months

Normal Retirement: Age 65 or Rule of 85

# Retirement – Main System

## Assets as of 06/30/2014:

Market	\$2,211,910,482
Actuarial	\$1,895,837,734

## Members:

Active	21,814
Retired	8,535
Beneficiaries	820
Inactive Vested	4,363

# RETIREMENT - Main

## Retirement Formula:

*Final Average Salary x 2% x Years of Credited Service*

### Example:

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

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

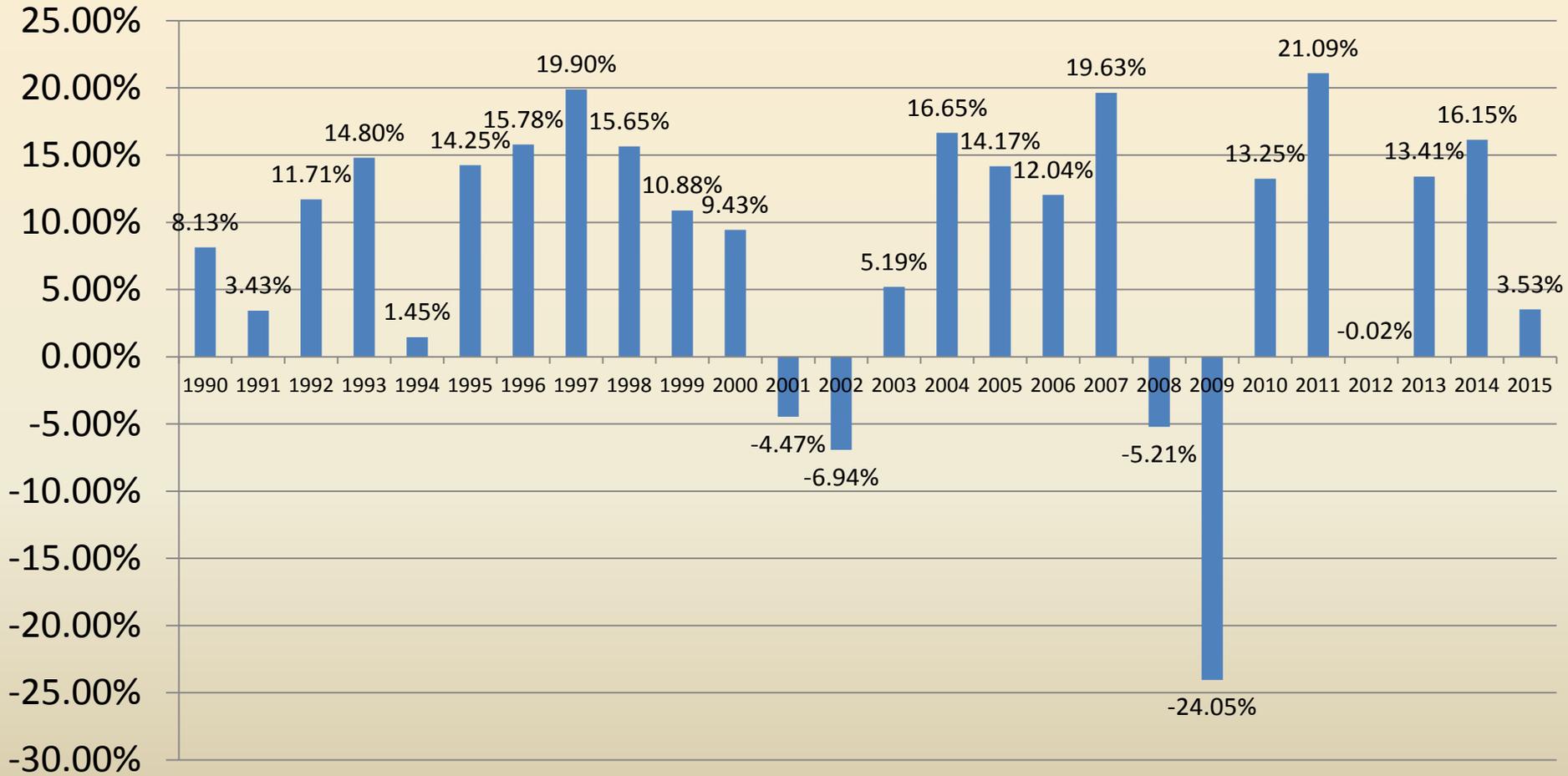
<u>Date</u>	<u>Multiplier</u>	<u>Retiree Adjustment</u>	<u>1980 Retiree with \$500 Benefit</u>
7/77	1.04%	1.04%	\$500
7/83	1.20%	15.38%	\$577
7/85	1.30%	8.33%	\$625
7/87	1.50%	15.38%	\$721
7/89	1.65%	15.76%	\$835
7/91	1.69%	2.42%	\$855
8/93	1.725%	2.00%	\$872
1/94	1.74%	1.00%	\$881
8/97	1.77%	5.00%	\$925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

In 2006 there was a 13<sup>th</sup> check equal to half the monthly payment.

In 2008 there was a 13<sup>th</sup> check equal to ¾ the monthly payment.

# NDPERS Main System Investment Returns

## Market



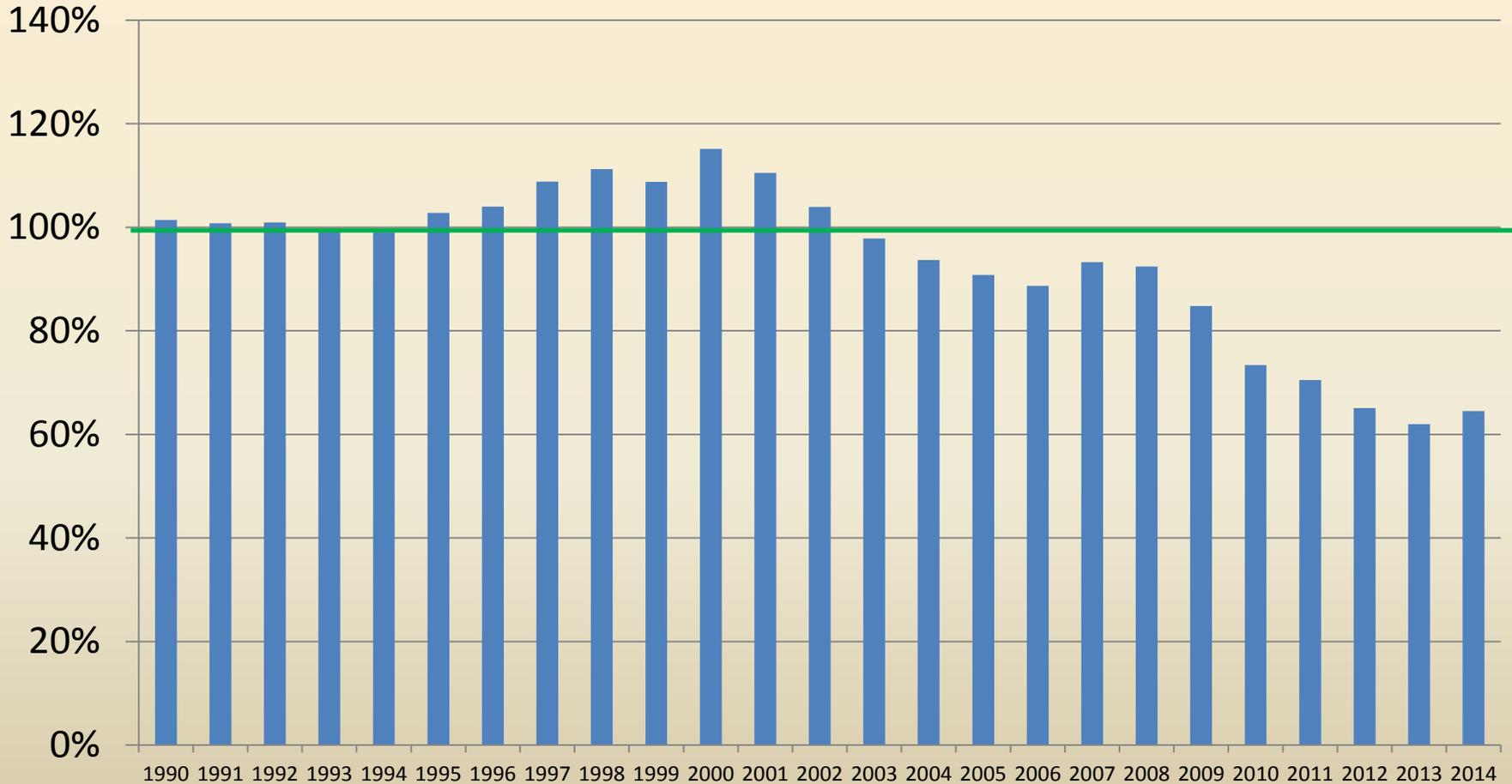
# NDPERS Retirement Systems Assets

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



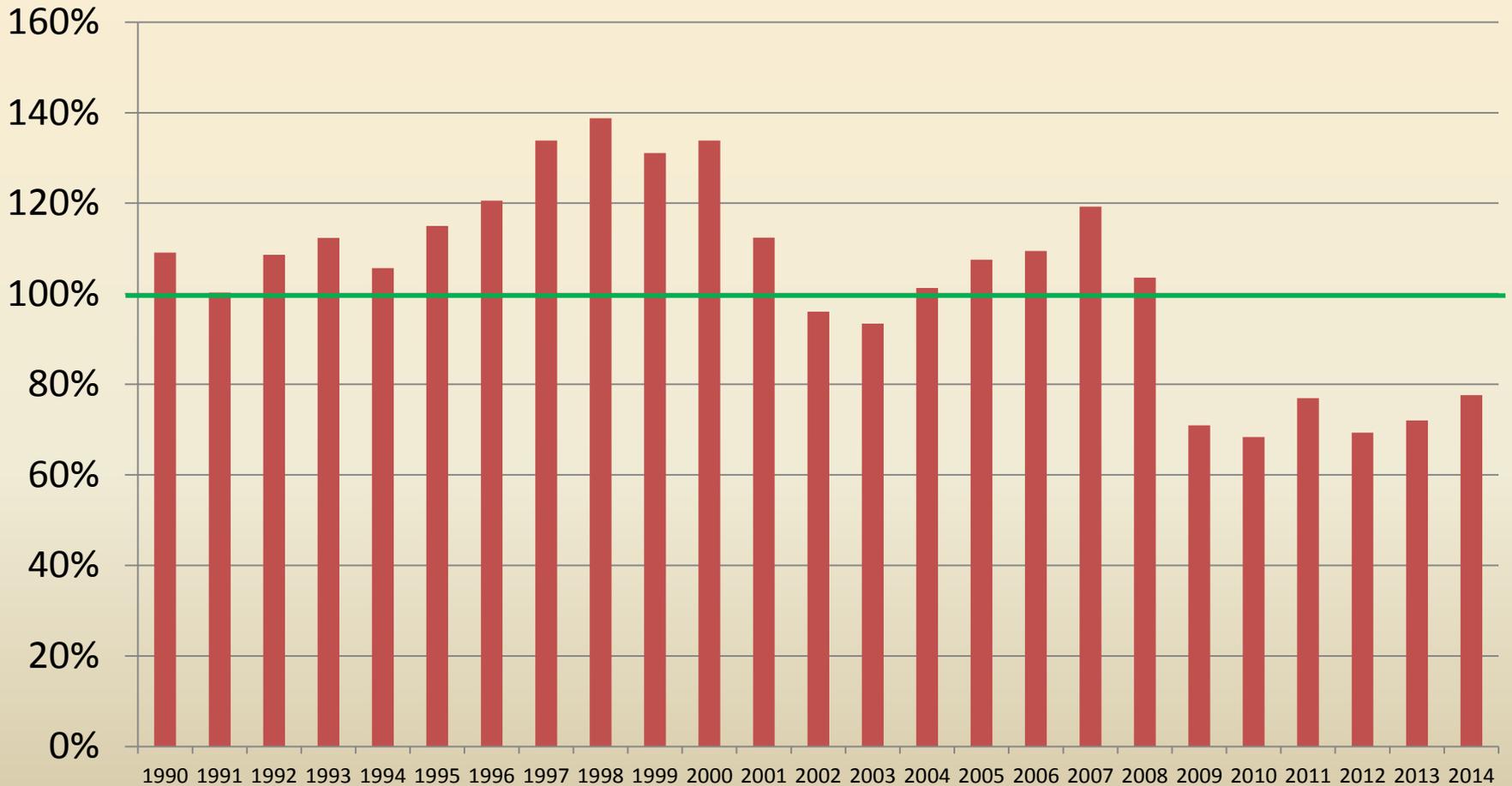
# NDPERS Funded Ratio

## Actuarial Value



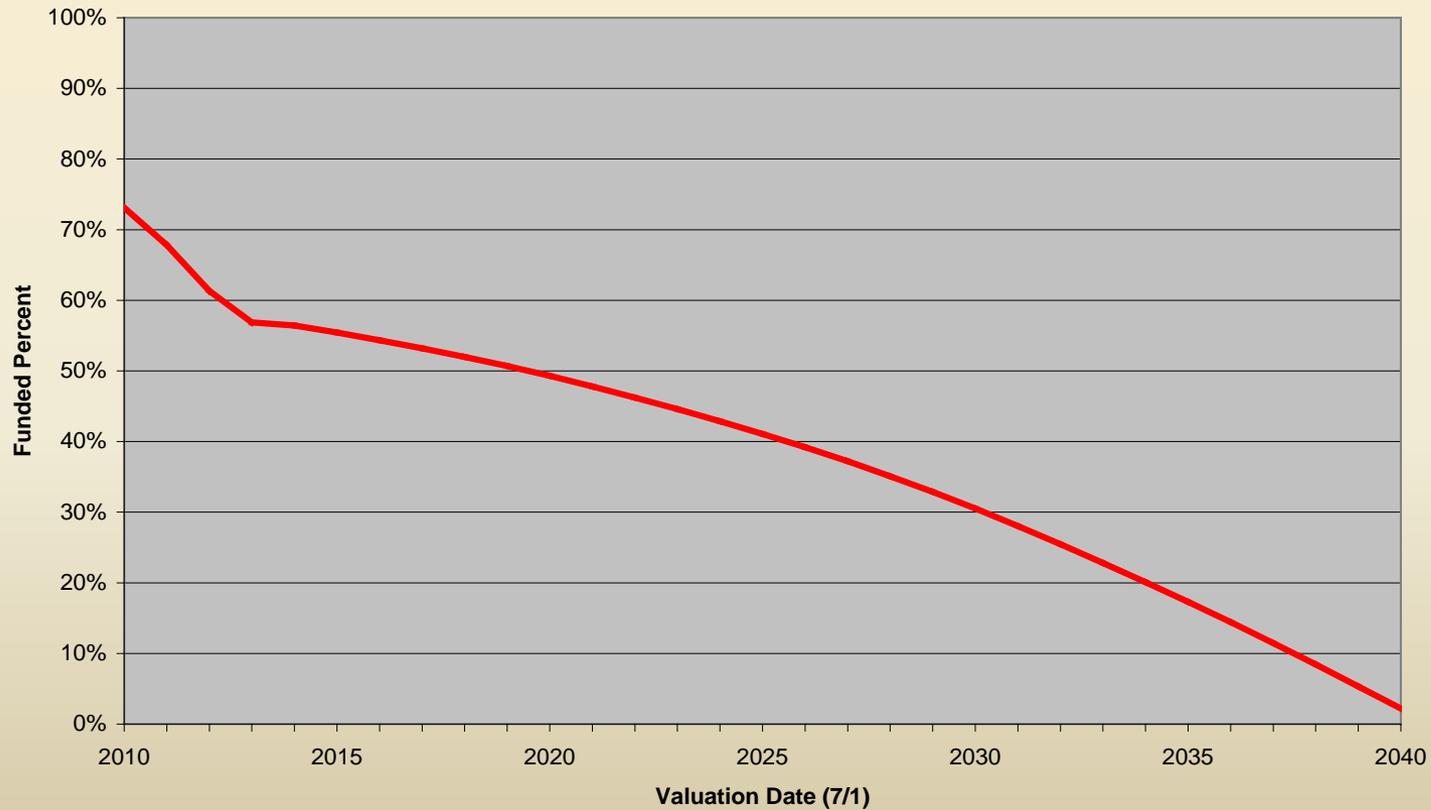
# NDPERS Funded Ratio

## Market Value

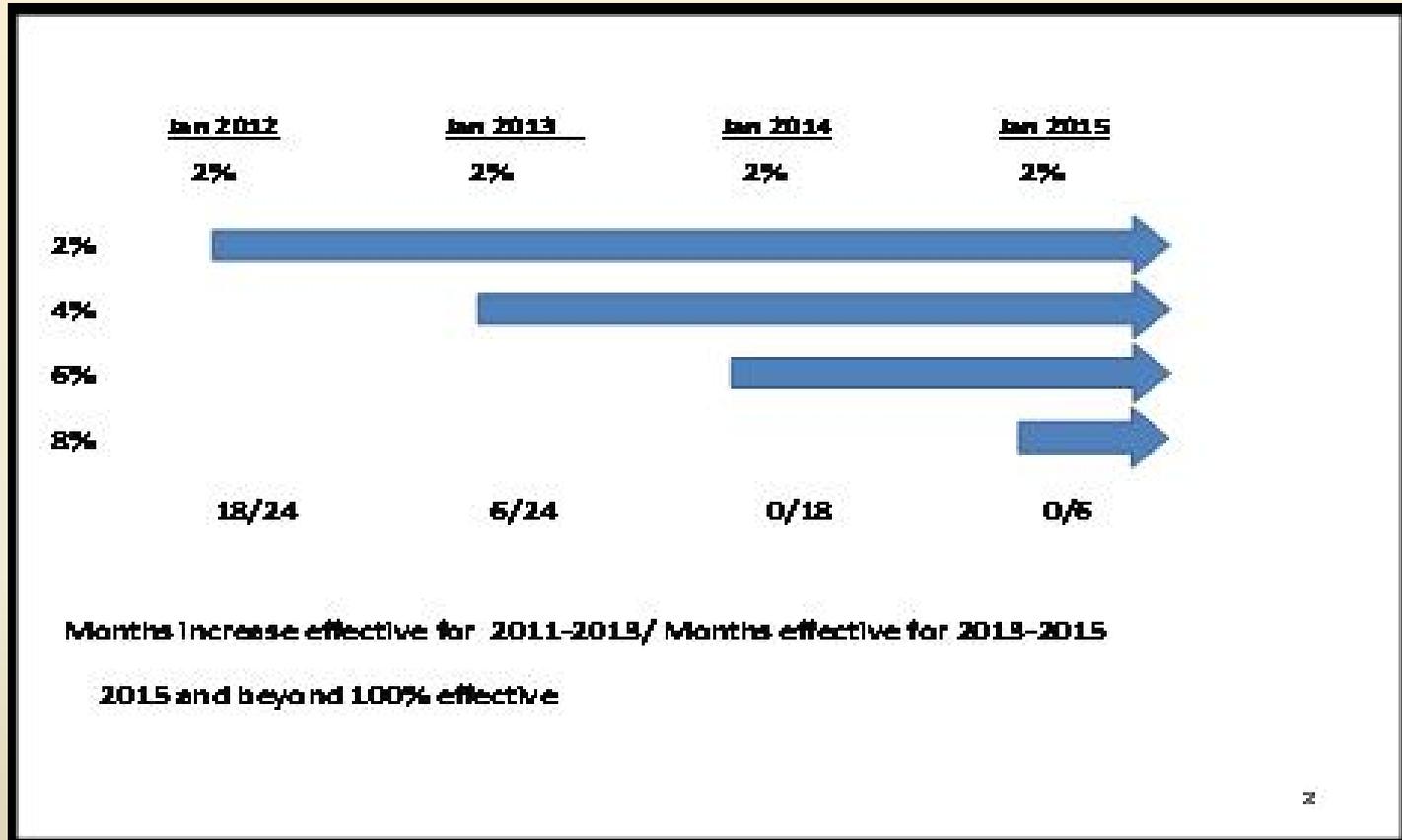


# The challenge

**PERS (Main System)**  
**Projected Funded Ratio Under Current Plan**  
**(Actuarial Value of Assets to Actuarial Accrued Liability)**  
**Based on July 1, 2010 Data**



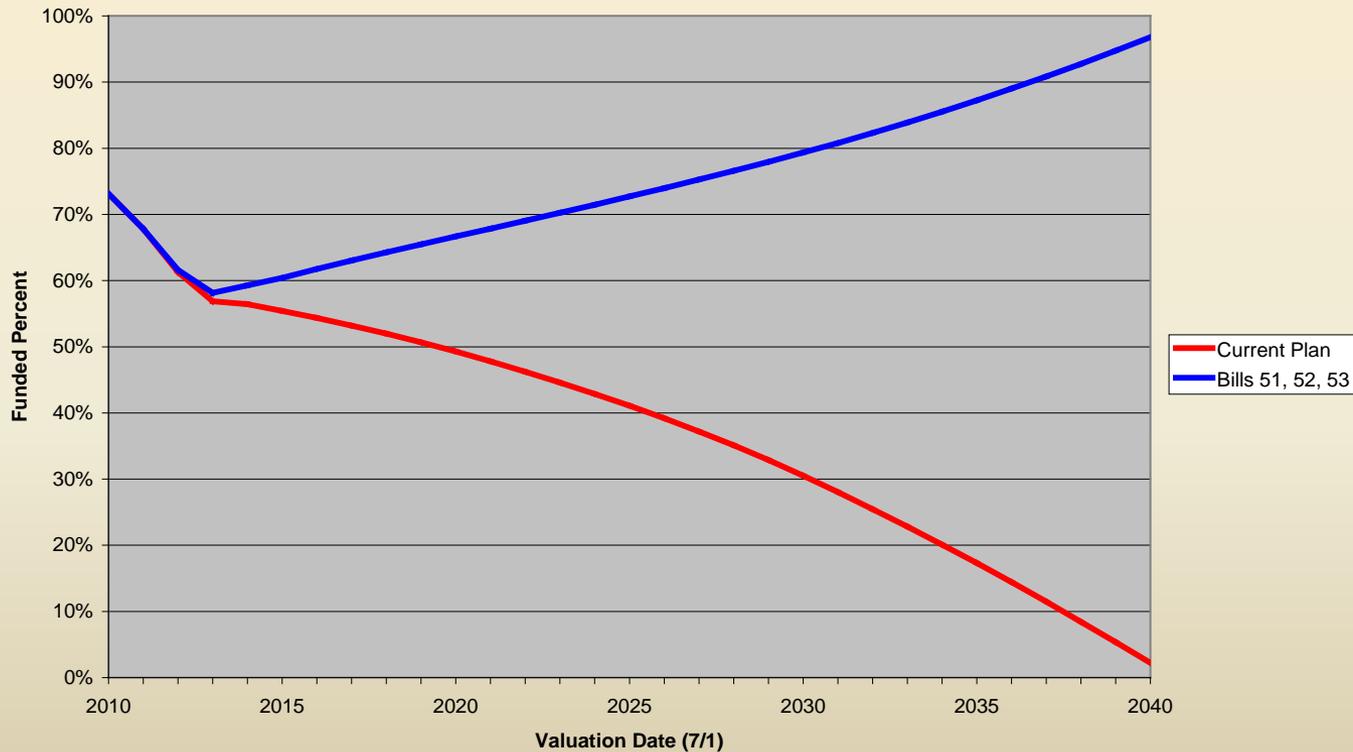
# 2011 Session Recovery Plan



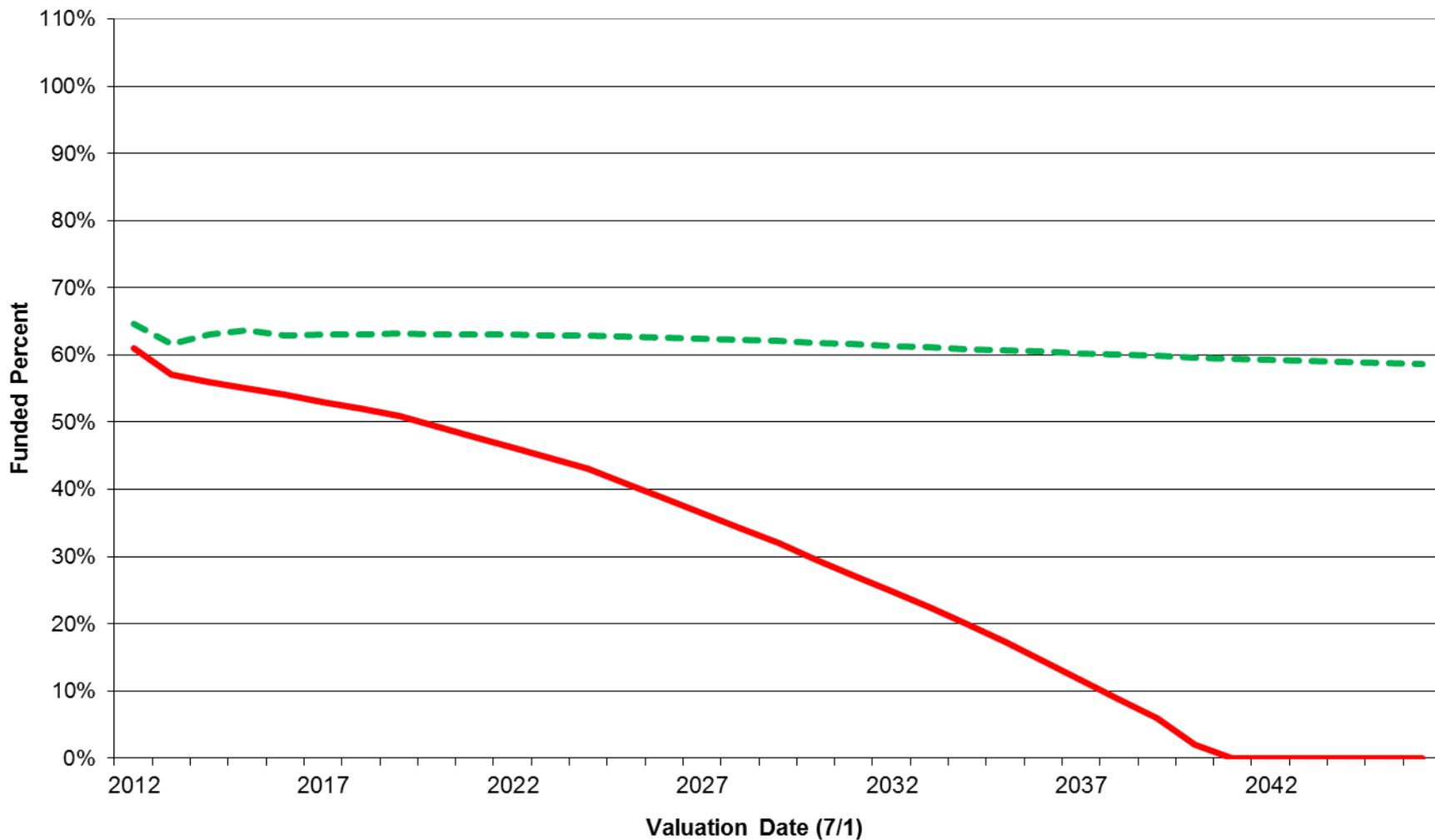
**SHARED RECOVERY PLAN**

# 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**



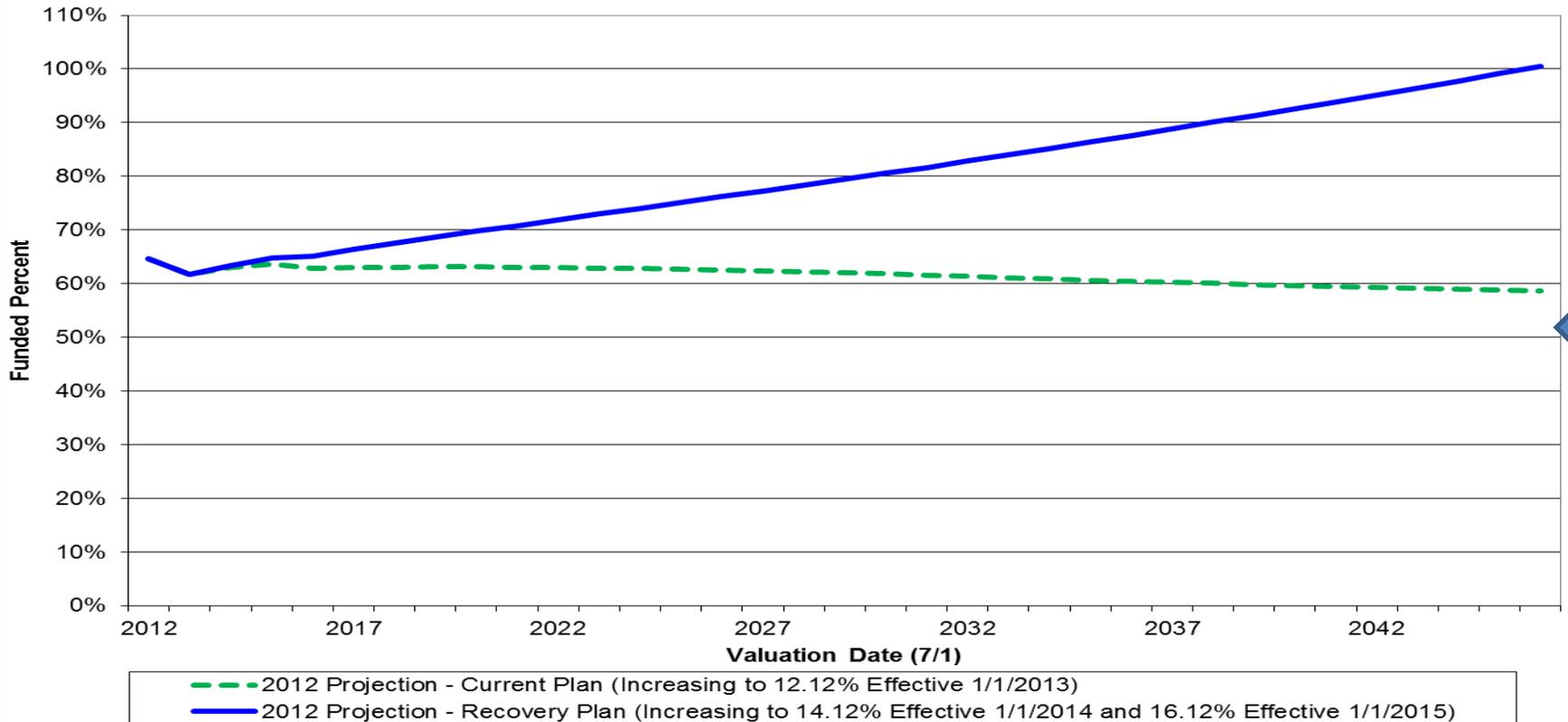
**PERS (Main System)**  
**Projected Funded Ratio Under Current Plan**  
**(Actuarial Value of Assets to Actuarial Accrued Liability)**



--- 2012 Projection - Current Plan (Increasing to 12.12% Effective 1/1/2013)  
— 2010 Projection - Before Contribution Increases

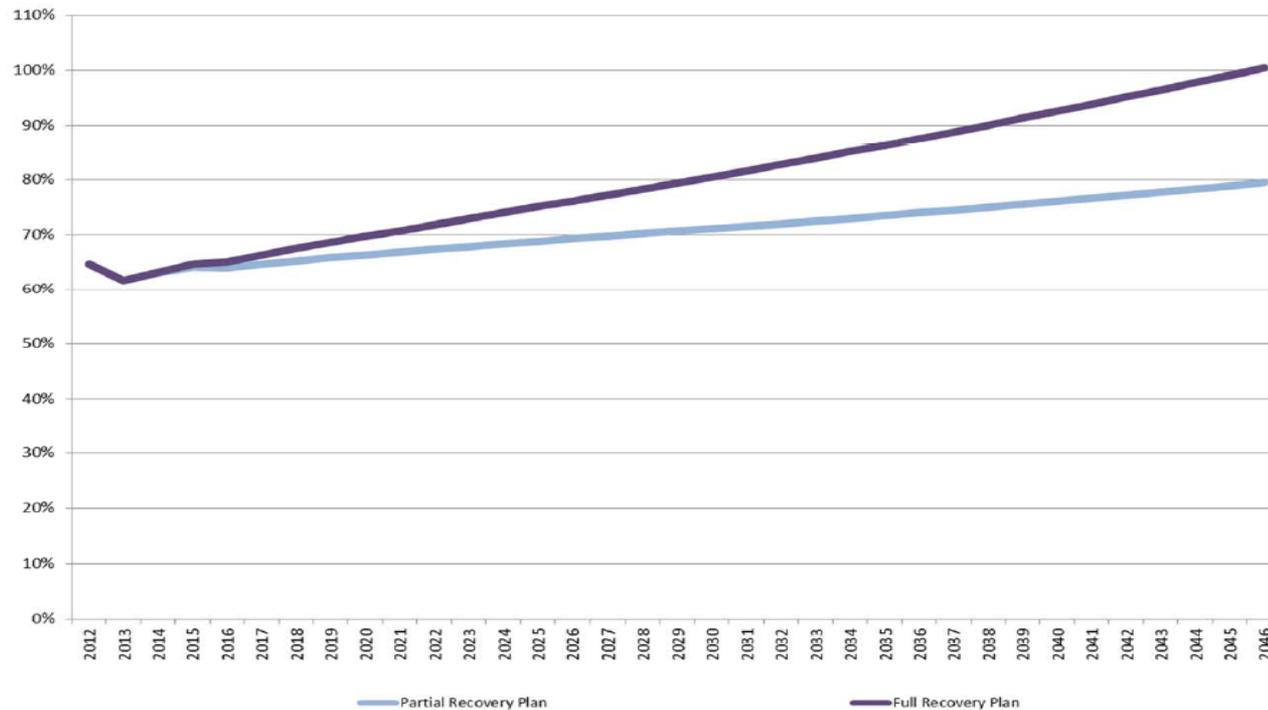
# 2013 Session Recovery Plan (last half)

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



# 2013 Session Recovery Plan (last half)

**Projected Funded Ratios Under HB 1452 with Partial Recovery Plan (1% Increases on 1/2013 and 1/2014) and Full Recovery Plan (2% Increases on 1/2013 and 1/2014)  
Main System (AVA Basis)**

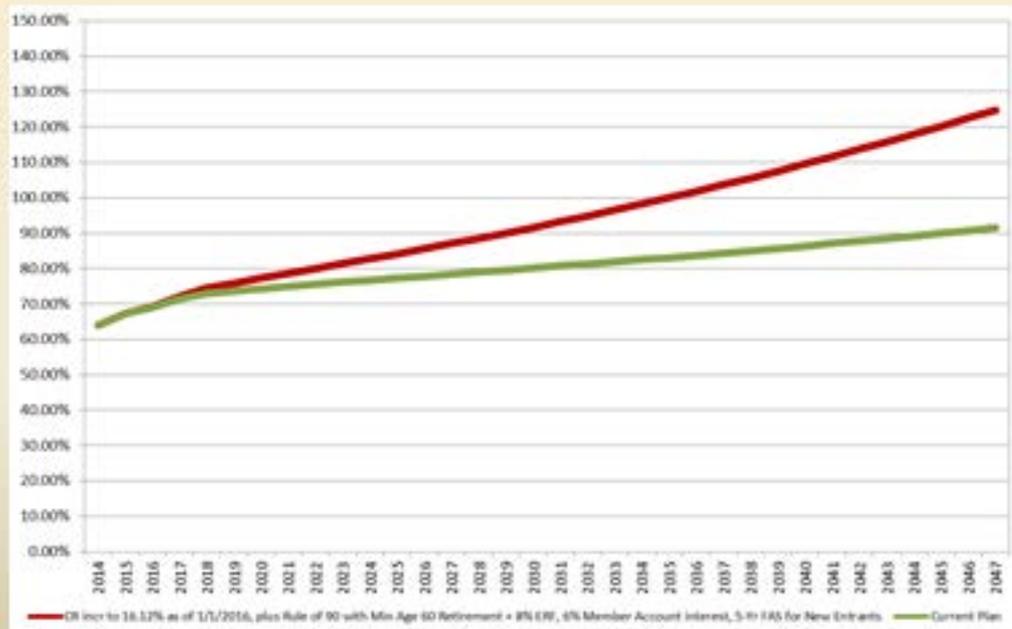


2014 increase approved not 2015

# 2015 Session Recovery Plan (last half)

## Projected Funded Ratios (AVA Basis) – Main System

RULE OF 90 WITH MINIMUM RETIREMENT AGE 60, 8% ERF, 5-YEAR FAS FOR NEW ENTRANTS AND 2% CONTRIB INCREASE ON JANUARY 1, 2016 (IN MILLIONS)



Not approved

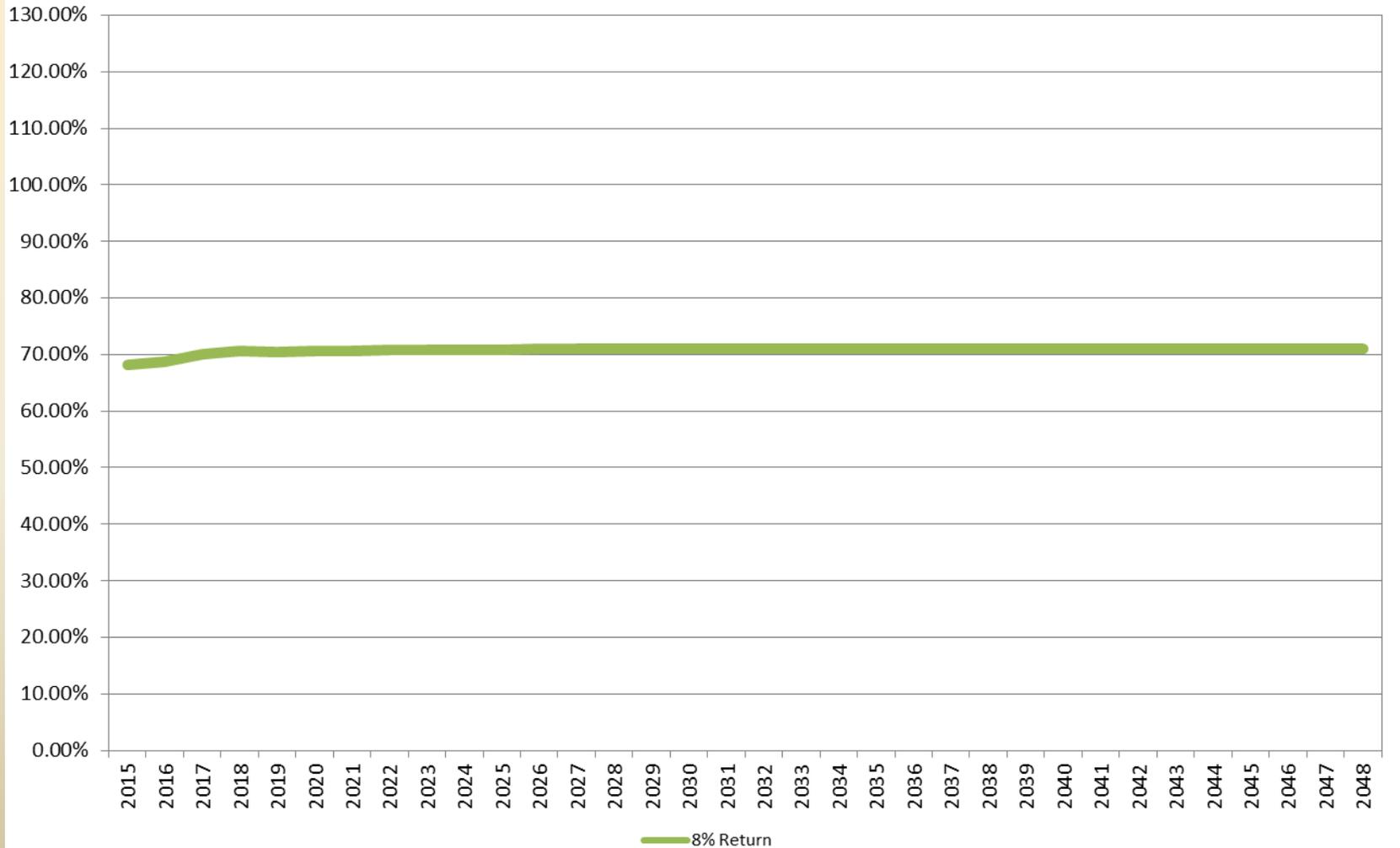
# HB 1080

Provisions	As proposed	As Approved by House	
Increase employer/employee contributions by 1% each (Temporary employees 2%)	Included	Deleted	
Decrease the contribution for State Bureau of Criminal Investigation by .5%	Included	Included	
Final average salary based on 5 years	Included	Included	
Change Rule of 85 to 90 with minimum age of 60	Included	Included	SB 2015
Change early retirement reduction from 6% per year to 8%	Included	Included	SB 2015
Reduce Multiplier from 2% to 1.9%		Added	
Fully funded status	2035	2052	

# Update

- Did an experience study (required under NDCC)
  - Changed mortality assumption
  - Other Misc changes
- Market value of returns missed 8% this year

# Current Projection



# Going Forward

- Continue to need last of recovery plan – 2% increase split between employer and employee

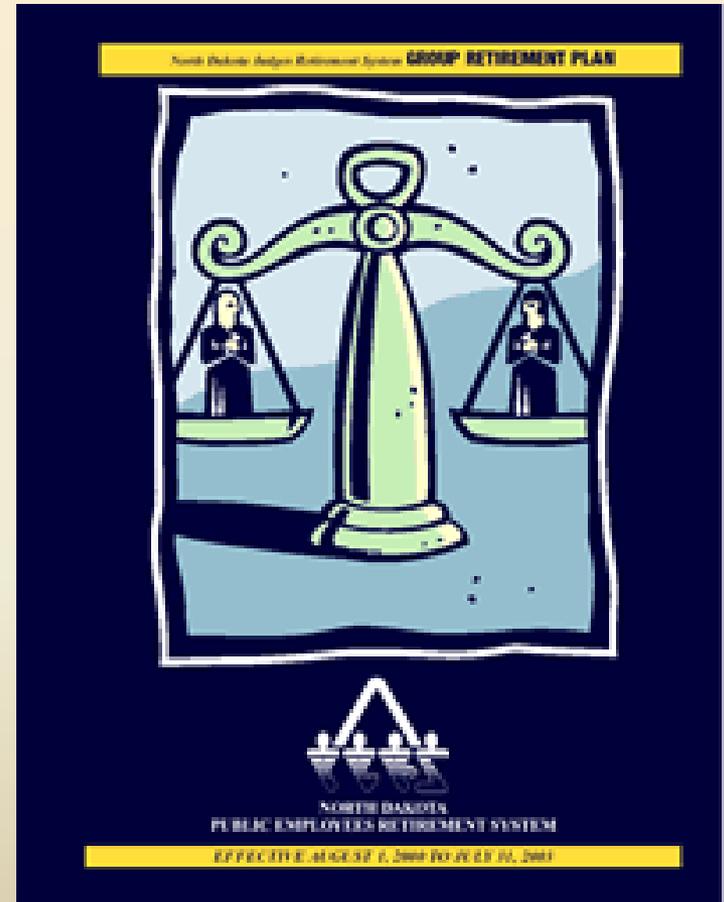
# SB 2038 and SB 2039

did not pass

- Interim Study
- Establish a DC plan for new state employees and set up a contingency fund
- Reserve fund was removed

# Retirement

## Judges System



# 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

# 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:**  $\$6861 \times 3.50\% \times 10 = \$2401.35$

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

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

$\$4751.23$

# RETIREMENT - JUDGES

## Assets as of 06/30/2014:

Market    \$42,713,635  
Actuarial   \$35,491,270

## Members:

Active	50
Retired	29
Beneficiaries	<u>9</u>
	88

# Retirement

- National Guard and Law Enforcement Plans



RETIREMENT – NATIONAL GUARD closed this last session and merged with Law enforcement plan

## **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

# SB 2102

- Closes the PERS National Guard plan and transfers the members to the Law Enforcement plan

# 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

# 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.

# Law Enforcement Plan

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

# RETIREMENT



## HIGHWAY PATROL RETIREMENT SYSTEM

# 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

# 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

# Retirement - Highway Patrol

## Assets as of 06/30/2014:

Market	\$65,666,865
Actuarial	\$54,563,383

## Members:

Active	156
Retired	86
Beneficiaries	30

# Retirement

Job  
Service



# 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

# 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*

# Retirement – Job Service

## Assets as of 06/30/2014:

Market	\$97,696,628
Actuarial	\$78,157,302

## Members:

Active	13
Inactive	1
Retired	213

# COLA's – No COLA this year

- 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%
2013	1.5%



# RETIREMENT

## Defined Contribution Plans

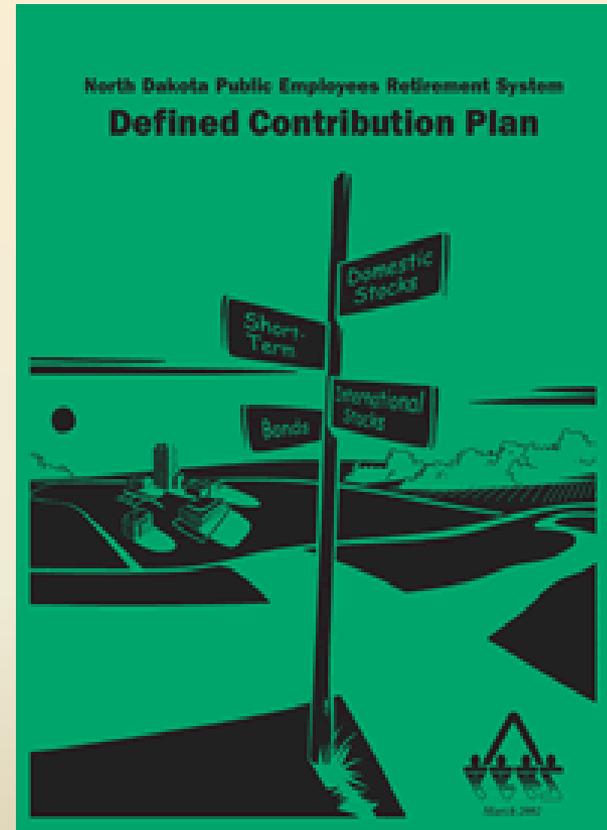
*457 plan*

*401(a) plan*

# DC Plans



Deferred Compensation Plan



Defined Contribution Plan

# Deferred Compensation Plan

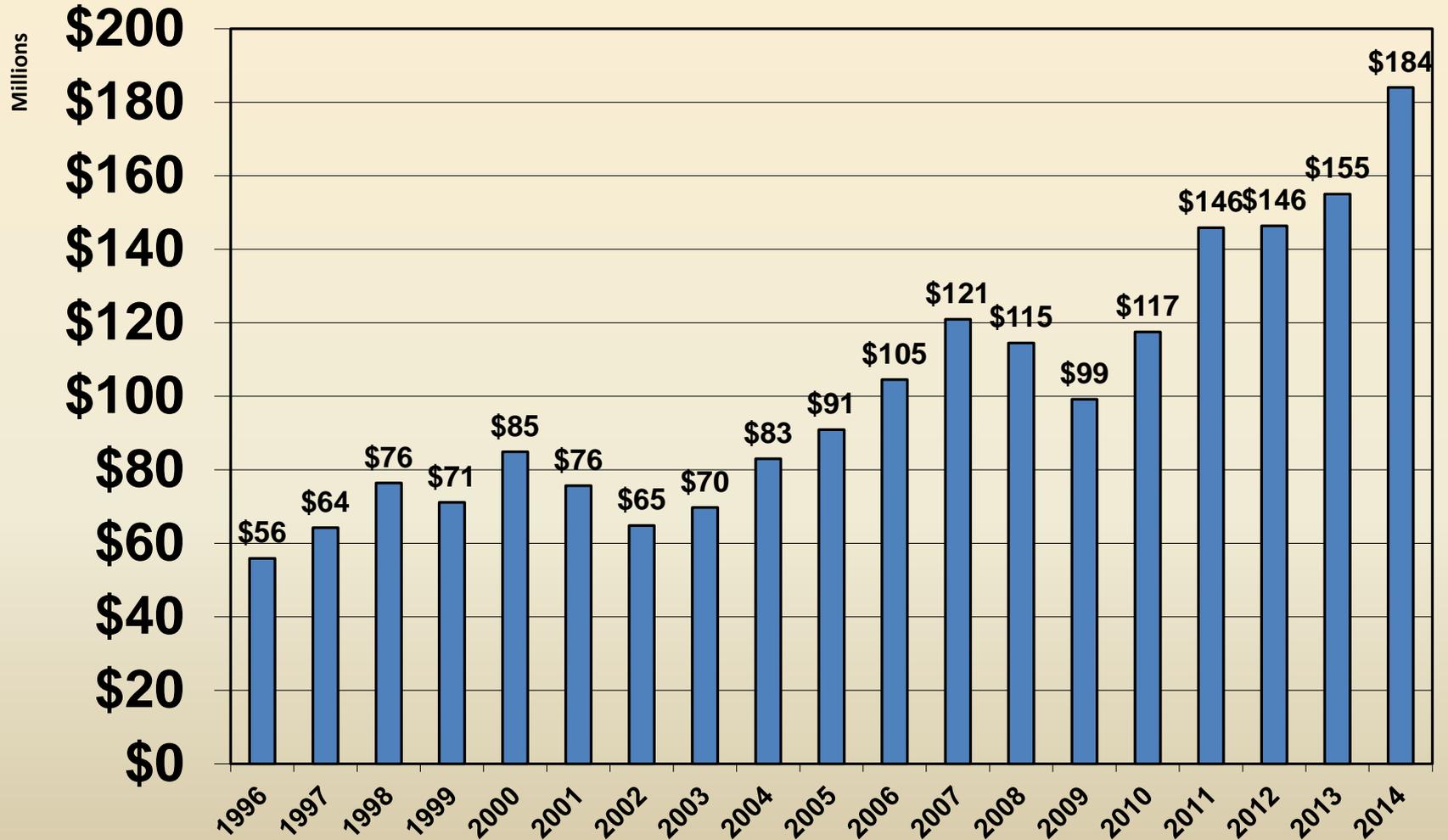


# DEFINED CONTRIBUTION PLAN - DEFERRED COMPENSATION PROGRAM

***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.***

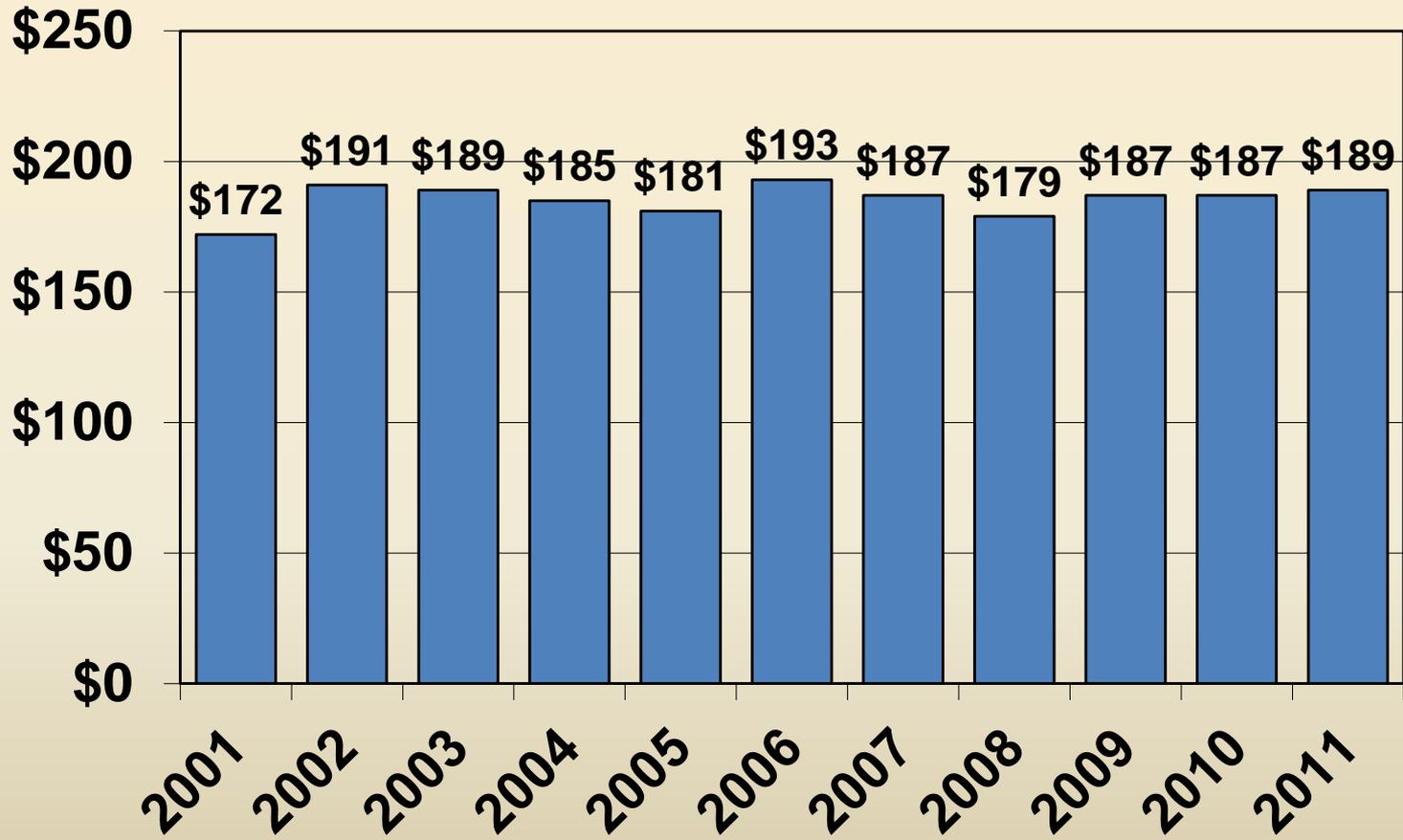
# NDPERS 457 Plan Assets

Year Ended



# NDPERS 457 Plan

Average Monthly Contribution



## 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

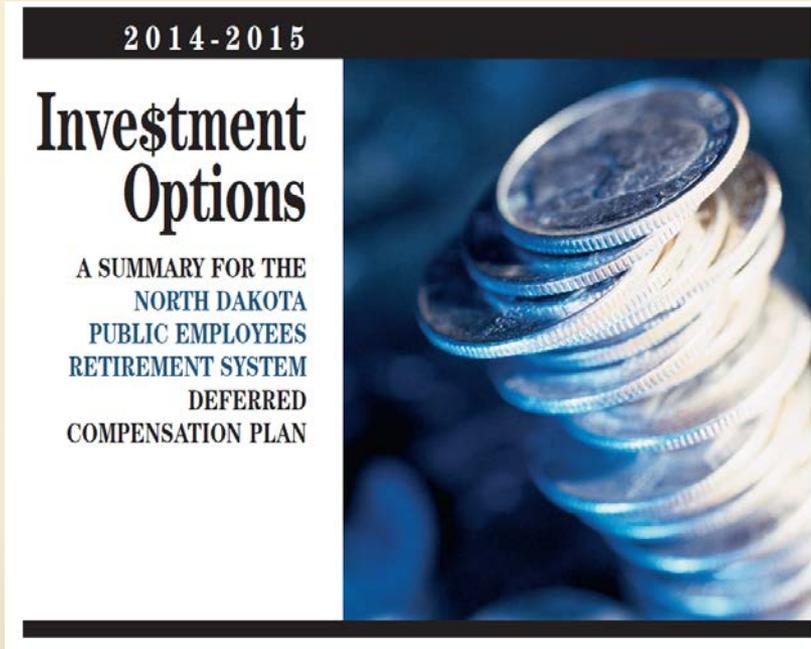
For every dollar you put in a Deferred Compensation Plan, NDPERS will reallocate one dollar to your member account balance, subject to a vesting schedule.



# DEFINED CONTRIBUTION PLAN - DEFERRED COMPENSATION PROGRAM

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

# 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	
American Trust Center .....	9
AXA Equitable .....	14
Bank of North Dakota .....	23
Mass Mutual Investment Options .....	24
Jackson National Life .....	28
Nationwide Life Insurance .....	29
Valic .....	32
Waddell & Reed Financial Services .....	36

# PERS Companion Plan & DC Plan Provider



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

North Dakota Public Employees Retirement System  
**Defined Contribution Plan**



# DEFINED CONTRIBUTION PLAN

# DC 401(a) Plan – August 2015

- Active participants: 240
- Suspended: 76
- Retired: 23
- Withdrawn: 133

# 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
Target Date	TIAA-CREF Lifecycle 2060

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
Large Blend	Vanguard Dividend Growth
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	DFA US Small Cap
Small Value	Allianz NFJ Small Cap Value Admin
World Bond	Templeton Global Bond Adv

Investing involves risk, including possible loss of principal.

# 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.

# HB 1154

- Allow current DC plan members to transfer back to the DB plan
- Must transfer balance back and pay an additional 2% contribution
- Bill failed
- Provision ended up in SB 2015

# SB 2015 - PROVISIONS

- Available to active members
  - Not an option for retirees
  - Not an option for QDRO
  - Not actively employed on date of transfer

# RETIREE HEALTH

## RETIREE HEALTH CREDIT PROGRAM

# RETIREMENT - RETIREE HEALTH CREDIT PROGRAM

*Main System*

*Highway Patrol*

*National Guard*

*Judges*

*Defined Contribution*

# 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

# House Bill 1058

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

HOUSE BILL NO. 1058  
(Government and Veterans Affairs Committee)  
(At the request of the Public Employees Retirement System Board)

AN ACT to amend and reenact sections 54-52.1-02, 54-52.1-03.2, and 54-52.1-03.3 of the North Dakota Century Code, relating to benefit coverage and health benefits credit for retired employees not eligible for medicare and retired employees eligible for medicare under the uniform group insurance program; and to provide a contingent effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

In order to promote the economy and efficiency of employment in the state's service, reduce personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the service of state employment, there is created a uniform group insurance program. The uniform group must be composed of eligible and retired employees and be formed to provide hospital benefits coverage, medical benefits coverage, and life insurance benefits coverage in the manner set forth in this chapter. The uniform group may be divided into the following subgroups at the discretion of the board:

1. Medical and hospital benefits coverage group consisting of active eligible employees and retired employees not eligible for medicare, except for employees who first retire after the effective date of this Act and are not eligible for medicare on their retirement. In determining premiums for coverage under this subsection for retired employees not eligible for medicare, the rate for a non-medicare retiree single plan is one hundred fifty percent of the active member single plan rate, the rate for a non-medicare retiree family plan of two people is twice the non-medicare retiree single plan rate, and the rate for a non-medicare retiree family plan of three or more persons is two and one-half times the non-medicare retiree single plan rate.
2. In addition to the coverage provided in subsection 1, another coverage option may be provided for retired employees not eligible for medicare, except for employees who first retire after the effective date of this Act and are not eligible for medicare on their retirement. provided the option does not increase the implicit subsidy as determined by the governmental accounting standards board's other postemployment benefit reporting procedure. In offering this additional option, the board may have an open enrollment but thereafter enrollment for this option must be as specified in section 54-52.1-03.
3. Retired medicare-eligible employee group medical and hospital benefits coverage.
4. Active eligible employee life insurance benefits coverage.
5. Retired employee life insurance benefits coverage.
6. Terminated employee continuation group medical and hospital benefits coverage.
7. Terminated employee conversion group medical and hospital benefits coverage.
8. Dental benefits coverage.
9. Vision benefits coverage.

- Will make the retiree health credit portable to other health plans in 2015
- Allows credit to be used for PERS voluntary products

# House Bill 1058

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

HOUSE BILL NO. 1058  
(Government and Veterans Affairs Committee)  
(At the request of the Public Employees Retirement System Board)

AN ACT to amend and reenact sections 54-52.1-02, 54-52.1-03.2, and 54-52.1-03.3 of the North Dakota Century Code, relating to benefit coverage and health benefits credit for retired employees not eligible for medicare and retired employees eligible for medicare under the uniform group insurance program; and to provide a contingent effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

In order to promote the economy and efficiency of employment in the state's service, reduce personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the service of state employment, there is created a uniform group insurance program. The uniform group must be composed of eligible and retired employees and be formed to provide hospital benefits coverage, medical benefits coverage, and life insurance benefits coverage in the manner set forth in this chapter. The uniform group may be divided into the following subgroups at the discretion of the board:

1. Medical and hospital benefits coverage group consisting of active eligible employees and retired employees not eligible for medicare, except for employees who first retire after the effective date of this Act and are not eligible for medicare on their retirement. In determining premiums for coverage under this subsection for retired employees not eligible for medicare, the rate for a non-medicare retiree single plan is one hundred fifty percent of the active member single plan rate, the rate for a non-medicare retiree family plan of two people is twice the non-medicare retiree single plan rate, and the rate for a non-medicare retiree family plan of three or more persons is two and one-half times the non-medicare retiree single plan rate.
2. In addition to the coverage provided in subsection 1, another coverage option may be provided for retired employees not eligible for medicare, except for employees who first retire after the effective date of this Act and are not eligible for medicare on their retirement. provided the option does not increase the implicit subsidy as determined by the governmental accounting standards board's other postemployment benefit reporting procedure. In offering this additional option, the board may have an open enrollment but thereafter enrollment for this option must be as specified in section 54-52.1-03.
3. Retired medicare-eligible employee group medical and hospital benefits coverage.
4. Active eligible employee life insurance benefits coverage.
5. Retired employee life insurance benefits coverage.
6. Terminated employee continuation group medical and hospital benefits coverage.
7. Terminated employee conversion group medical and hospital benefits coverage.
8. Dental benefits coverage.
9. Vision benefits coverage.

- Implemented On July 1, 2015
- Automatic for members on PERS plan
- Non PERS submit paperwork to ASI for reimbursement.

# Group Insurance Plans

**Health**

**Dental**

**Vision**

**Life Insurance**

**Long Term Care**

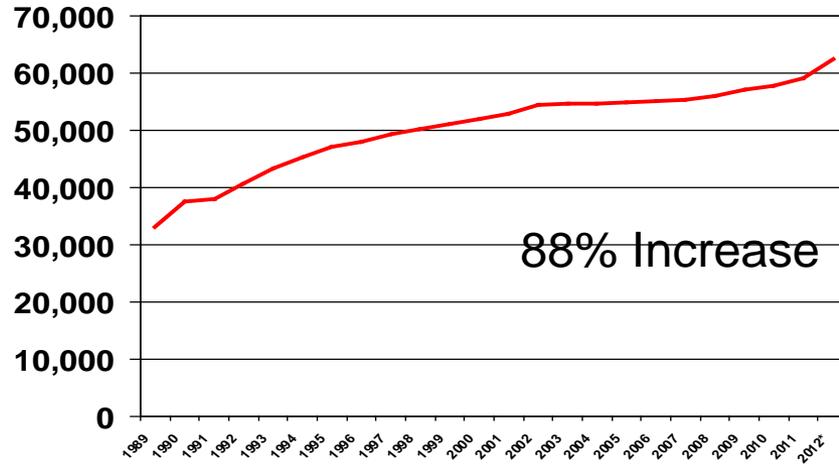
**Employee Assistance**

**Flex Comp Plan**



# NDPERS

## Health Plan Membership

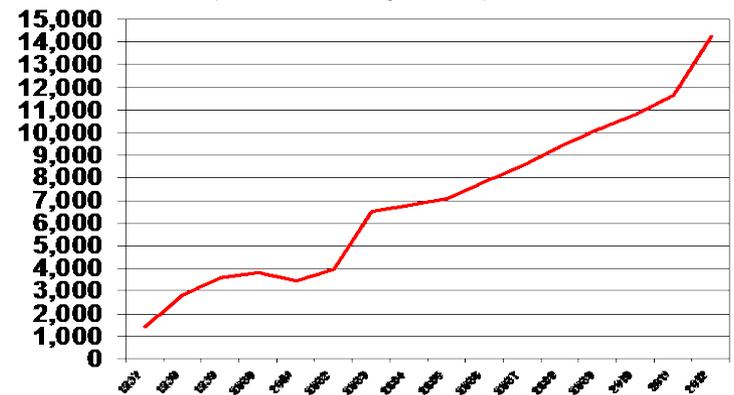


\* - Estimated

# NDPERS

## Voluntary Insurance Plans Membership

(Dental, Vision, Long-Term Care)



# HEALTH PLAN

## DAKOTA PLAN



North Dakota  
Public Employees  
Retirement System  
(NDPERS)

Certificate of Insurance

Dakota Plan  
Grandfathered PPO/Basic

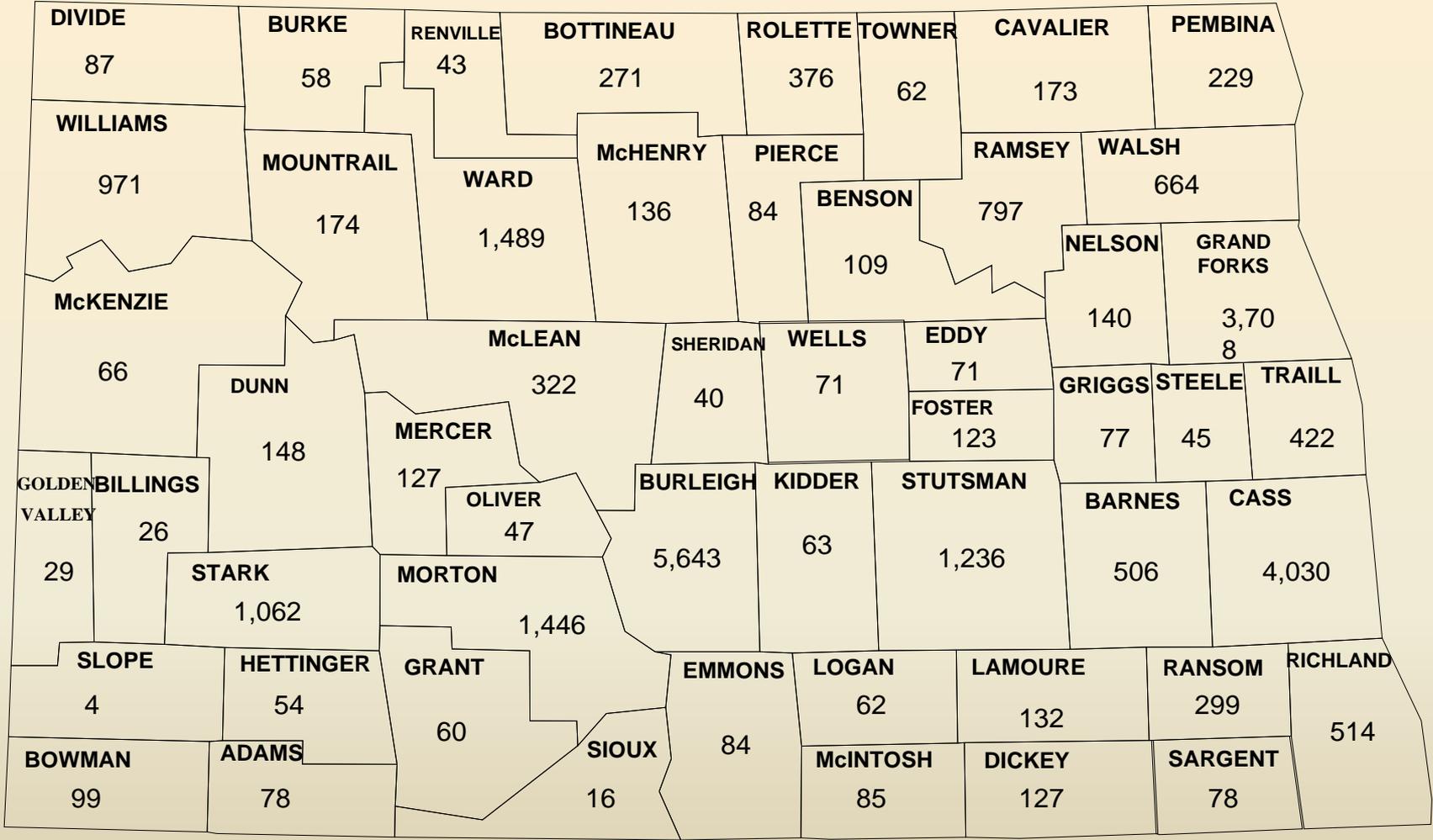


01/2016 02 of 12/2016

11/16/2015

# NDPERS Health Contracts

June 2015



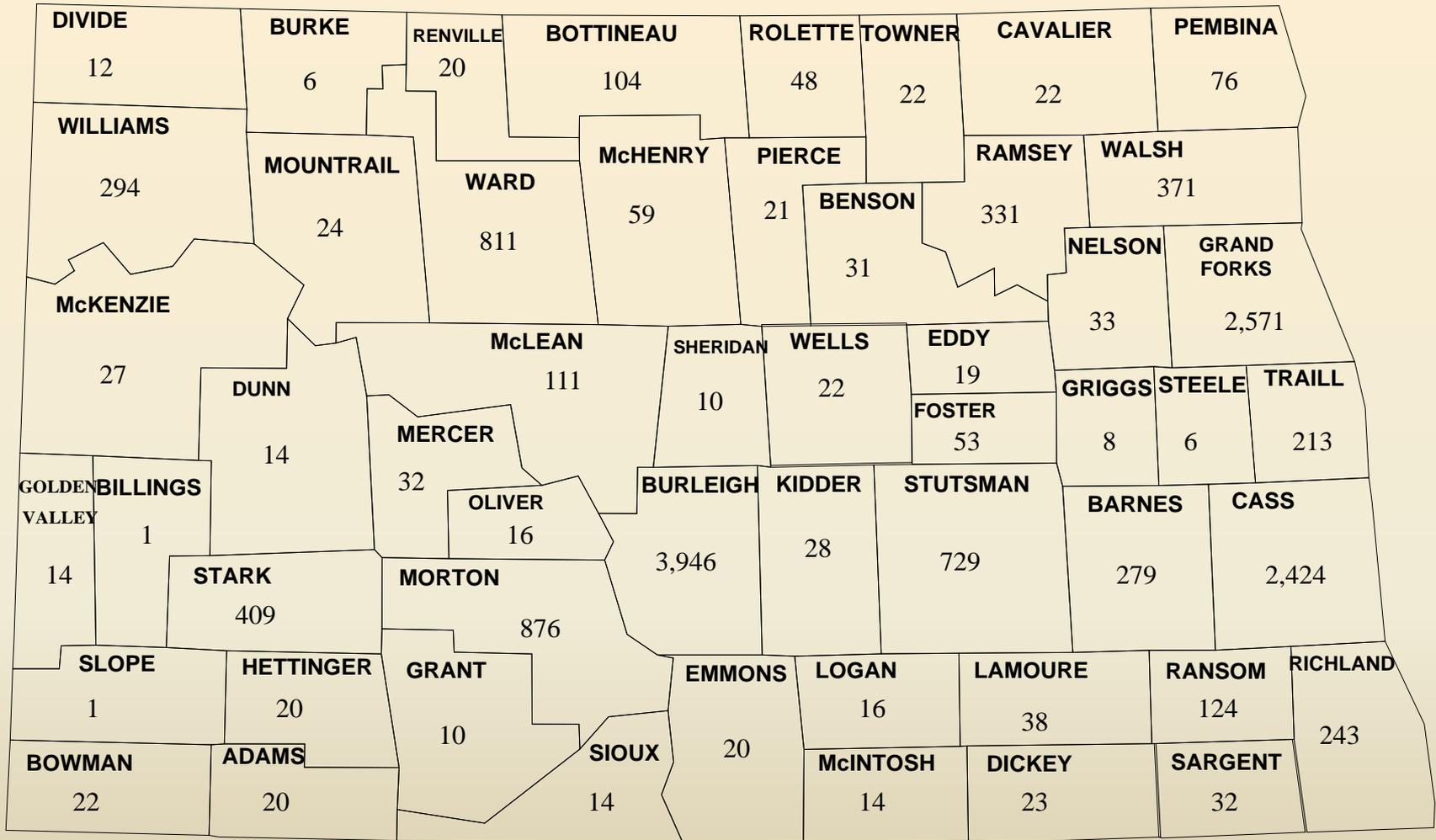
Out-of-State – 2,638

Total – 29,501

Average Contract Size = 2.26

# NDPERS State Active Employees

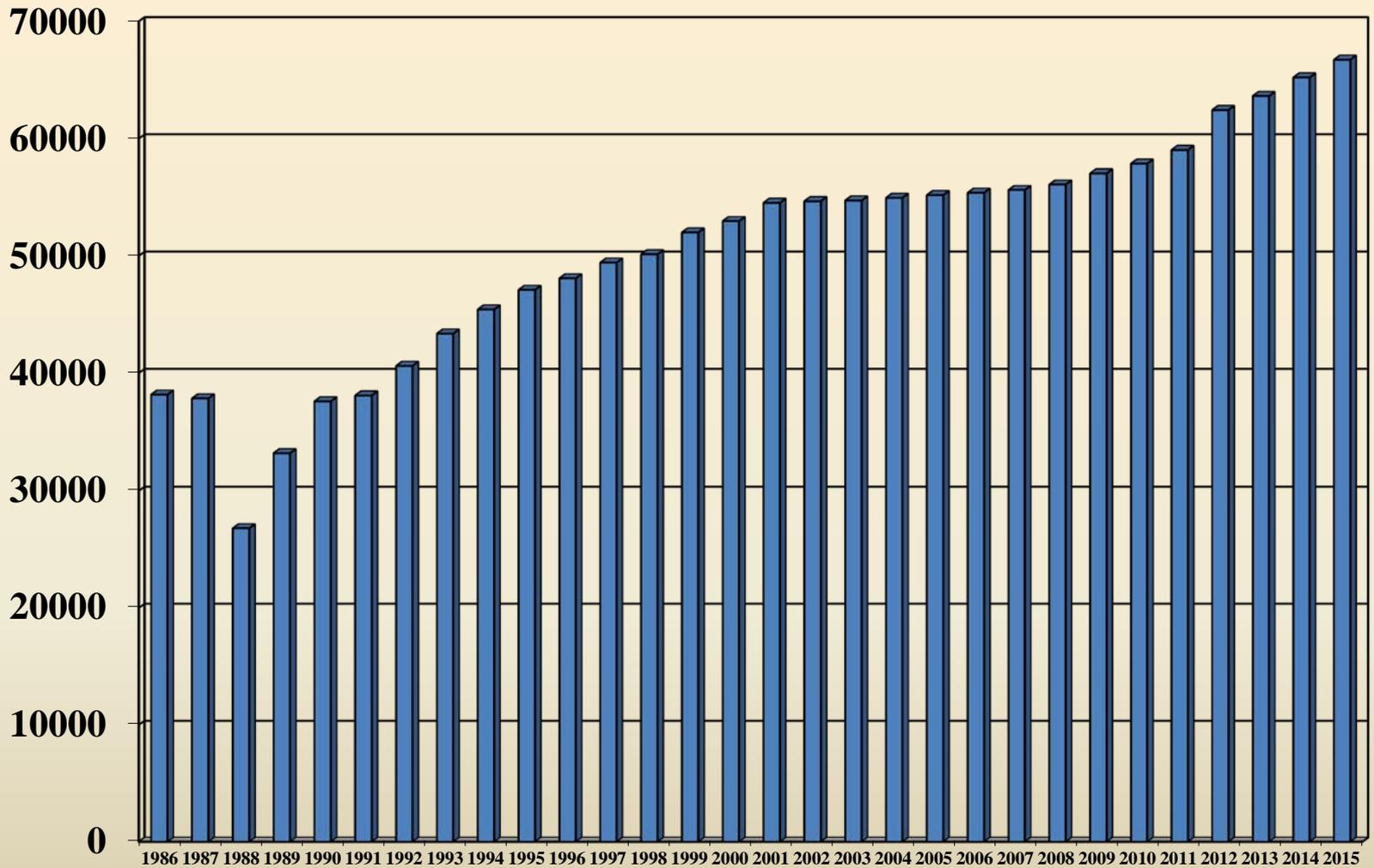
April 2015



Out-of-State – 1,142

Total – 15,832

# NDPERS Health Plan Membership



## NDPERS State Health Plan

### 2009-11 Premium

**\$825.66**

### 2011-13 Premium

**\$886.62**

### 2013-15 PREMIUM

**\$981.68**

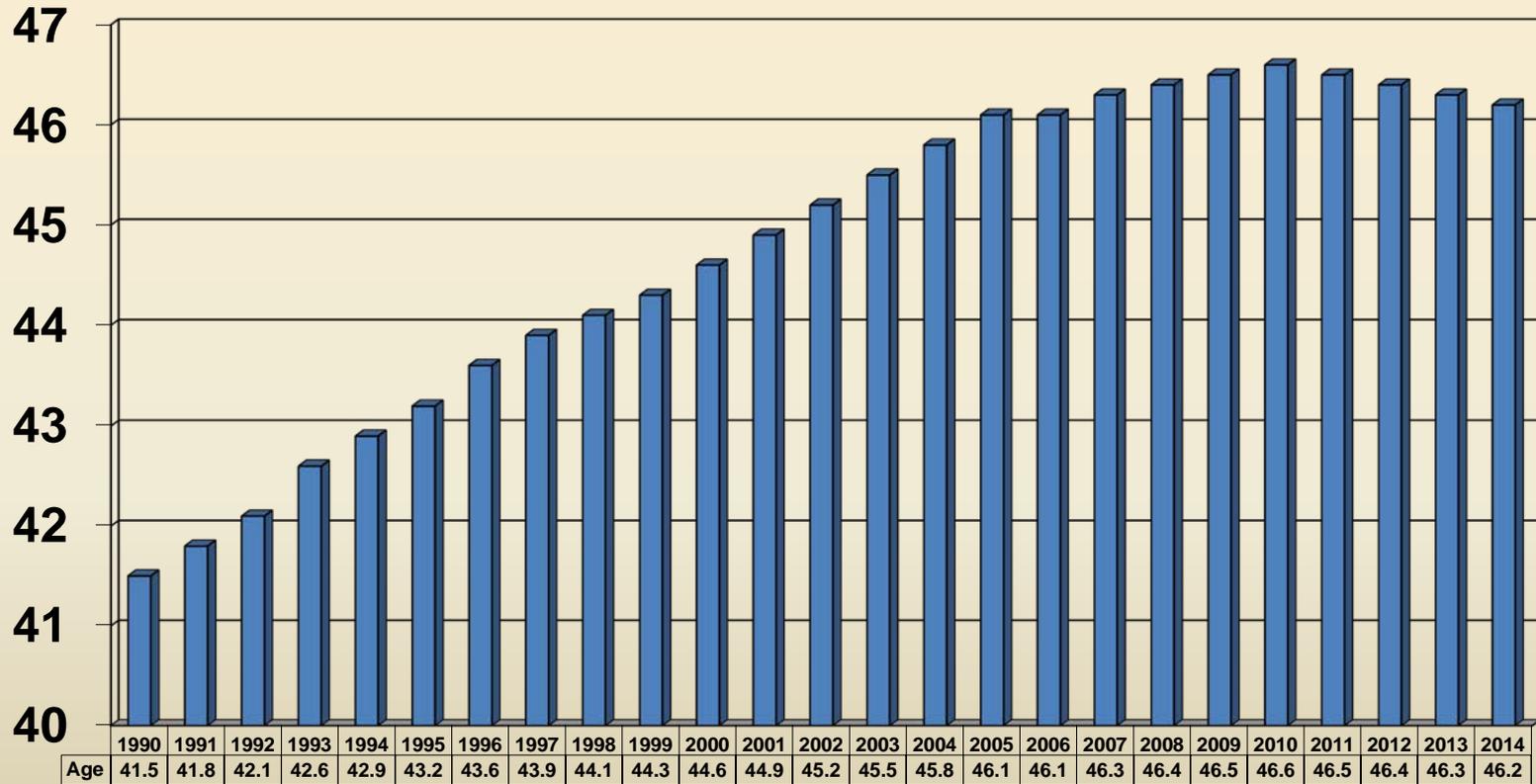
### 2015-17 PREMIUM

**\$1130.22**

- 2009-11 to 2011-13 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.
  
- 2011-13 to 2013-15 Two year increase is 10.72% or about 5.5% per year.
- 2013-15 to 2015-17 Two year increase is 15.13% or about 7.7% per year.

# NDPERS Active Employees

## Average Age

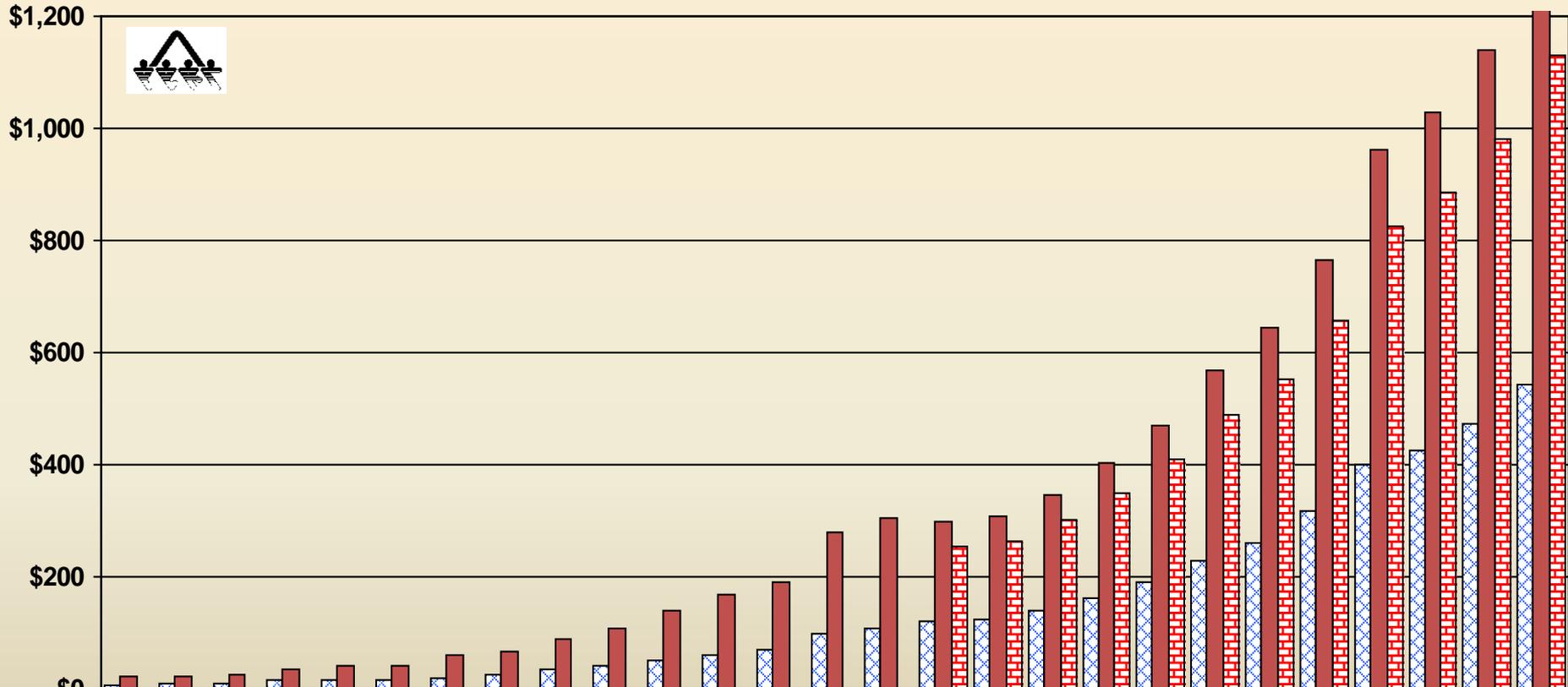


# Active State Billed Health Insurance Premium

**Single Plan**

**Family Plan**

**Combined Rate**

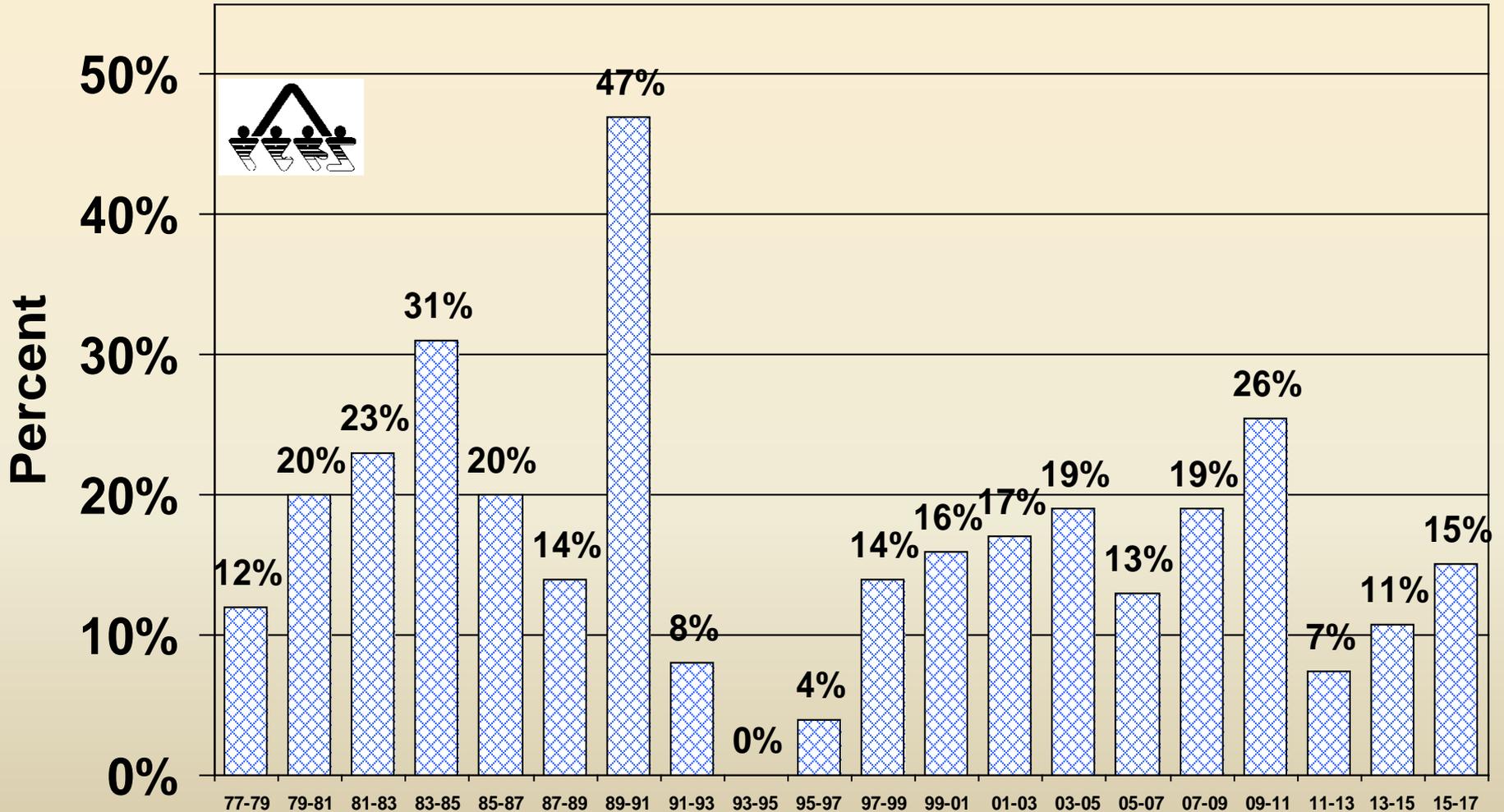


Single Plan	\$5.00	\$8.55	\$10.75	\$14.45	\$15.95	\$14.46	\$19.50	\$25.50	\$34.84	\$42.68	\$50.28	\$60.00	\$68.28	\$99.82	\$108.00	\$120.00	\$125.00	\$139.69	\$162.48	\$190.33	\$229.93	\$260.62	\$318.30	\$400.06	\$426.96	\$472.74	\$544.28
Family Plan	\$21.00	\$21.50	\$25.00	\$34.90	\$41.90	\$41.90	\$59.95	\$67.42	\$87.40	\$107.07	\$140.28	\$168.00	\$191.28	\$280.39	\$304.00	\$297.00	\$309.00	\$345.32	\$401.67	\$469.78	\$567.52	\$643.12	\$764.02	\$962.84	\$1,029.00	\$1,139.34	\$1,311.74
Combined Rate														\$254.00	\$265.00	\$301.00	\$349.72	\$409.09	\$488.70	\$553.94	\$658.08	\$825.66	\$886.62	\$981.68	\$1,130.22		

# State Health Premium Percentage Increase

## From Previous Biennium

(Excludes Plan Design Changes)

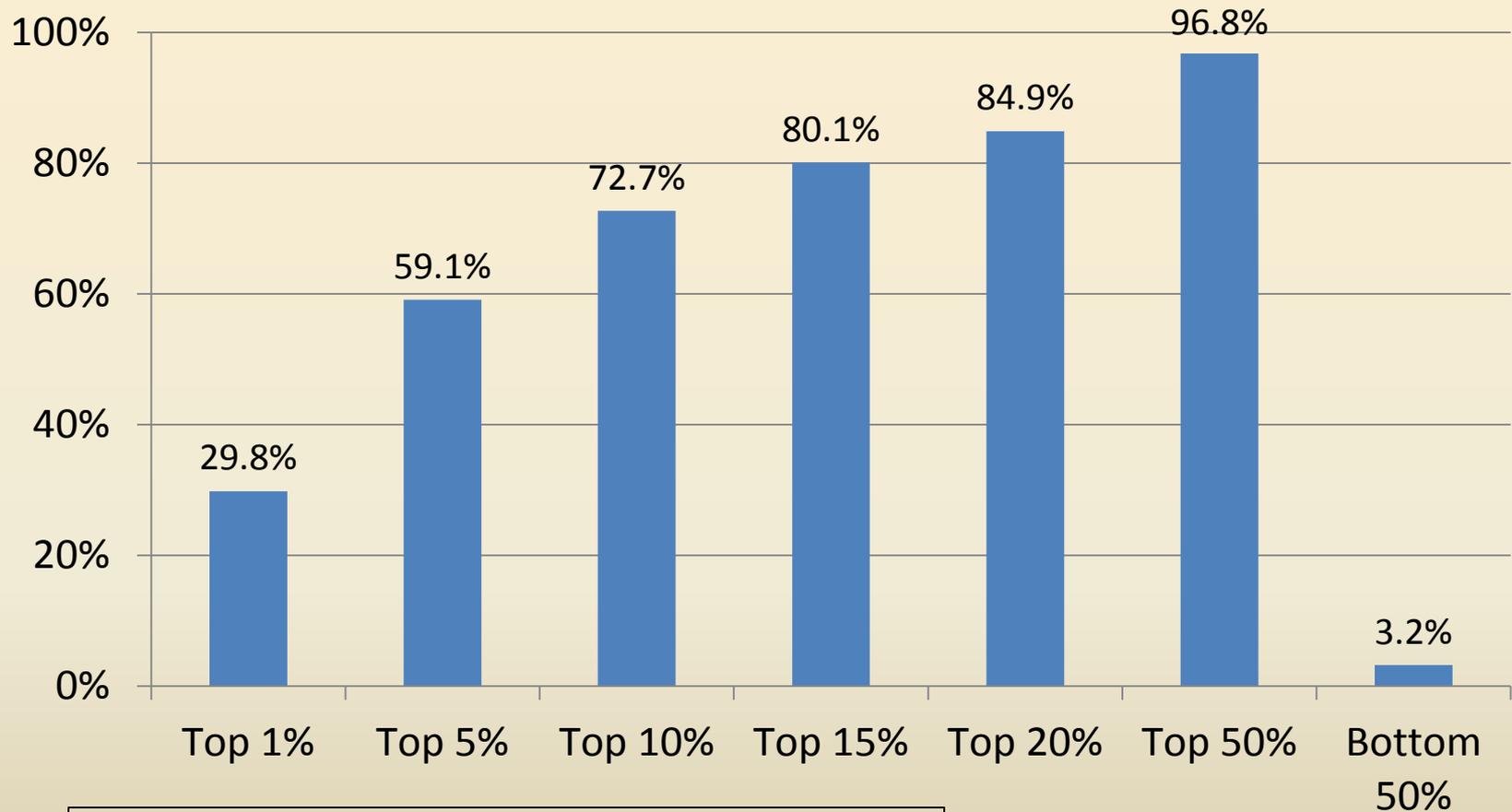


## State of North Dakota Health Plan Appropriations (Excludes Higher Education)

	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%
2013-15	12,666,651,460	9,179	\$981.68	\$216,260,177	1.71%
2015-17	13,238,812,510	9,392	\$1130.22	\$254,760,630	1.92%

NDPERS Active Health Insurance Out-Of-Pocket						
Jan-Dec Calendar Year ending:						
	2009	2010	2011	2012	2013	2014
Active Contracts	19,317	19,728	20,016	20,940	21,203	21,530
Deductibles	\$9,290,919	\$9,816,469	\$10,073,095	\$10,967,963	\$11,328,815	\$11,374,638
Coinsurance	\$11,832,668	\$12,712,265	\$13,059,708	\$13,930,488	\$14,614,079	\$15,478,868
Sanctions	\$2,138,358	\$2,414,573	\$2,471,455	\$2,650,929	\$3,976,577	\$3,461,110
Copayments	\$10,295,041	\$11,464,880	\$11,696,304	\$12,214,972	\$12,396,682	\$12,336,376
Exclusions	\$5,604,131	\$4,497,621	\$5,851,646	\$9,056,696	\$10,857,602	\$20,948,164
TOTAL	\$39,161,117	\$40,905,808	\$43,152,208	\$48,821,048	\$53,173,755	\$63,599,156
Per Contract	\$2,027	\$2,073	\$2,156	\$2,331	\$2,508	\$2,954
State Classified Average Salary	\$42,382	\$44,698	\$46,057	\$48,554	\$50,942	\$53,297
Percent	4.8%	4.6%	4.7%	4.8%	4.9%	5.5%

# 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.

# Plan Design

North Dakota  
Public Employees  
Retirement System  
(NDFERS)

Certificate of Insurance

Dakota Plan  
Grandfathered PPO/Basic



FORM OF 1/1/2014

1/1/2014

# History of plan

## DAKOTA PLAN - Grandfathered

PLAN FEATURES	1987	1989 – 1993		1993 – 1997				1997 – 1999			1999 – 2001			2001 – 2003		
		BASIC	PPO	BASIC	PPO	EPO <sup>3</sup> 01/01/94	SELF REFERRAL	BASIC / SELF REFERRAL	PPO	EPO	BASIC / SELF REFERRAL	PPO	EPO	BASIC / SELF REFERRAL	PPO	EPO
<b>Deductible for Non-Physician Services</b>																
Single (individual)	\$100	\$150	\$150	\$150	\$150	\$100	\$150	\$150	\$150	\$100	\$200	\$200	\$100	\$250	\$250	\$100
Family	\$200	\$450	\$450	\$450	\$450	\$300	\$450	\$450	\$450	\$300	\$600	\$600	\$300	\$750	\$750	\$300
<b>Copayment Amounts</b>																
Office Visits	-	\$20	\$10	\$20	\$10	\$5	\$20	\$20	\$10	\$5	\$20	\$15	\$10	\$25	\$20	\$15
Emergency Room Visits	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$50	\$50	\$50
Diagnostic Services (per service)	-	-	-	\$20	\$10	\$5	\$20	\$20	\$10	\$5	\$20	\$10	\$5	\$20	\$10	\$5
<b>Diagnostic Copayment Maximum<sup>3</sup></b>																
Single (individual)	-			\$200	\$100	\$50	\$200	\$200	\$100	\$50	\$200	\$100	\$50	\$200	\$100	\$50
Family	-			\$400	\$200	\$100	\$400	\$400	\$200	\$100	\$400	\$200	\$100	\$400	\$200	\$100
<b>Coinsurance</b>	80/20	80/20	90/10	80/20	90/10	90/10	60/40	80/20	90/10	90/10	80/20	85/15	90/10	80/20	85/15	90/10
<b>Coinsurance Maximum</b>																
Single (individual)	\$400	\$1000	\$500	\$1000	\$500	\$500	Unlimited	\$1000	\$500	\$500	\$1250	\$750	\$500	\$1250	\$750	\$500
Family	\$1600	\$2000	\$1000	\$2000	\$1000	\$1000	Unlimited	\$2000	\$1000	\$1000	\$2500	\$1500	\$1000	\$2500	\$1500	\$1000
<b>Total Out-of-Pocket per Benefit Period**</b>																
Single (individual)	\$500	\$1150	\$650	\$1350	\$750	\$650	Unlimited	\$1350	\$750	\$650	\$1650	\$1050	\$650	\$1700	\$1100	\$650
Family	\$1800	\$2450	\$1450	\$2850	\$1650	\$1400	Unlimited	\$2850	\$1650	\$1400	\$3500	\$2300	\$1400	\$3650	\$2450	\$1400
<b>Lifetime Maximum Per Insured</b>	\$1,000,000	\$1,000,000		\$1,000,000				\$2,000,000			\$2,000,000			\$2,000,000		
<b>Prescription Drugs</b>																
Generic Prescription <sup>1</sup>	\$3 copay 20% coins	\$4 copay 10% coins		\$4 copay 10% coins				\$3 copay 10% coins			\$5 copay 15% coins			\$5 copay 15% coins		
Brand Name Prescription	\$5 copay 20% coins	\$7 copay 20% coins		\$7 copay 20% coins				\$7 copay 20% coins			\$10 copay 25% coins			\$15 copay 25% coins		
Nonformulary Prescription								\$10 copay 20% coins			\$10 copay 25% coins			\$25 copay 25% coins		
Notes:		2		4, 5, 6				7, 8			9, 10			11		

\*\* - Excludes copayments.

### NOTES:

1. Pays difference between brand and generic if member doesn't accept generic.
2. In 1989 there was only one PPO. The number grew, but in 1993 the only major clinics on were in Fargo only.
3. Added diagnostic copayments in 1993.
4. EPO became effective in 01/01/94 in Fargo, Minot and Grand Forks. PPO was expanded into the same areas as a result of the EPO.
5. Added preventive screening benefits to Basic and PPO plans.
6. Formulary went into effect 07/01/95.
7. Changed the self-referral plan to have an out-of-pocket maximum, and from a 60/40 coinsurance to an 80/20 coinsurance when the EPO became a permanent option.
8. Increased lifetime maximum from \$1,000,000, to \$2,000,000.
9. Increased deductibles, copayments and coinsurance amounts to subscribers in basic/PPO. Increase office visit copay in EPO.
10. Increased RX copays and coinsurance.
11. Increased RX copays, ER Visit copay, Office Visit copay, and Basic/PPO Deductible.

# History of plan

## DAKOTA PLAN - Grandfathered

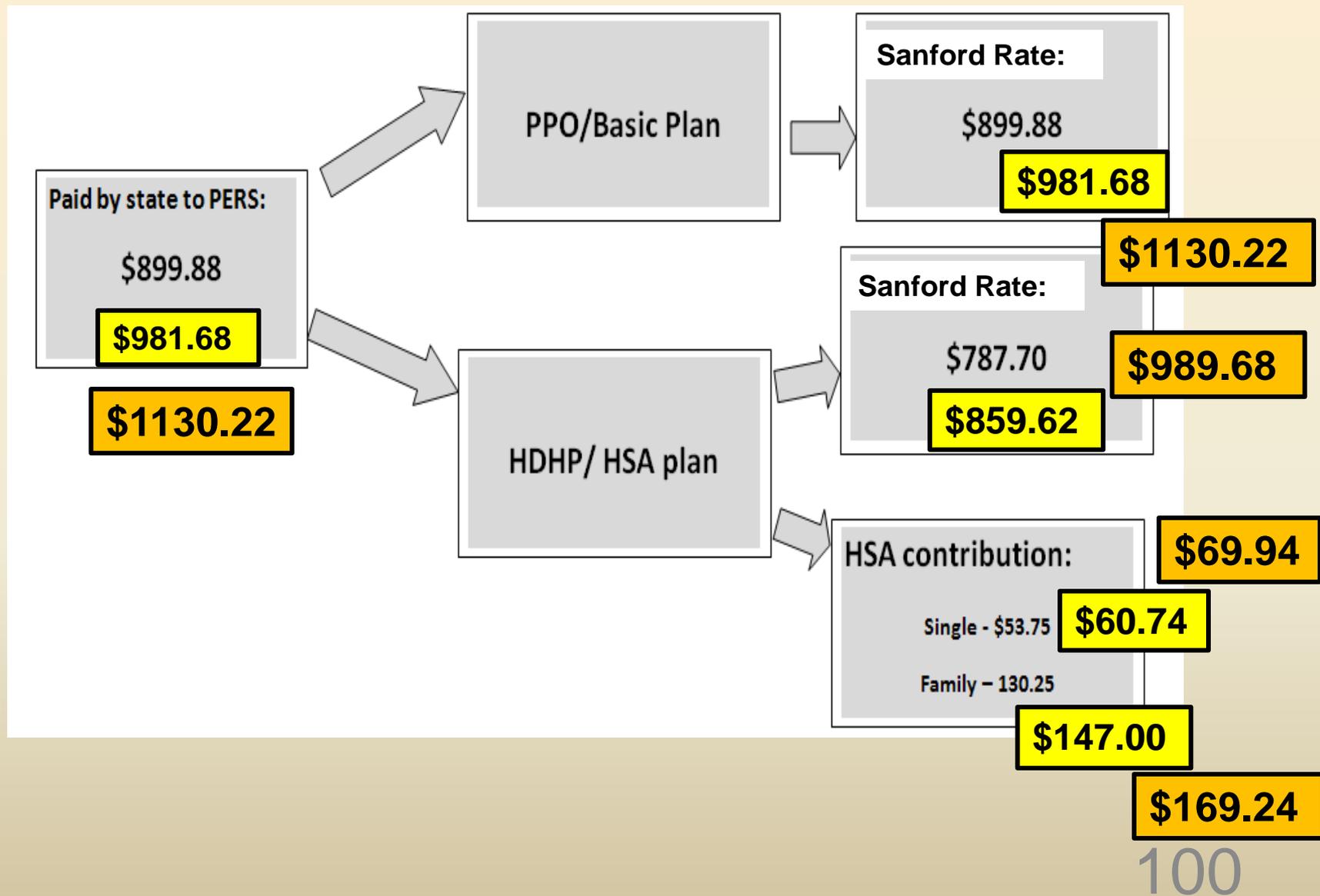
PLAN FEATURES	2003 – 2005			2005 – 2007			2007 – 2009			2009 – 2011		2011 – 2017		
	BASIC / SELF REFERRAL	PPO	EPO	BASIC / SELF REFERRAL	PPO	EPO	BASIC / SELF REFERRAL	PPO	EPO	BASIC / SELF REFERRAL	PPO	BASIC / SELF REFERRAL	PPO	
<b>Deductible for Non-Physician Services</b>														
Single (individual)	\$250	\$250	\$100	\$250	\$250	\$100	\$400	\$400	\$200	\$400	\$400	\$400	\$400	
Family	\$750	\$750	\$300	\$750	\$750	\$300	\$1200	\$1200	\$600	\$1200	\$1200	\$1200	\$1200	
<b>Copayment Amounts</b>														
Office Visits	\$25	\$20	\$15	\$25	\$20	\$15	\$30	\$25	\$20	\$30	\$25	\$30	\$25	
Emergency Room Visits	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	
Diagnostic Services (per service)														
<b>Coinsurance</b>	75/25	80/20	85/15	75/25	80/20	85/15	75/25	80/20	85/15	75/25	80/20	75/25	80/20	
<b>Coinsurance Maximum</b>														
Single (individual)	\$1250	\$750	\$500	\$1250	\$750	\$500	\$1250	\$750	\$500	\$1250	\$750	\$1250	\$750	
Family	\$2500	\$1500	\$1000	\$2500	\$1500	\$1000	\$2500	\$1500	\$1000	\$2500	\$1500	\$2500	\$1500	
<b>Total Out-of-Pocket per Benefit Period**</b>														
Single (individual)	\$1500	\$1000	\$600	\$1500	\$1000	\$600	\$1650	\$1150	\$700	\$1650	\$1150	\$1650	\$1150	
Family	\$3250	\$2250	\$1300	\$3250	\$2250	\$1300	\$3700	\$2700	\$1600	\$3700	\$2700	\$3700	\$2700	
<b>Lifetime Maximum Per Insured</b>	\$2,000,000			\$2,000,000			\$2,000,000			\$2,000,000		\$0		
<b>Prescription Drugs</b>														
Generic Prescription <sup>1</sup>	\$ 5 copay	15% coins		\$ 5 copay	15% coins		\$ 5 copay,	15% coins		\$ 5 copay,	15% coins		\$ 5 copay,	15% coins
Brand Name Prescription	\$ 15 copay	25% coins		\$ 15 copay	25% coins		\$ 20 copay,	25% coins		\$ 20 copay,	25% coins		\$ 20 copay,	25% coins
Nonformulary Prescription	\$ 25 copay	50% coins		\$ 25 copay	50% coins		\$ 25 copay,	50% coins		\$ 25 copay,	50% coins		\$ 25 copay,	50% coins
Prescription Drug Coinsurance Maximum				\$1,000			\$1,000			\$1,000			\$1,000	
Notes:	12,13,14			15			16			17		18		

\*\* - Excludes copayments.

### **NOTES:**

12. Deductible Applies to All Services.
13. Diagnostic Copayments Removed.
14. Nonformulary Prescription Drug Coinsurance Increased.
15. Formulary Prescription Drug Coinsurance Maximum of \$1,000 put in.
16. Increased Deductible, Office Visit Copayments, and Brand Drug Copayments.
17. Eliminated EPO Network and standardized benefits with BCBS.
18. Dependent Age 26 and Eliminated Lifetime Maximum ACA Provisions.

# HDHP/HSA





# **AFFORDABLE CARE ACT (ACA)**

# ACA - PERS

- Legislative Changes
- PERS has:
  - Grandfathered plan
    - Basic/PPO
  - Non-grandfathered plan
    - Basic/PPO
    - HDPHP

# Plan Design Difference

- ***Preventive @ 100%***
  - •Infants & Children •Adult/Adolescent (includes colorectal cancer screenings)
  - •Pregnant Women
  - •Men's Preventive Services
  - •Women's Preventive Services (includes contraception)
- ***Out of Pocket Maximum Accumulation (Non-Grandfathered PPO plans only)***
  - •All cost shares have to accumulate to the out of pocket maximum.
  - •Deductible, Coinsurance, Copayments, Rx Copayments & Rx Coinsurance
  - •New out of pocket maximum amount - to account for the summed up cost shares

# ACA - PERS

- Legislative Changes
- PERS has:
  - Grandfathered plan
    - Basic/PPO
  - Non-grandfathered plan
    - Basic/PPO
    - HDPHP
- Limits
  - Premium
  - Plan Design

## Deloitte

September 28, 2015

Sparb Collins  
Executive Director  
NDPERS  
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Washington, DC 20004  
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Tel: +1 202 879 3094  
Fax: +1 202 861 1111  
www.deloitte.com

Dear Sparb:

You asked Deloitte Consulting to prepare a letter explaining the changes that can be made with respect to a grandfathered health plan without causing the plan to lose its grandfathered status under the Affordable Care Act (ACA).

Following is a summary of the relevant rules relating to maintaining grandfathered status under the ACA. It is for general information purposes only, and is not intended as legal or tax advice.

### **What changes will cause plans to lose grandfathered status?**

Before turning to a detailed overview of the changes that will cause a plan to lose grandfathered status, it is important to keep a few key points in mind.

1. All changes are measured against or compared with the terms of the plan in effect on March 23, 2010, the date the ACA was enacted.
2. All changes to the relevant plan terms occurring after March 23, 2010 must be aggregated for purposes of determining if a particular change will result in a loss of grandfathered status.

These are the changes will cause a plan to lose grandfathered status |

### *Eliminating benefits*

A plan will lose its grandfathered status if eliminates all or substantially all benefits to diagnose or treat a particular condition. This includes eliminating benefits for any necessary element to diagnosing or treating a condition.

### *Example*

*A grandfathered group health plan stops paying for counseling, a necessary treatment for a covered mental health condition. The change causes the plan to lose its grandfathered status because counseling is an element necessary to treat the covered condition.*

### *Increasing cost-sharing requirements*

Sorry for the information and use of NDPERS and not to be relied upon by any other person or entity.

Member of  
Deloitte Touche Tohmatsu Limited

# Cadillac Plan

- The 2018 premium targets are \$10,200 individual and \$27,500 family for annual premiums. Excess coverage over these amounts are subject to a 40% employer tax.
- Our current converted flat rate premium to single/family premium through July 2017 are \$6,531.36 individual (\$544.28X12) and \$15,740.88 family (\$1,311.74X12).
- However if we are unable to convert the flat rate for measurement purposes and must use the flat rate to compare to the single rate threshold for Cadillac for plan measurement purposes we would exceed it for the single plan (\$1,130).

# Bid History

- **2004 – Fully/ Self Insured**
- **2006 – Renewal with BCBS**
- **2008 – Renewal with BCBS**
- **2010 – Renewal with BCBS (ACA)**
- **2012 – Fully Insured**
  - **BCBS**
  - **Sanford**

# 2013-15 Premiums (BAFO)

BCBS Premium

Sanford Premium

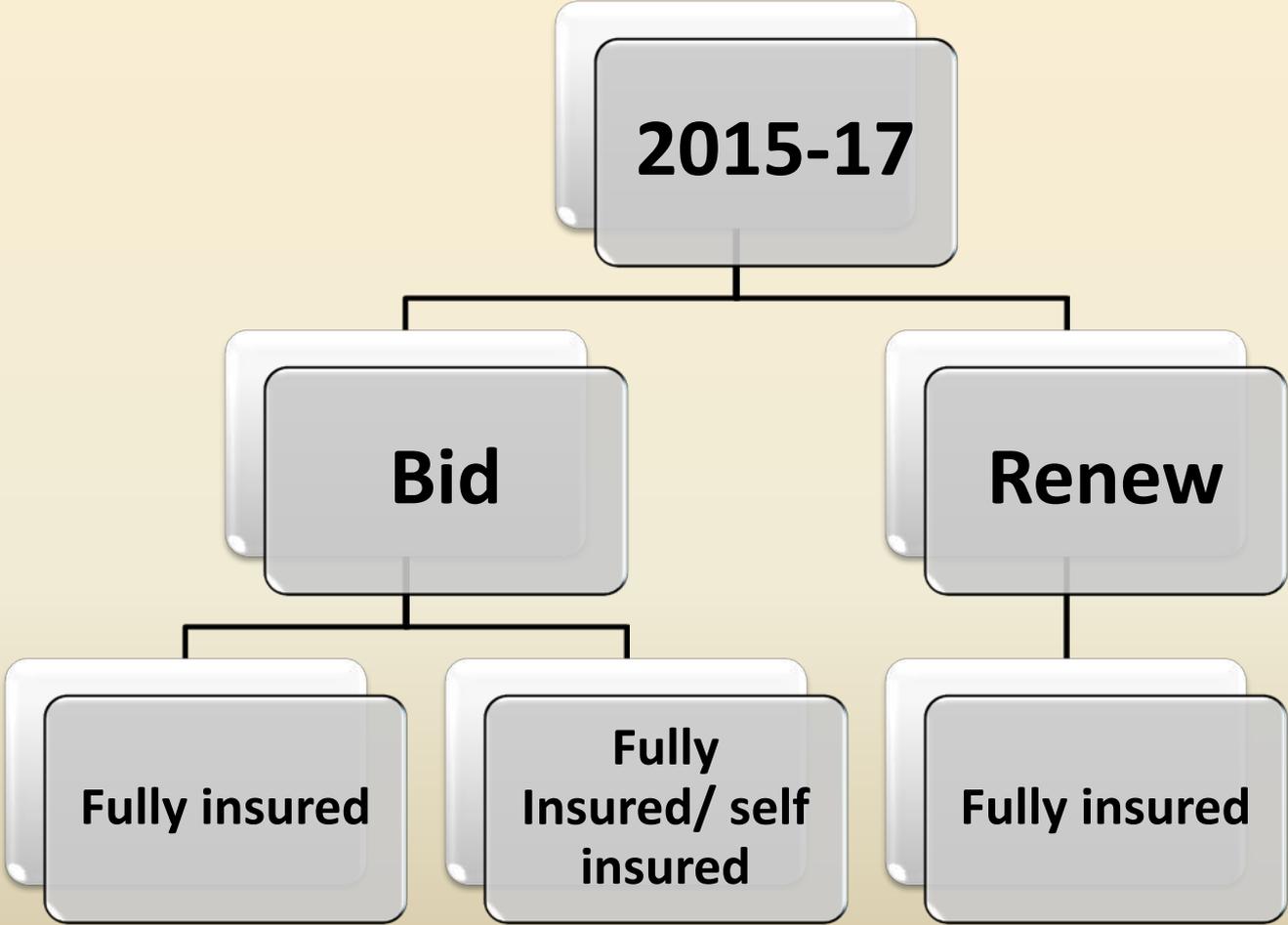
**12.98%**

**25.49%**

\$1001.72

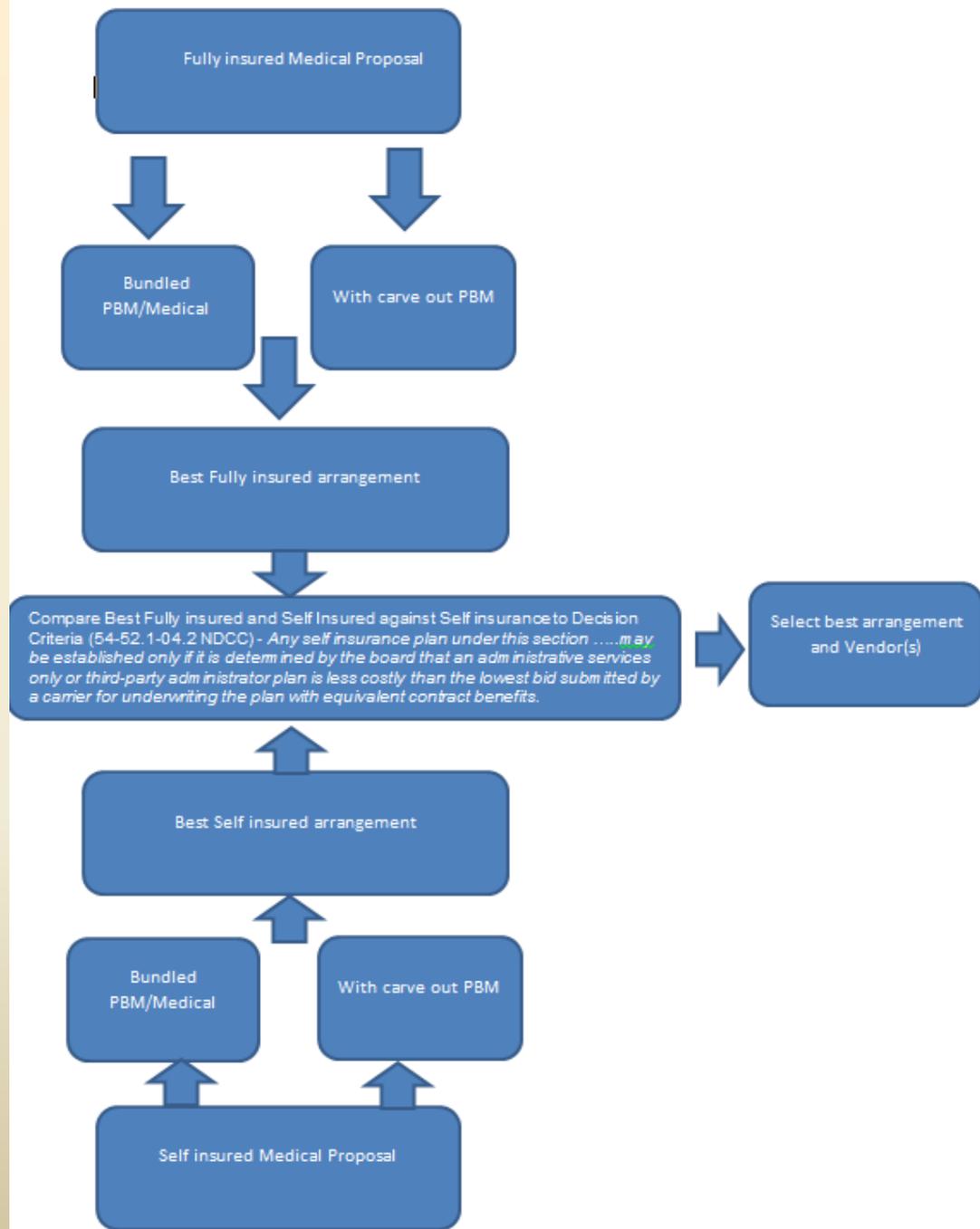
\$1112.62

# Plan Placement 2015-17



# Bid History

- **2004 – Fully/ Self Insured**
- **2006 – Renewal with BCBS**
- **2008 – Renewal with BCBS**
- **2010 – Renewal with BCBS (ACA)**
- **2012 – Fully Insured**
  - BCBS
  - Sanford
- **2014 – Fully/Self Insured**



# 2015-17 Premiums (BAFO)

Fully Insured

BCBS Premium

Sanford Premium

**20%**

**15%**

# Implementation since 7.1.15

- **NDPERS Highlight Stats**
  - 8,967 mySHP accounts Created
  - 4,269 members have elected electronic EOBs
  
- **Pharmacy/Medical Claims**
  - 204,808 NDPERS Claims Paid
  - Over 122,000 Rx fills
  
- **bWell Participation**
  - 6,974 members have logged onto bWell home page
  - 6,634 members have completed the health assessment
  - 3,697 members have participated in wellness activities
  
- **Redemption center**
  - 3,754 member have viewed the redemption center site
  - 1,624 order have been processed
  
- **Fitness Center Reimbursement**
  - 1,744 fitness center reimbursements have been issued

# House Bill 1038

15.0079.02000

Sixty-fourth  
Legislative Assembly  
of North Dakota

HOUSE BILL NO. 1038

Introduced by

Legislative Management

(Health Care Reform Review Committee)

1 A BILL for an Act to create and enact section 54-52.1-04.13 of the North Dakota Century Code,  
2 relating to public employees retirement system uniform group insurance coverage of  
3 telemedicine; to require a report regarding coverage of telemedicine; and to provide an  
4 expiration date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** Section 54-52.1-04.13 of the North Dakota Century Code is created and  
7 enacted as follows:

8 **54-52.1-04.13. Insurance reimbursement parity for telemedicine services.**

9 1. As used in this section:

- 10 a. "Health care facility" means any office or institution at which health care services  
11 or treatment of diseases are provided. The term includes hospitals; clinics;  
12 ambulatory surgery centers; outpatient care facilities; nursing homes; nursing,  
13 basic, long-term, or assisted living facilities; laboratories; and offices of any health  
14 care provider.
- 15 b. "Health care provider" includes an individual licensed under chapter 43-05,  
16 43-06, 43-12.1 as a registered nurse or as an advanced practice registered  
17 nurse, 43-15, 43-17, 43-26.1, 43-28, 43-32, 43-37, 43-40, 43-41, 43-42, 43-44,  
18 43-45, 43-47, 43-58, or 43-60.
- 19 c. "Policy" means a medical benefits coverage under a contract for insurance  
20 pursuant to section 54-52.1-04 or under a self-insurance plan pursuant to section  
21 54-52.1-04.2.
- 22 d. "Store-and-forward technology" means electronic information, imaging, and  
23 communication that is transferred, recorded, or otherwise stored in order to be  
24 reviewed at a distant site at a later date by a health care provider or health care

Page No. 1

15.0079.02000

- Requires PERS to cover telemedicine and to prepare a report regarding telemedicine coverage.

# HB 1475 - Concerns

- Network
- Different Pre Auth
- Data
- Marketing
- Rx Audit

# HB 1300

- Allow PERS network to be portable
- Presently with BCBS
- Make contact with PERS so any provider could use it

# SB 2022

- Term of Contract

2. The initial term or the renewal term of a fully insured uniform group insurance contract for hospital benefits coverage, medical benefits coverage, or prescription drug coverage may not exceed two years.
  - a. The board may renew a contract subject to this subsection without soliciting a bid under section 54 - 52.1 - 04 if the board determines the carrier's performance under the existing contract meets the board's expectations and the proposed premium renewal amount does not exceed the board's expectations.
  - b. In making a determination under this subsection, the board shall:
    - (1) Use the services of a consultant to concurrently and independently prepare a renewal estimate the board shall consider in determining the reasonableness of the proposed premium renewal amount.
    - (2) Review the carrier's performance measures, including payment accuracy, claim processing time, member service center metrics, wellness or other special program participation levels, and any other measures the board determines relevant to making the determination and shall consider these measures in determining the board's satisfaction with the carrier's performance.
    - (3) Consider any additional information the board determines relevant to making the determination.
  - c. If the board determines the carrier's performance under the existing contract does not meet the board's expectations or the proposed premium renewal amount exceeds the board's expectations and the board determines to solicit a bid under section 54 - 52.1 - 04 , the board shall specify its reasons for the determination to solicit a bid.

# SB 2022

**SECTION 7.** Section 54-52.1-05.1 of the North Dakota Century Code is created and enacted as follows:

**54-52.1-05.1. Health insurance benefits coverage - Insured and provider data disclosure.**

Except as necessary for treatment, payment, or health care operations, a carrier providing health insurance benefits coverage under this chapter may not disclose identifiable or unidentifiable insured or provider data or information to a related or unrelated health care delivery entity. The board may establish exceptions to the disclosure limitations under this section for the limited purpose of addressing public interest and benefit activities or for the limited purpose of addressing research, public health, or health care operations. An exception established by the board under this section may not be more permissive than allowed under state and federal privacy laws.

# SB 2022

**SECTION 8. HEALTH INSURANCE RESERVE FUNDS - LIMITATIONS.** Notwithstanding any other provision of law, during the 2015-17 biennium, the public employees retirement system board may not spend any moneys in the fund created under section 54-52.1-06 or from any other source for the purpose of reducing any increase in uniform group insurance premium amounts beyond the rates used by the sixty-fourth legislative assembly for developing 2015-17 state agency budgets.

# HCR 3003

HOUSE CONCURRENT RESOLUTION NO. 3003  
(Legislative Management)  
(Government Finance Committee)

A concurrent resolution directing the Legislative Management to study state contributions to state employee health insurance premiums, including the effect of the federal Affordable Care Act on the state uniform group insurance program.

**WHEREAS**, the state of North Dakota pays one hundred percent of the premium for either a single or family health insurance plan for eligible state employees; and

**WHEREAS**, the monthly combined health insurance premium rate for state employees has increased from \$554 dollars per month during the 2005-07 biennium to \$982 dollars per month during the 2013-15 biennium; and

**WHEREAS**, in 2012, only thirteen states paid the entire premium for a state employee single health insurance plan and only four states paid the entire premium for a state employee family health insurance plan; and

**WHEREAS**, the state currently has a grandfathered status under the federal Affordable Care Act which exempts the state from certain requirements under the Act; and

**WHEREAS**, the state employee health insurance plan may lose its grandfathered status under the federal Affordable Care Act if employees are required to contribute more than five percent towards the cost of state employee health insurance premiums;

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

That the Legislative Management study state contributions for state employee health insurance premiums, including the feasibility and desirability of establishing a maximum state contribution for state employee health insurance premiums and the effect of losing the state's grandfathered status under the federal Affordable Care Act; and

**BE IT FURTHER RESOLVED**, that the Legislative Management report its findings and recommendations, together with any legislation required to implement the recommendations, to the Sixty-fifth Legislative Assembly.

# Other Issues

- Spouse Coverage - - Domestic partners - DOMA

# 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

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

HOUSE BILL NO. 1058  
(Government and Veterans Affairs Committee)  
(At the request of the Public Employees Retirement System Board)

AN ACT to amend and reenact sections 54-52.1-02, 54-52.1-03.2, and 54-52.1-03.3 of the North Dakota Century Code, relating to benefit coverage and health benefits credit for retired employees not eligible for medicare and retired employees eligible for medicare under the uniform group insurance program; and to provide a contingent effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-52.1-02 of the North Dakota Century Code is amended and reenacted as follows:

54-52.1-02. Uniform group insurance program created - Formation into subgroups.

In order to promote the economy and efficiency of employment in the state's service, reduce personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the service of state employment, there is created a uniform group insurance program. The uniform group must be composed of eligible and retired employees and be formed to provide hospital benefits coverage, medical benefits coverage, and life insurance benefits coverage in the manner set forth in this chapter. The uniform group may be divided into the following subgroups at the discretion of the board:

1. Medical and hospital benefits coverage group consisting of active eligible employees and retired employees not eligible for medicare, except for employees who first retire after the effective date of this Act and are not eligible for medicare on their retirement. In determining premiums for coverage under this subsection for retired employees not eligible for medicare, the rate for a non-medicare retiree single plan is one hundred fifty percent of the active member single plan rate, the rate for a non-medicare retiree family plan of two people is twice the non-medicare retiree single plan rate, and the rate for a non-medicare retiree family plan of three or more persons is two and one-half times the non-medicare retiree single plan rate.
2. In addition to the coverage provided in subsection 1, another coverage option may be provided for retired employees not eligible for medicare, except for employees who first retire after the effective date of this Act and are not eligible for medicare on their retirement. provided the option does not increase the implicit subsidy as determined by the governmental accounting standards board's other postemployment benefit reporting procedure. In offering this additional option, the board may have an open enrollment but thereafter enrollment for this option must be as specified in section 54-52.1-03.
3. Retired medicare-eligible employee group medical and hospital benefits coverage.
4. Active eligible employee life insurance benefits coverage.
5. Retired employee life insurance benefits coverage.
6. Terminated employee continuation group medical and hospital benefits coverage.
7. Terminated employee conversion group medical and hospital benefits coverage.
8. Dental benefits coverage.
9. Vision benefits 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

# OPEB

**Table 1: Retiree health care liabilities by state, 2010-2012<sup>25</sup>**

State	Unfunded Liabilities (millions)	Unfunded Actuarial Accrued Liability - Per Capita <sup>26</sup>	Date of Report	State	Unfunded Liabilities (millions)	Unfunded Actuarial Accrued 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 <sup>27</sup>

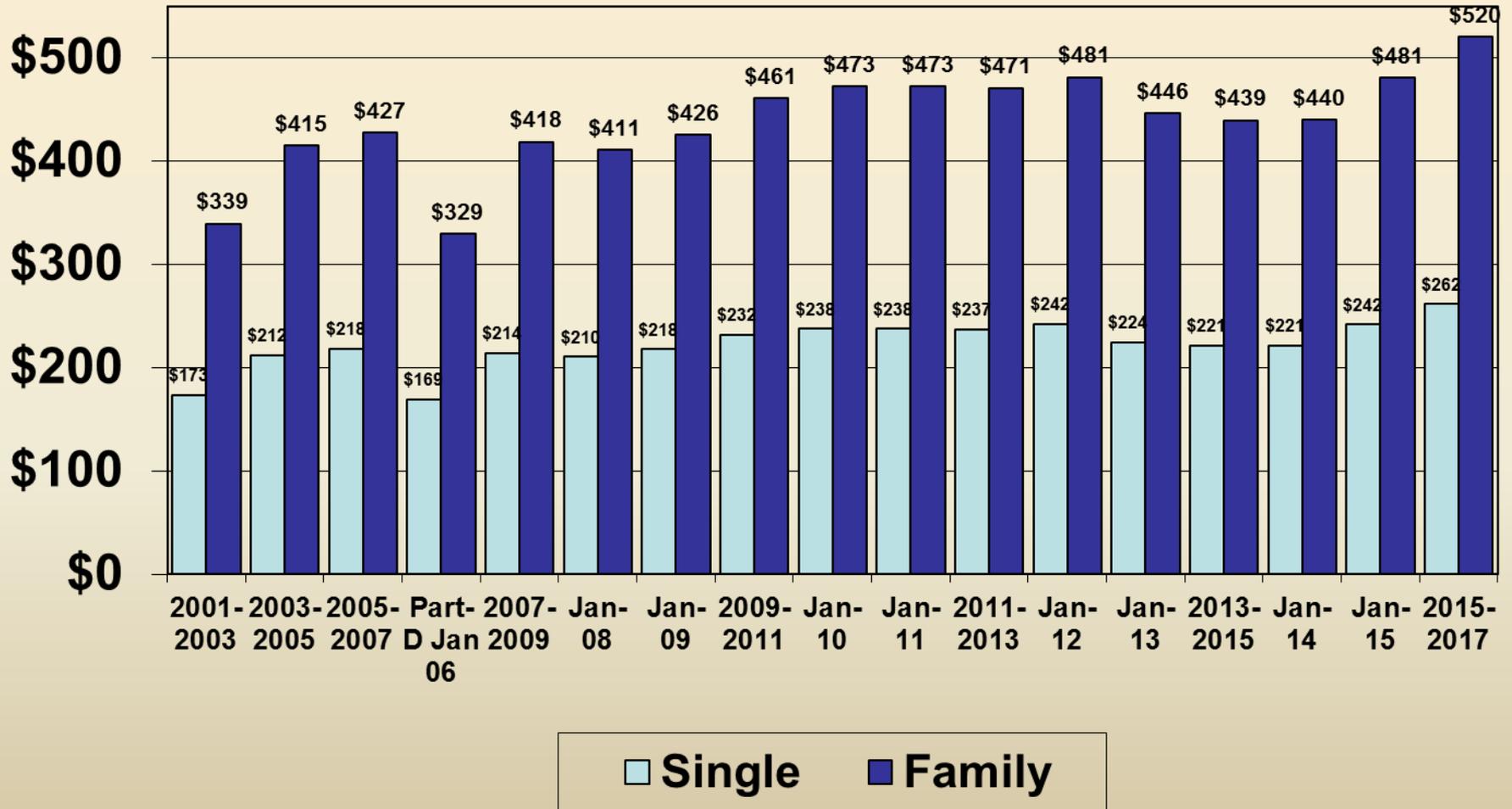
\*\*2008 is the latest year that published data is available for Oklahoma OPEB liabilities<sup>28</sup>

How we compare



Will be decreasing over time as a result of House Bill 1058

# NDPERS Medicare Premiums



*NORTH DAKOTA  
PUBLIC EMPLOYEES  
RETIREMENT*



*VOLUNTARY DENTAL PLAN*

*Effective January 1, 2007*

# Dental Plan

# DENTAL PLAN

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

## North Dakota Public Employees Retirement System

Group #537482

## Delta Dental PPO<sup>SM</sup> and Delta Dental Premier<sup>®</sup>

### A Snapshot of Your Coverage\*

Service & Description	Delta Dental PPO	Delta Dental Premier	Non-Participating
<b>Diagnostic &amp; Preventive Services</b> Exams & cleanings, x-rays, fluoride treatments, space maintainers, sealants	100%	100%	100%**
<b>Basic Services</b> 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%**
<b>Endodontics</b> Pulpotomies on primary teeth for dependent children, root canal therapy on permanent teeth	80%	80%	80%**
<b>Periodontics</b> Surgical/Nonsurgical periodontics	80%	80%	80%**
<b>Oral Surgery</b> Surgical/Nonsurgical extractions, all other oral surgery	80%	80%	80%**
<b>Major Restorative</b> Crowns	50%	50%	50%**
<b>Prosthetic Repairs and Adjustments</b> Denture adjustments and repairs, bridge repair	80%	80%	80%**
<b>Prosthetics</b> Dentures (full and partial), bridges	50%	50%	50%**
<b>Orthodontics</b> Treatment for the prevention/correction of malocclusion, available for all covered dependents	50%	50%	50%**
<b>Deductible</b> Deductible does not apply for diagnostic and preventive services or orthodontics	\$50 per person		
<b>Calendar Year Plan Maximum</b> Per person	\$1,000		
<b>Lifetime Ortho Maximum</b> 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 network 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 non-participating dentists.

### 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](http://www.deltadentalmn.org).

### Rates

<b>Employee:</b>	<b>\$38.26</b>
<b>Employee + Spouse:</b>	<b>\$73.84</b>
<b>Employee + Children:</b>	<b>\$85.72</b>
<b>Family:</b>	<b>\$122.08</b>

## NDPERS Dental Plan – August 2015

EMP ONLY	3813
EMP+CHLD	677
EMP+SP	2146
EMP+FAM	2227
<b>Plan Count</b>	<b>8863</b>

The following monthly premiums apply January 1, 2015 through December 31, 2016:

Level of Coverage	Active Premium
Individual Only	\$38.64
Individual & Spouse	\$74.58
Individual & Child(ren)	\$86.58
Family	\$123.30

2014 Premium: \$6,946,000

# **GROUP INSURANCE PROGRAMS**

## Life Insurance Plan

## Amount of Coverage – August 2015

<b>Basic</b>	<b>\$71,174,700</b>
<b>Supplemental</b>	<b>\$1,232,814,000</b>
<b>Dependent</b>	<b>\$32,702,000</b>
<b>Spouse</b>	<b>\$275,025,000</b>

# 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

# 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

# Pre-trip Information

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

## 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.

# Medical Assistance Services

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

# 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](mailto:ops@europassistance-usa.com)

Web: [www.europassistance-usa.com](http://www.europassistance-usa.com)

# **GROUP INSURANCE PROGRAMS**

LONG TERM CARE

# 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.

# PERS Board 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

# 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.**

**A**

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, sickness 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.**

**B**

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):  
 Alzheimer's disease       Dementia or Senility       Osteoporosis with fractures  
 Amputation due to disease       Mobility Deficit  
 Amyotrophic Lateral Sclerosis (Lou Gehrig's disease)       Multiple Sclerosis       Paraplegia or Quadriplegia  
 Arthritis with narcotic pain medication       Muscular Dystrophy       Parkinson's disease  
 Cerebrovascular Accident\* (Stroke, CVA, TIA)       Myasthenia Gravis       Polymyositis  
       Organic Brain Syndrome       Scleroderma  
       Huntington's Chorea       Memory loss requiring medical consultation  
 \*If applicant has had a single Cerebrovascular 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/PPO 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.**

**C**

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 (CVA's), 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, Cerebrovascular 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

# **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

# VISION RATES

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

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

# Vision Plan – Superior Vision

## 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 <sup>1</sup>	Out-of-Network <sup>1</sup>
<b>Comprehensive Eye Exam:</b>		
Ophthalmologist (MD)	Covered in Full	Up to \$45
Optometrist (OD)	Covered in Full	Up to \$45
<b>Standard Lenses (Per Pair):</b>		
Single Vision	Covered in Full	Up to \$35
Bifocal	Covered in Full	Up to \$50
Trifocal	Covered in Full	Up to \$70
Lenticular	Covered in Full	Up to \$70
Progressives	Covered to providers retail trifocal amount	Up to \$70
<b>Contact Lenses (Per Pair):<sup>2</sup></b>		
Medically Necessary	Covered in Full	Up to \$210
Elective <sup>3</sup>	Up to \$100	Up to \$100
<b>Contact Lens Fitting<sup>4</sup></b>		
Standard	Covered in Full	Not Covered
Specialty	Up to \$50	Not Covered
<b>Frames-Standard<sup>3</sup></b>	Up to \$75	Up to \$40

<sup>1</sup> All in-network and out-of-network allowances are at the retail value.

<sup>2</sup> Contact lenses are in lieu of eyeglass lenses and frames benefit.

<sup>3</sup> The insured is responsible for paying any charges in excess of this allowance.

<sup>4</sup> Standard 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.

### Plan Frequency

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

<b>Monthly Rates:</b>	Employee Only	\$4.92
	Employee and Spouse	\$9.84
	Employee and Child(ren)	\$8.96
	Employee and Family	\$13.88

161 providers in our network

8/31/2015 Coverage

	<u>Employees</u>
Employee Only	3,638
Employee +Child	782
Employee + Spouse	2,728
Employee + Family	<u>2,748</u>
	9,896

***EMPLOYEE  
ASSISTANCE  
PROGRAM***

# 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.*

# EMPLOYEE ASSISTANCE PROGRAM

## **CURRENT EAP PROVIDERS**

*St. Alexius*

*Village Family Services*

*Deer Oaks*

*Live Well Solutions*

# Agency-based Selection Process

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

# FLEX COMP PROGRAM

# FLEX COMP PROGRAM

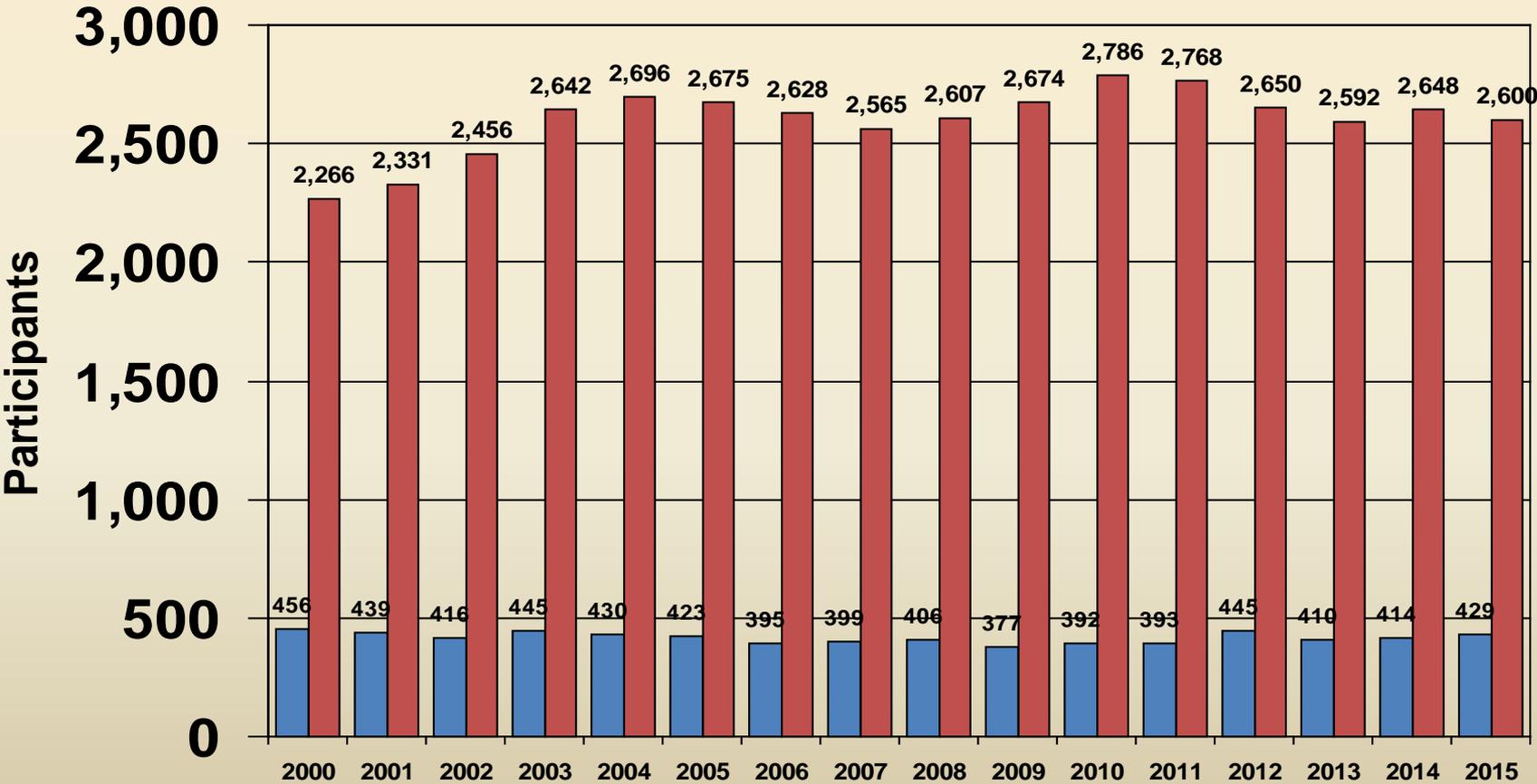
*The FlexComp Plan is administered in accordance with Internal Revenue Code Section 125. It is a voluntary benefit program that allows you to set aside a portion of your salary before state and federal taxes are deducted and have it credited to accounts from which you may draw Tax Free reimbursements 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.*

# FLEX COMP PROGRAM

- *THREE TYPES OF ACCOUNTS*
  - *MEDICAL*
  - *DEPENDENT CARE*
  - *PREMIUM CONVERSION*
- *Use it or lose it*

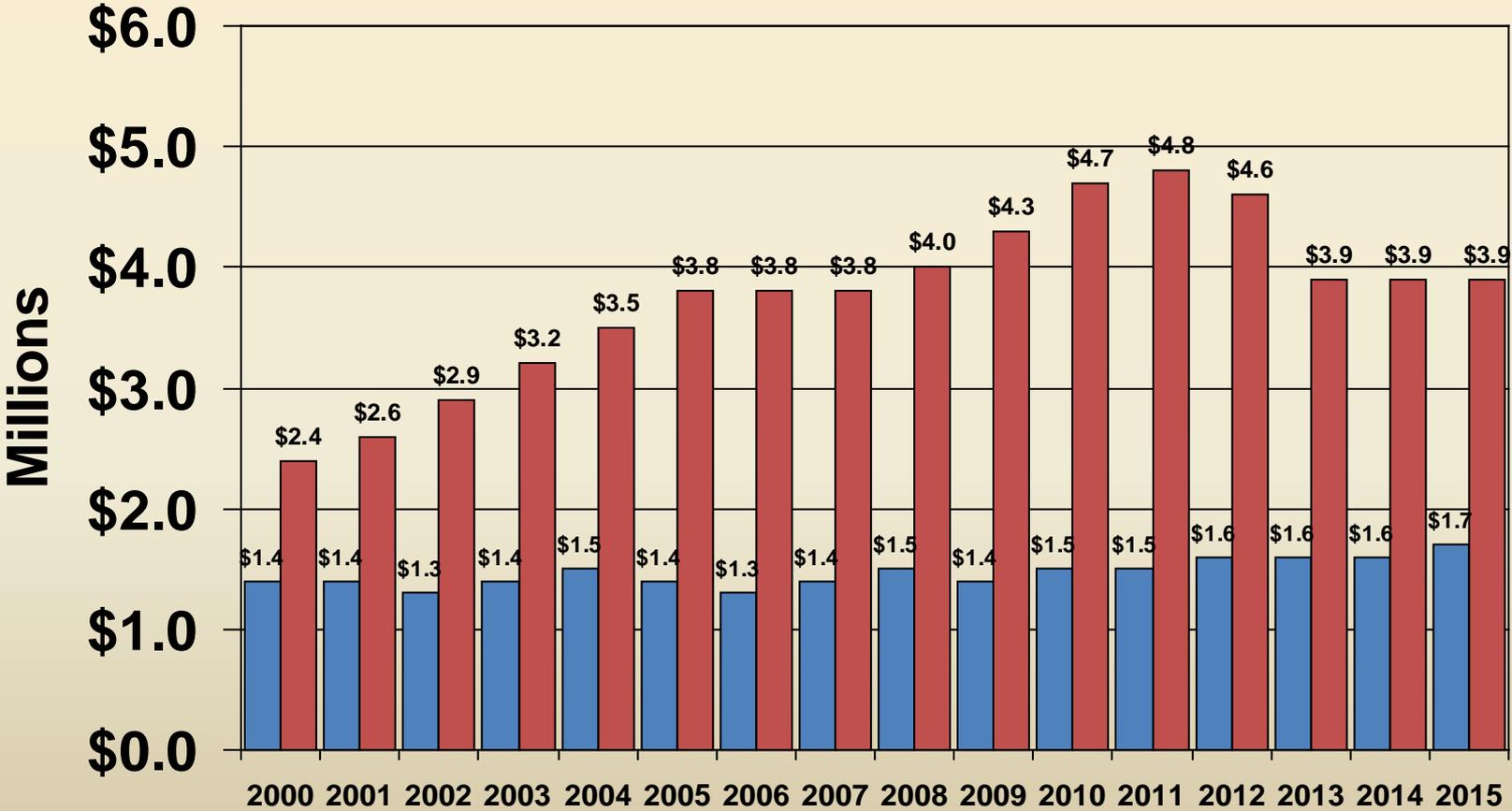
# NDPERS Flexcomp Participation

■ Dependent Care ■ Medical Spending



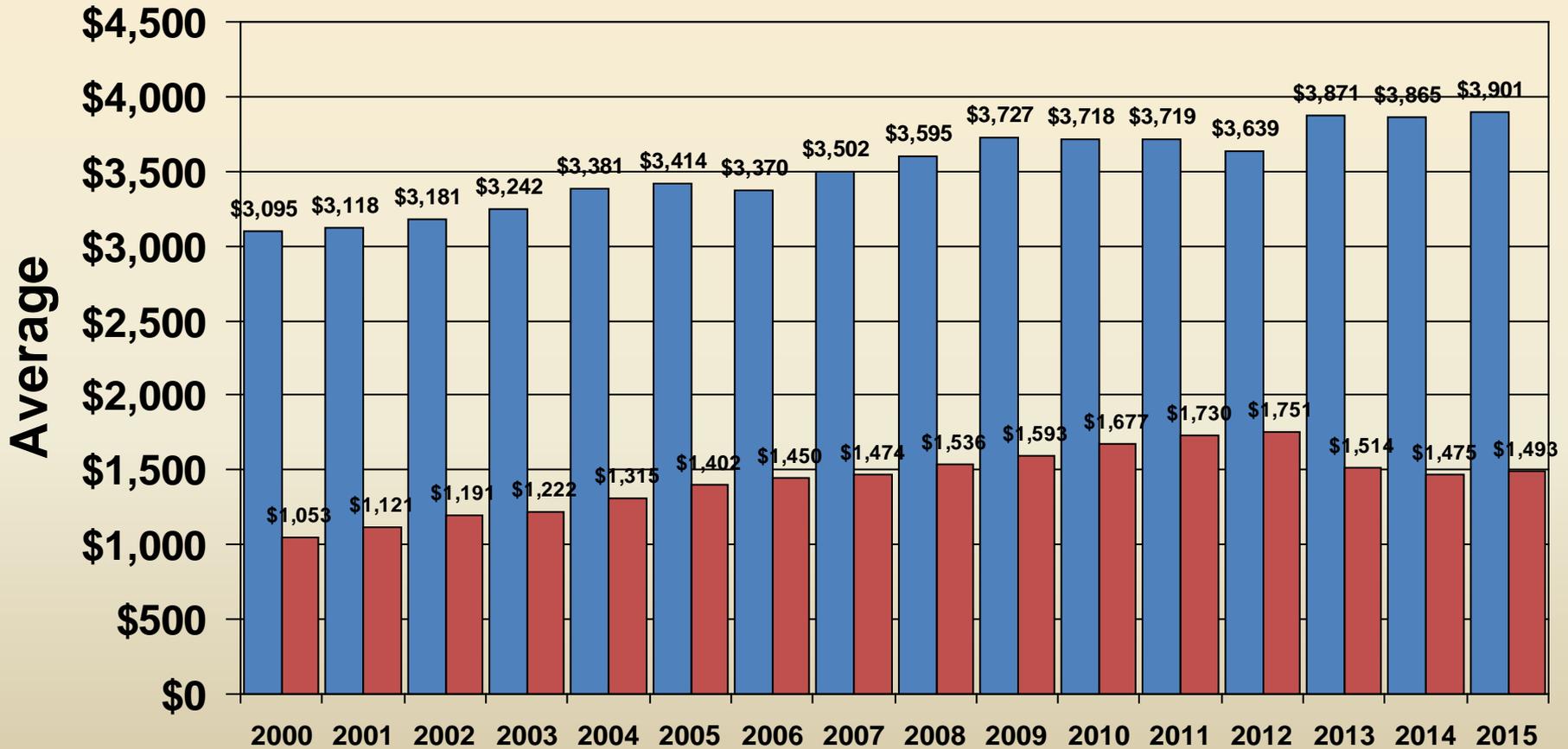
# NDPERS Flexcomp Participation

■ Dependent Care ■ Medical Spending



# NDPERS Flexcomp Participation

■ Dependent Care ■ Medical Spending



# NDPERS Flexcomp Participation

■ Pre-Taxed Premiums

