

NDLA, Intern 09 - Maashio, Alexandria

From: Koppelman, Ben
Sent: Friday, January 8, 2021 9:39 AM
To: NDLA, Intern 09 - Maashio, Alexandria
Subject: Fwd: 1041 Information

From: Miller, Scott A. <scottmiller@nd.gov>
Sent: Friday, January 8, 2021 9:37:56 AM
To: Koppelman, Ben <bkoppelman@nd.gov>
Cc: Fricke, Rebecca D. <rfricke@nd.gov>; Hohbein, Derrick L. <dhohbein@nd.gov>
Subject: FW: 1041 Information

Good Morning, Representative Koppelman –

Please see the attached email below. In short, I testified incorrectly – I stated we were required to assess penalties, and we are not in fact required to do so. My staff advised me we have and do take circumstances into account when determining if we should assess penalties. The amendments to HB 1041 would not change that, but would merely expand the statutory violations for which we could assess penalties.

Please let me know if you have any questions.

Have a great day,

Scott

Scott A. Miller
Executive Director
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From: Miller, Scott A.
Sent: Thursday, January 7, 2021 5:11 PM
To: Schauer, Austen <aschauer@nd.gov>
Cc: Kasper, Jim M. <jkasper@nd.gov>; Fricke, Rebecca D. <rfricke@nd.gov>; Hohbein, Derrick L. <dhohbein@nd.gov>
Subject: 1041 Information

Good Afternoon, Rep. Schauer –

First off, a mea culpa – I was incorrect in my testimony that we were required to assess penalties to the political subdivisions. We generally do assess at least interest if there is an amount owing just to try to make the trust fund whole. But we are free to, and have, worked with political subdivisions in some cases. And if the mistake is ours, we never assess a penalty.

Section 1 of the bill addresses our Main PERS Defined Benefit/Hybrid plan. Section 2 addresses our Health Plan. Section 3 addresses our Defined Contribution plan. Unless the Defined Contribution plan is opened to non-state employees, I do not think we would ever use the permission in section 3, because we rarely have issues with state payroll. But we did add it there just in case.

As far as numbers go, we average about 10 instances a year in which we must spend significant amounts of time correcting and reconciling incorrect information from political subdivisions regarding salary contributions, which would fall under section 1 of the bill.

Regarding the health insurance premium payments, we average over ten problematic political subdivisions a month, and on average we float over \$250,000 a month. In May of last year, we floated almost \$470,000 for just 4 political subdivisions. Clearly, we have an issue here for which we need some extra authority.

We are working with the Insurance Department regarding the applicability of section 26.1-24-07, although at this point it does not appear to apply to us. It does, however, apply to our retiree and COBRA participants who are individually paying insurance premiums to us, and we follow these requirements in those cases.

Please let me know if you would like any additional information.

Have a great evening,

Scott

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