



North Dakota
Public Employees Retirement System
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February 10, 2010

Mr. John Walstad
Code Revisor
North Dakota Legislative Council
State Capitol
600 East Boulevard, 2nd Floor
Bismarck, ND 58505-0360

Dear Mr. Walstad:

The Notice of Intent to Adopt , Amend and Repeal Administrative Rules and a copy of the proposed rules are enclosed as required by N.D.C.C. 28-32-10(1).

Sincerely,

Sparb Collins
Executive Director

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Take notice that the North Dakota Public Employees Retirement System will hold a public hearing to address proposed additions, amendments and deletions to existing rules in the following chapters in the North Dakota Administrative Code: 71-01 General Administration 71-02 Public Employees Retirement System, 71-03 Uniform Group Insurance Program, 71-05 Highway Patrol Retirement System, and 71-08 Defined Contribution Retirement Plan. The purpose of the proposed revisions is to implement new statutory provisions and update existing language. Proposed revisions are summarized below. The hearing will be held at 11:00 a.m. on Tuesday, March 23, 2010 in the Fort Totten room at the State Capitol, 600 East Boulevard Avenue, Bismarck, North Dakota. The hearing will continue until 12:00 p.m. or until no further testimony is offered, whichever occurs last. The proposed rule changes are not expected to have an impact on the regulated community in excess of \$50,000. The proposed rules may be viewed online at www.state.nd.us/ndpers or at the NDPERS office at the following location:

North Dakota Public Employees Retirement System
400 E Broadway, Suite 505
Box 1657
Bismarck, ND 58502

Written comments should be submitted to the above address and will be accepted from March 23, 2010 through April 6, 2010. A copy of the proposed rules may be obtained by accessing them on the PERS website at www.nd.gov/ndpers or by calling the North Dakota Public Employees Retirement System at 701-328-3900. If you plan to attend the public hearing and will need special accommodations or assistance, please contact the Public Employees Retirement System at the above address or telephone number at least three business days prior to the public hearing.

Summary of Proposed Rule Changes

71-01-02-03. Candidate eligibility. Adds members of the defined contribution, highway patrol and job service retirement systems to the list of eligible candidates and clarifies that terminated employees may not serve as an active elected member of the board.

71-01-02-09. Canvassing rules. Provides provisions for an invalid election.

71-02-01-01(14). Definitions. Clarifies the definition of Normal Retirement Age as age 65 for all plans except National Guard and Law Enforcement which is age 55.

71-02-03-02.2. (6) Payment. Sets a minimum payment amount pertaining to service purchases and establishes a maximum payment schedule of 15 years.

71-02-03-02.4. Crediting purchased or repurchased service. Revises provisions for crediting service.

71-02-03-07. Employer purchase of service credit or sick leave program. Clarifies deadline for employer paid purchases of service in the main retirement system.

71-02-04-02. Special retirement options - Application. Establishes the process and a timeframe for benefit change in the event the receiver has a direct deposit.

71-02-04-03. Payment Date – Retirement benefits. Clarifies benefit payment for judges.

71-02-04-04. Optional Benefits. Clarifies the Optional Benefits and removes requirement that benefit payment be greater than \$100 to select Level Social Security Option.

71-02-04-04.1. Benefit Modifications. Details the benefit modifications that may be elected.

71-02-04-07. Amount of early retirement benefit. Updates terminology to mirror terminology in benefit processing administration.

71-02-04-10. (3) (4) Erroneous payment of Benefits – Overpayments. Modifies repayment provisions for collecting overpayment of benefits.

71-02-05-07.1(1) One hundred percent joint survivor benefit. Provides updated terminology for single life option.

71-02-05-09. Interest accrual on accumulated contributions for disabled annuitants. Provides further information regarding interest accrual after receiving a disability pension.

71-02-06-01. Conditions for return. Provides clarification for contributions to be returned to non-vested members upon termination if their account is less than \$1000, in compliance with federal requirements.

71-02-07-02. Return to service - Retired member. Revises provisions regarding benefit calculation procedure for when retired members return to work.

71-02-11-04. Payment. Modifies process for crediting purchased eligible military service credit.

71-03-03-01. Enrollment. Updates language for consistency purposes in the group health insurance plan.

71-03-04-01. Employer contribution. Adds language to clarify that employer contribution is not payable if employee terminates prior to effective date of coverage in the group insurance plan.

71-03-04-05. Premium for basic term life insurance. Removes language referring to political subdivisions regarding the payment of full premium for life insurance.

71-03-05-05. Appeal process. Corrects terminology.

71-03-05-08. Erroneous payment of premiums – Underpayments. Removes language pertaining to maximum repayment period.

71-03-06-01. Enrollment. Updates language for consistency purposes in the group health insurance plan. Also, removes language relating to eligibility of employees that are employed with a political subdivision that does not offer a group health insurance plan.

71-03-06-02. Late Enrollment. Removes redundant language.

- 71-03-06-03. Open enrollment for certain qualifying events.** Changes terminology from “open” enrollment to “special” enrollment.
- 71-03-06-05. Continuation of health benefits for dependents.** Removes redundant language.
- 71-03-06-08. Employee contribution.** Removes unnecessary language pertaining to payment of employee contributions.
- 71-03-07-01. Employer contribution.** Clarifies terms for payment of employer contribution.
- 71-03-07-02. Information to employee.** Provides that the employer will provide pertinent information to all employees regarding coverage rights, not just “eligible” employees.
- 71-03-07-03. Collecting employee contributions.** Updates language to provide that the employer may specify the method for collection of any employer premium contribution.
- 71-03-07-05. Premium for basic term life insurance.** Updates language for consistency purposes.
- 71-04-01-01. Definitions.** Updates language regarding designating of beneficiaries in the 457 plan as well as clarifies terminology pertaining to the retirement board.
- 71-04-03-02. Effective date of deferrals.** Updates language for consistency purposes.
- 71-04-03-05. Unforeseeable emergency.** Eliminates the term “partial” regarding emergency withdrawals.
- 71-04-03-06. Termination of participation.** Updates language for consistency purposes.
- 71-04-04. Retirement board responsibilities.** Updates references referring to retirement board for consistency purposes
- 71-04-04-04. Employer agreement.** Updates language for consistency purposes
- 71-04-04-05. Payroll deduction authorization.** Updates language for clarity and consistency purposes
- 71-04-06. Provider responsibilities.** Updates references referring to retirement board for consistency purposes
- 71-04-06-02. Administrative agreement.** Updates language for clarity and consistency purposes
- 71-04-06-09. Benefit payments.** Updates language for clarity and consistency purposes.
- 71-04-06-12. Provider suspension - Employee account transfers.** Updates language for clarity and consistency purposes

71-05-02-05. Interest accrued on accumulated contributions for disabled annuitants.

Further defines timeframe for interest accrual after receiving a disability pension.

71-05-04-04. Payment. Provides for minimum payment provisions for service purchases in the highway patrol retirement system and establishes maximum payment schedule of 15 years.

71-05-04-06. Crediting purchased or repurchased service. Revises provisions for crediting service in the highway patrol retirement fund.

71-05-04-09. Employer purchase of service credit or sick leave program Clarifies payment deadline for employer paid purchases of service in the highway patrol retirement system.

71-05-05-02. Special retirement options - application. Establishes process and timeframe for benefit change in the event the receiver has direct deposit in the highway patrol fund.

71-05-05-04. Optional benefits. Removes language for Partial Lump sum option and deferred normal retirement option in the highway patrol fund.

71-05-05-04.1 Benefit Modifications. Establishes the benefit modifications specific to the Partial Lump Sum option, Deferred normal retirement option and graduated benefit option.

71-05-05-07. Amount of early retirement benefit. Standardizes terminology for benefit processing administration.

71-05-05-10. Erroneous payment of benefits – Overpayments. Provides additional guidance in the course of correcting overpayment of benefits in the highway patrol fund.

71-05-06-01. Return of contributions - Conditions for return. Provides clarification for contributions to be returned to non-vested members upon termination from the highway patrol fund if their account balance is less than \$1,000, in compliance with federal requirements.

71-05-07-01. Return to Service. Revises provisions regarding benefit calculation procedure for when retired members return to work in the highway patrol fund.

71-06-01-02. Calculation of retiree health insurance credit. Revises references to century code due to previous changes made.

71-08-06-04. Cost. Modifies process for crediting of purchased eligible military service and clarifies that most recent employer will be billed.

71-08-07-01. Additional employer contributions. Clarifies deadline for employer paid purchases of service in the main retirement system in the defined contribution system.