



**North Dakota
Public Employees Retirement System**

400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

OCT 11 2011

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October 3, 2011

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,

Deb Knudsen

Enclosures

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- | | | |
|------------------------------------|----------------------------------|-----------------------------------|
| • FlexComp Program | • Retirement Programs | • Retiree Health Insurance Credit |
| • Employee Health & Life Insurance | – Public Employees | – Judges |
| • Dental | – Highway Patrol | – Prior Service |
| • Vision | – National Guard/Law Enforcement | – Job Service |
| | | • Deferred Compensation Program |
| | | • Long Term Care Program |

NOTICE TO ADOPT, AMEND AND REPEAL ADMINISTRATIVE RULES

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, 71-06 Retiree Health Insurance Credit and 71-08 Defined Contribution Retirement Plan. The purpose of the proposed revisions is to implement new statutory provisions, comply with federal law and update existing language. Specific sections affected and explanations for proposed revisions are summarized below. The hearing will be held at 11:00 a.m. on Wednesday, November 16, 2011, in the NDPERS Conference Room at 400 E Broadway, Suite 505, 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.nd.gov/ndpers or at the NDPERS office at the following location:

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

Written or oral comments should be submitted to the above address or below referenced telephone number and will be accepted from November 16 – 29, 2011. A copy of the proposed rules may be obtained by accessing them on the PERS website at www.nd.gov/ndpers, by writing to the above address, 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 relating to a disability, 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

Section	Description	Reason
71-01-02-02	Eligible Voters. Amended language to incorporate all group insurance programs and added deferred compensation and pre-tax benefits programs. Also deleted reference to deferred vested participants being able to vote.	Administrative revision & SB2109 Section 6
71-01-02-03(2)	Candidate eligibility. Removes language regarding deferred vested participants.	Authorized in SB 2109, Section 6
71-01-02-05	Petition Format. Removes reference to deferred vested retirement allowance.	Authorized in SB 2109, Section 6
71-02-04-04	Optional Benefits. Added Judge's Normal benefit reference to the Joint and Survivor "popup" provision.	Administrative revision
71-02-04-09.1(2)	Dual Membership limitations. Removal of reference to an obsolete subsection.	Administrative revision
71-02-05-07	Optional benefits. Removal of the \$100 benefit limitation.	Administrative revision
71-02-05-07.1	Judges retirement plan optional benefits. Removal of the \$100 benefit limitation	Administrative revision
71-02-06-10	Transfer of funds. Repealed section 71-02-08-03 is relocated to this section.	Administrative revision
71-02-06-11	Transfer date. Repealed section 71-02-08-04 is relocated to this section.	Administrative revision
71-02-08-01	Participation. Clarification of new governmental units purchasing past service credit.	Administrative revision & to comply with SB2109, Section 5
71-02-08-03	Transfer of Funds. Relocating 71-02-08-03 to 71-02-06-10.	Administrative revision
71-02-08-04	Transfer date. Relocating 71-02-08-04 to 71-02-06-11.	Administrative revision
71-02-09-01	Review procedure. Clarification of review procedures is not just on application for benefits.	Administrative revision
71-02-10-02	Qualified domestic relations orders procedures. Removal of language regarding establishment of an escrow account during proposed domestic relations order review and adding language detailing how NDPERS will administer an application for lump sum distribution received while proposed order is under review.	Administrative revision
71-02-11-02	Award of service credit. Additional language added to address the granting of service credit for benefit eligibility purposes (vesting and Rule) due to federal USERRA law.	Administrative revision reflecting federal regulation.
71-02-11-04	Payment. Clarifies that for service credit to be recognized for benefit calculation purposes, required contributions must be submitted.	Administrative revision reflecting federal regulation.
71-03-01-02	Bid Specifications. Modified bid specification language to allow for greater flexibility in bidding out group insurance programs.	To Comply with provisions of SB2110, Section 2.
71-03-01-03	Bid Deadlines. Repealed.	Administrative revision.
71-03-01-04	Bid letting. Repealed	Administrative revision

Section	Description	Reason
71-03-03-01	Enrollment. Adds reference to the dental, vision and prescription drug plans	To Comply with provisions of SB2110, Section 1
71-03-03-05	Special enrollment for Certain Qualifying Events. Adds reference to the dental, vision and prescription drug plans	To Comply with provisions of SB2110, Section 1
71-03-03-06	Continuation of Hospital and Medical Coverage after termination. Adds reference to the dental, vision and prescription drug plans	To Comply with provisions of SB2110, Section 1
71-03-03-07	Continuation of health benefits for dependents. Adds reference to the dental and vision plans dental, vision and prescription drug plans	To Comply with provisions of SB2110, Section 1
71-03-03-09	Leave without Pay. Adds reference to the dental, vision and prescription drug plans	To Comply with provisions of SB2110, Section 1
71-03-05-04	Late premium for terminated employees. Repealed outdated language.	Administrative revision
71-03-05-05	Appeal process. Clarifies review procedures and changes terminology to "members" from "employees".	Administrative revision
71-05-02-04	Optional benefits. Removal of language requiring a \$100 minimum benefit and remarriage option to make plans consistent.	Administrative revision
71-05-05-04	Optional Benefits. Removal of remarriage option that has never been utilized.	Administrative revision
71-05-08-02	Qualified domestic relations orders procedures.	Administrative revision
71-06-01-03	For retirees receiving more than one benefit entitled to retiree health insurance credit. Removing outdated requirement to make application to combine RHIC in certain situations.	Administrative revision
71-08-01-08	Transfer of Funds. New section for Defined Contribution plan transfer of funds to TIAA-CREF identical to main system administration.	To comply with provisions of SB2109, Section 1
71-08-04-02	Qualified domestic relations orders procedures. Removal of language regarding establishment of an escrow account during proposed domestic relations order review and adding language detailing how NDPERS will administer if application for lump sum is received while proposed order is under review.	Administrative revision
71-08-06-02	Award of service credit. Additional language added to address the granting of credit for benefit eligibility purposes (vesting in employer contribution schedule and RHIC Rule of 85 calculations) due to federal USERRA law. Clarifies that for credit to be recognized for benefit calculation purposes, required contributions must be submitted.	Administrative revision
71-08-06-04	Cost. Clarifies that for credit to be recognized for benefit calculation purposes (RHIC Rule of 85), required contributions must be submitted.	Administrative revision

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