

CHAPTER 82-05-03 PAYMENT OF BENEFITS

Section

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82-05-03-01. When benefit payments begin - Direct deposit.

If the teacher terminates covered employment and becomes eligible for retirement benefits, retirement benefits are paid on the first day of the month following the official date of retirement. If a teacher terminates covered employment or becomes eligible for retirement benefits after the first fifteen days of the month, retirement benefits are paid beginning the first day of the following month.

Annuity payments will be directly deposited to a teacher's account in a bank, credit union, savings and loan, or other financial institution provided that the financial institution is an automated clearing house (ACH) financial participant. The teacher must complete the official direct deposit form provided by the fund.

History: Effective September 1, 1990; amended effective May 1, 1998; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-10

82-05-03-02. Death benefits - Proof of death.

Death benefits will be paid after proof of the member's death is submitted to the fund office. Proof of death includes a death certificate or other documentation approved by the executive director. If death benefits are required to be paid to the member's estate, documentation naming the administrator or personal representative of the estate must also be submitted to the fund office prior to payment.

History: Effective September 1, 1990; amended effective April 1, 1994; May 1, 1998; July 1, 2012.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-17

82-05-03-03. Overpayment of retirement benefits - Write-offs.

All overpayments must be collected using the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like gains. If the cost of recovering the amount of the overpayment of retirement benefits is estimated to exceed the overpayment, the teachers' fund for retirement may consider the repayment to be unrecoverable and written off.

History: Effective April 1, 2016; amended effective April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-29, 15-39.1-31

82-05-03-04. Interest payments - Interest accrual on account - Preretirement death.

The preretirement death benefit paid to any beneficiary shall be equal to the account value included accumulated interest up to the date of death. No interest shall continue to accrue to the account beyond the time of death of the member.

History: Effective April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-17

82-05-03-05. Erroneous payment of benefits - Overpayments.

1. An "overpayment" means a payment of money by the teachers' fund for retirement that results in a person receiving a higher payment than the person is entitled to under the provision of the retirement plan of membership.
2. A person who receives an overpayment is liable to refund those payments upon receiving a written explanation and request for the amount to be refunded.
3. If the overpayment of benefits was not the result of any wrongdoing, negligence, misrepresentation, or omission by the recipient, the recipient may make repayment arrangements subject to the executive director's approval within sixty days of the written notice of overpayment with the minimum repayment amount no less than fifty dollars per month. If repayment arrangements are not in place within sixty days of the date of the written notice of overpayment, the executive director shall offset the amount of the overpayment from the amount of future retirement benefit payments so that the actuarial equivalent of the overpayment is spread over the benefit payment period.
4. If the overpayment of benefits was the result, in whole or in part, of the wrongdoing, negligence, misrepresentation, or omission of the recipient, the recipient is liable to pay simple interest charges at the rate of six percent on the outstanding balance to compensate the fund for lost earnings, from the time the erroneous benefit was paid through the time it has been refunded in full. Recovered funds are first applied to interest and, if any amount is left over, that amount is applied to principal. The recipient may make repayment arrangements, subject to the executive director's approval, within sixty days of the written request for refund with the minimum repayment amount no less than fifty dollars per month. If repayment arrangements are not in place within sixty days of the date of the written notice of overpayment, the executive director shall offset the amount of the overpayment from the amount of future retirement benefit payments so that the actuarial equivalent of the overpayment is spread over the benefit payment period.
5. If an individual dies prior to fully refunding an erroneous overpayment of benefits, the teachers' fund for retirement may make application to the estate of the deceased to recover the remaining balance.

History: Effective April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-17

82-05-03-06. Erroneous payment of benefits - Underpayments.

1. An "underpayment" means a payment of money by the teachers' fund for retirement that results in a person receiving a lower payment than the person is entitled to under the provisions of the retirement plan of membership.
2. If an underpayment occurs, the amount of the lump sum payment must be paid within sixty days of the discovery of the error.
3. If the underpayment of benefits was not the result of any wrongdoing, negligence, misrepresentation, or omission by the employer or recipient, the underpayment of benefits is to include simple interest at the rate of six percent from the time the underpayment occurred.

4. If the underpayment of benefits was the result, in whole or in part, of the wrongdoing, negligence, misrepresentation, or omission of the employer or recipient, the underpayment of benefits will not include simple interest.
5. If an individual dies prior to receiving the underpayment of benefits, the teachers' fund for retirement shall pay the designated beneficiary on record or, in the absence of a designation of beneficiary, to the estate.

History: Effective April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-17

82-05-03-07. Erroneous payment of benefits - Appeals.

1. A person not satisfied with repayment arrangements made under section 82-05-03-05 may appeal the executive director's decision in writing to the board. The written request must explain the basis of the appeal and must be received in the office within sixty days of the executive director's written decision.
2. The board may release a person from liability to refund an overpayment, in whole or in part, if it determines:
 - a. The receipt of overpayment is not the fault of the recipient.
 - b. It would be contrary to equity and good conscience to collect the refund.

History: Effective April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-17