

North Dakota Public Employees Retirement System Update

Scott A. Miller
Executive Director



Agenda

- NDPERS Changes
- Legislative Efforts



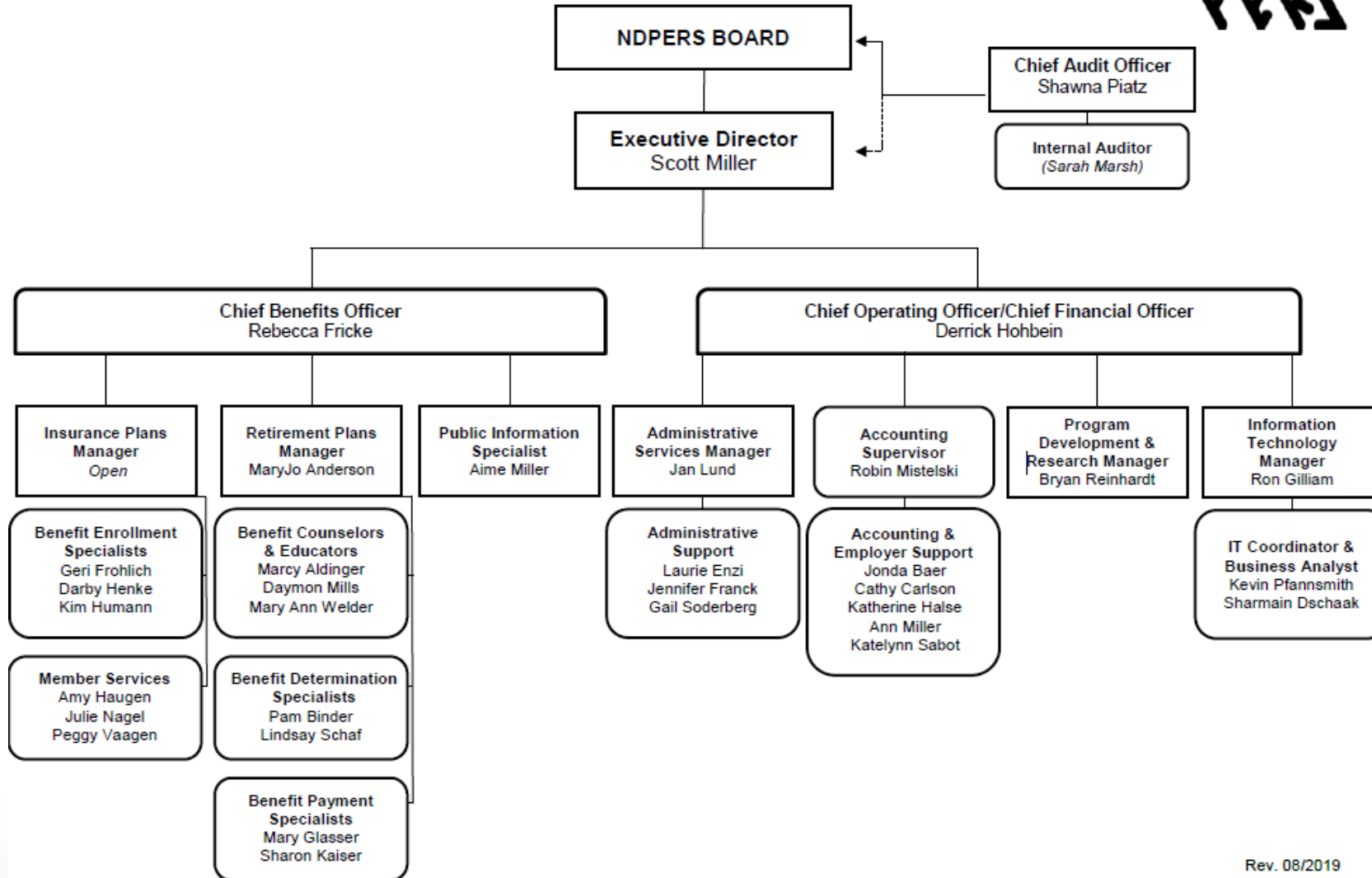
NDPERS Office

- Executive Director
 - Sparb Collins retired in October of 2017
 - Sharon Schiermeister, Chief Operating Officer, appointed interim director during search
 - Scott A. Miller was hired as the new Executive Director, and began in May of 2018
- Chief Operating Officer (COO)
 - Sharon Schiermeister, COO, retired in May of 2019
 - COO position was split into two positions: COO/CFO and Chief Benefits Officer (CBO)
 - Derrick Hohbein is our COO/CFO
 - Oversees “back office” operations, including Accounting, IT, Administrative Services, and Program Development & Research
 - Rebecca Fricke is our CBO
 - Oversees “front office” operations, including our Insurance Plans, Retirement Plans, Public Information, and front desk personnel



NDPERS Office

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM ORGANIZATION CHART



NDPERS Changes

- The Board recently approved offering the High Deductible Health Plan (HDHP) to large political subdivisions (defined as 51 or more employees).
 - NDCC 54-52.1-18 requires that HDHP be the only plan offered to all employer's employees
 - This is a non-grandfathered plan, so a move to this plan would prohibit the employer from coming back to the grandfathered plan, although they could go to the non-grandfathered PPO/Basic plan
 - NDPERS will not administer a Health Savings Account (HSA) for the employer
 - Requires calendar year participation
- NDPERS will be sending information to political subdivisions currently on the Health Insurance Plan later this fall
- Sample premium differential:

	<u>GF PPO/Basic*</u>	<u>HDHP*</u>
Single	\$733.68	\$657.42
Family	\$1,773.60	\$1,589.38

*Assumes approved wellness program

NDPERS Changes

- Implemented multi-factor authentication for member access to the Member Self-Service (MSS) portion of PERSLink
- Implementing retirement application wizards to allow members to apply for retirement online
- Working on a portal upgrade for both members and employers that will be more mobile friendly and efficient – spring 2020
- Implemented mandatory debit ACH payments for employer invoices to comply with the NDCC

Legislative Efforts - 2019

- SB 2045 – Technical Corrections Bill – **Passed**
- SB 2046 – Retiree Health Insurance Credit elimination for new employees – **Passed**
- SB 2047 – Retirement Multiplier reduction for new employees – **Passed**
 - SB 2046 and 2047 together put us back on the course to full funding sometime after 2100
 - However, with a recent reduction in our assumed rate of return from 7.75% to 7.5%, and our actuarial investment losses for last fiscal year, we are no longer confident that we are still on the course to full funding – we will know more after we receive our actuarial valuation in October
- SB 2048 – Contribution Increase – **Failed** – we are still over 4% below our actuarially determined contribution rate in the Main plan
- SB 2049 – Final Average Salary Calculation – **Passed**
- HB 1419 – Close DB Plan for State Employees – **Failed**
- HB 1374 - Requires any contract for prescription drug coverage with a Pharmacy Benefit Manager (PBM) to be a transparent, rather than a spread, arrangement - **Passed**



Legislative Efforts - 2121

- NDPERS Board has not considered a legislative package for 2121 as of yet – November planning meeting
- However, variations on the following are possible:
 - Technical corrections
 - Deferred compensation administrative expense funding
 - Contribution increase
 - GASB Issues
 - Quantify benefit reductions
- Others may submit bills pertaining to the following:
 - Closing or significantly modifying the Main PERS DB/Hybrid plan
 - Additional legislative direction regarding the health plan and pharmacy benefits



Questions?



Email ndpers-info@nd.gov

Call (701)328-3900

