



FEW are on track, are you?

NDPERS Defined Benefit Main Plan
Financial Essentials Workshop



NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

Agenda

Main Defined Benefit Retirement Plan

- *The Main DB Plan was Closed to New Members as of January 1, 2025*

Planning for Unexpected Events

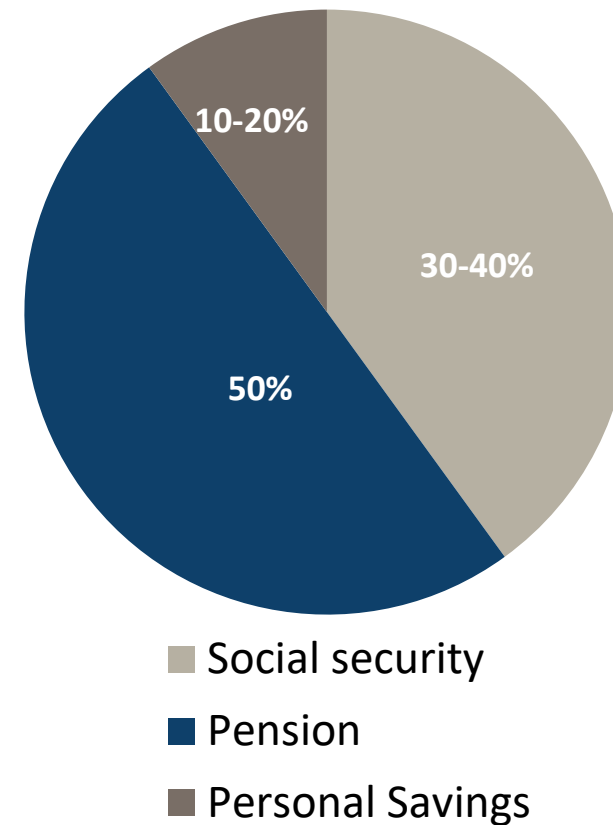
Service Purchase

Member Self Service (MSS)

Your NDPERS Retirement Income (Pension)

With applicable multiplier at Normal Retirement with PERS:

- After 25 years of service, approximately 50% pre-retirement earnings
- Social Security might add another 30-40%
- NDPERS Pension + Social Security = 90% of pre-retirement income
- No guaranteed Cost of Living Adjustment (COLA)





Defined Benefit (DB) Hybrid Retirement Plan - Main Pension

A faded, light blue silhouette of a family of four is centered in the background. From left to right: a woman carrying a baby in a carrier, a man wearing a hat, and a woman carrying a young girl on her shoulders. The girl has her arms outstretched. The entire scene is set against a bright, hazy background.

Which tier are you in?

MAIN – DEFINED BENEFIT RETIREMENT PLAN



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Your tier determines...

Your normal retirement date after meeting the applicable rule of 85 or 90

The multiplier used in calculating your monthly retirement benefit

The right to Retiree Health Insurance Credit (RHIC)

The reduction percentage in case of early retirement



When did you first enroll in the Main Plan?

Date First Enrolled	Vesting	Contributions	Early Retirement	Normal Retirement	Multiplier
TIER 1 Prior to Jan 2016	36 months	7.00% Employee 8.12% Employer 1.14% RHIC	Age 55 6% reduction	Rule 85 or age 65	2.00%
TIER 2 Jan 2016 through Dec 2019	36 months	7.00% Employee 8.12% Employer 1.14% RHIC	Age 55 8% reduction	Rule 90 with <u>min</u> <u>age 60</u> or age 65	2.00%
TIER 3 Jan 2020	36 months	7.00% Employee 9.26% Employer No RHIC	Age 55 8% reduction	Rule 90 with <u>min</u> <u>age 60</u> or age 65	1.75%

Main Retirement Plan Tiers

Tiers 2 and 3
require BOTH age
60 and meeting the
rule of 90 to be
eligible for normal
(unreduced)
benefit

Retirement Benefit Formula



- **Years of Service (YOS):** One month of service for each month of contribution
- **Final Average Salary (FAS):** Average of your highest 3 consecutive 12-month periods during the last 180 months worked
- **Benefit Multiplier:** *Varies* depending on retirement plan and tier

Sample: Defined Benefit Plan Estimate

Benefit Multiplier:	2.00%	Marital Status:	Married
Age at Retirement:	65	Retirement Date:	October 01, 2025
Years of Service Credit:	8.9167	Account Balance:	\$48,175.96
Final Average Salary:	\$5,618.33	Tier:	Tier 2 Main 2016

Benefit Sub-Type: Normal Retirement (Unreduced)

Please refer to the enclosed Retirement Plan Brochure for an explanation of your retirement benefit options. Refer to the NDPERS on-line help for complete information on retirement benefits.

These are projected estimates and are subject to validation at the time you retire.

RETIREMENT BENEFIT OPTIONS

Single Life Benefit:	\$1,001.94
50% Joint & Survivor Benefit:	\$919.08
100% Joint & Survivor Benefit:	\$848.84
Ten (10) Year Term Certain Benefit:	\$975.69
Twenty (20) Year Term Certain Benefit:	\$912.97

Under all retirement options, the fund guarantees a minimum payout equal to the member account balance determined at retirement. This is the sum of your employee contributions, any vested employer contributions, plus interest earned.



Your retirement dollars never run out. How is this possible?



First, NDPERS pays you from your account balance.



When that is gone, we pay you the rest of your life from the General Pool.

Lifetime Benefits!

Main Plans

Account Balance & Separation of Employment

NOT VESTED

- **Leave member account balance** with NDPERS
- Return to service, accrued service and account balance are recognized
- Account accrues interest (subject to legislative change)

- **Lump Sum Refund**
- Tax Penalties
- Forfeit service credit and RHIC

Direct Rollover

Forfeit service credit and RHIC

Combination rollover/refund

VESTED (36 MONTHS OR AGE 65)

- **Receive a lifetime annuity**
- Retire as early as age 55 or attain “Rule” or age 65 - with 36 months of eligible service
- Interest no longer accrues once payments begin.

- **Lump Sum Refund**
- Tax Penalties
- Forfeit service credit and RHIC

Direct Rollover

Forfeit service credit and RHIC

Combination rollover/refund



Planning for Unexpected Events

Disability Benefits



Disability Retirement

- Vested after 6 months
 - Must separate from employment
 - Must be totally & permanently disabled
 - Determined by medical consultant or Social Security award
- 25% of Final Average Salary (FAS)
 - \$100 per month minimum
 - Recertification required
 - Highway Patrol and Judges Plan have a different disability retirement option

Survivor Benefits

***Assumption:* Member is not yet receiving a retirement benefit.**

Lump sum payment

- Member vested or non-vested
- Any beneficiary (spouse or non-spouse)

Lifetime survivor benefit

- Member must be vested
- Spouse only
- Amount based on normal retirement
 - Not at normal retirement, benefit is 50% of Single Life amount
 - At normal retirement, benefit is 100% Joint & Survivor amount

Designating your Retirement Beneficiaries

Spouse must be your only primary unless sign off.

If your spouse signs off, cannot offer them a monthly, lifetime survivor benefit.

Contingent beneficiaries not required, but if primary passes, contingent beneficiaries receive your member account balance.

If no beneficiary – or deceased beneficiary, member account balance paid to the Estate.

Designating your Life Insurance Beneficiaries

LIFE INSURANCE

Spouse not required to be primary.

Contingent beneficiaries not required, but if primary passes, contingent beneficiaries receive the benefit.

If you and your primary pass and no designated contingent, family members must complete an Affidavit about Heirs.





Purchasing Service Credit

Reasons to Purchase Service Credit

01

Vest earlier

02

Meet normal
retirement
sooner

03

Increase your
monthly
retirement
benefit (pension)

04

Increase your
Retiree Health
Insurance Credit
(RHIC)

exception Main Plan,
Tier 3

Types of Service Credit

You can purchase different types of service credit:

1. Generic (*after you are vested*)
2. Unused sick leave upon leaving employment
3. Previous public employment* such as:
 - Military (*up to 48 months*)
 - Leave of Absence/Seasonal
 - State
 - Federal
 - Legislative
 - USERRA (Defined Benefit and Defined Contribution members eligible). Special provisions apply.

**Must deplete the retirement plan associated with the previous public employment*



Service Credit Purchase Example

No Purchase

\$3,000 FAS

X *2.00% Multiplier

X **20 Years of Service**

= \$1,200 Monthly

(Single Life)

= \$14,400 Annually

= \$288,000 over 20 years

Purchase - 60 months

\$3,000 FAS

X *2.00% Multiplier

X **25 Years of Service**

= \$1,500 Monthly

(Single Life)

= \$18,000 Annually

= \$360,000 over 20 years

(\$72,000 additional income)

Hypothetical Illustration

	No Purchase	Purchase
	\$1,200.00	\$1,500.00
Monthly increase		\$300.00
Purchase Cost	60 months	\$46,441.59
# of years for return on investment (ROI)		12.90

Cost will vary, based on age, FAS, etc.

If you invested \$46,441.59, could your investment professional guarantee \$300.00 per month for the rest of your life beginning at retirement ?

This example may not be interpreted as a personal calculation

Multipliers will vary by plan

Unused Sick Leave Purchase Formula

Calculation:

$1,450 \text{ hours} / 173.3 = 8.37 \text{ months (}\sim 9 \text{ months)}$

$\text{FAS} \times \# \text{ months} \times \text{*Multiplier \%} = \text{purchase cost}$

No Purchase

\$3,000 FAS

X **2.00% Multiplier

X **20 Years of Service**

= \$1,200 Monthly (Single Life)

Purchase - 9 months

\$3,000 FAS

X **2.00% Multiplier

X **20.75 Years of Service**

= \$1,245 Monthly (Single Life)

Remember, even if you choose to purchase unused sick leave when you leave employment, your employer may still pay out a portion of your sick leave too

* Multipliers will vary by plan

Service Purchases

Submitting a Purchase Request

- Online through Member Self Service (MSS)
- Request for Purchase Information - SFN 53718

Payment Methods

- Direct Rollover/Transfer another Pre-Tax Retirement Account. **Roth funds are not accepted.**
- Personal Check (following 1995 or 1998 IRS limits)
- Payroll Deductions* (before or after-tax)
 - Depends on Employer

*Interest applies when making installment payments

Use Member Self Service (MSS)

Member Login





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Search

Member Login

Employer Login



Welcome

On the NDPERS website banner

- Click on Member Login at <https://www.ndpers.nd.gov/member-self-service-mss>
- Select *Log in to Member Self Service (MSS)* on the next screen

North Dakota
login

Sign in

Don't have a North Dakota Login?

[Create an account.](#)

User ID

[Forgot user ID?](#)

Password

[Forgot password?](#)

Sign In

[Update your account.](#)

Log in to your MSS Account

- Alerts & Messages
 - You have 0 messages
- Your Account(s)
 - Home Page
 - NDPERS Plans
 - Member Account Balance
 - Service Purchase Contracts
 - Benefit Estimates
 - Annual Statements
- Related Tasks
 - Personal Profile
 - Spouse/Designated Contact Info
 - Seminar Information
 - Schedule an Appointment
 - Report a Death



NDPERS Plans

Enroll, Update or View Plans



Personal Profile

- View or Edit Your Personal Profile
- You have 0 messages



Benefit Information

- View Member Account Balance
- Perform, Request or View Benefit
- Perform, Request or View Service
- View Your Annual Statement

Documents on this website require Adobe Acrobat Reader® for viewing/printing. The reader is available as a [free download](#) from Adobe. In addition, you may wish to consult our [.pdf help page](#) for instructions on p

Choose “Enroll, Update or View Plans”

Check your Plan Name and Tier

Your NDPERS Plan(s)

Benefit Plans

Benefit Plans that you are enrolled in

Plan Name	Tier	Status	Request Status	Provider Name	Plan Details	Plan Highlights
Main Retirement	Tier 1 Main	Enrolled			Learn More	Video

A photograph of a modern, multi-story building with a large glass facade and a stone base. The building is set against a clear blue sky with a few wispy clouds. In the foreground, there is a well-maintained green lawn. Several flagpoles are visible, flying the American flag and other flags. A sign on the stone base of the building reads "CENTURY CENT" and "1600 E CENTURY AVENUE".

Help is
available

[CONTACT US](#)



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Contact NDPERS

Customer Service

- Call: (701) 328-3900 or
- TF:(800) 803-7377

Online Resources

- Website: ndpers.nd.gov
- [Member Self Service \(MSS\)](#)