



FEW are on track, are you?

NDPERS Public Safety Plan
Financial Essentials Workshop



NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

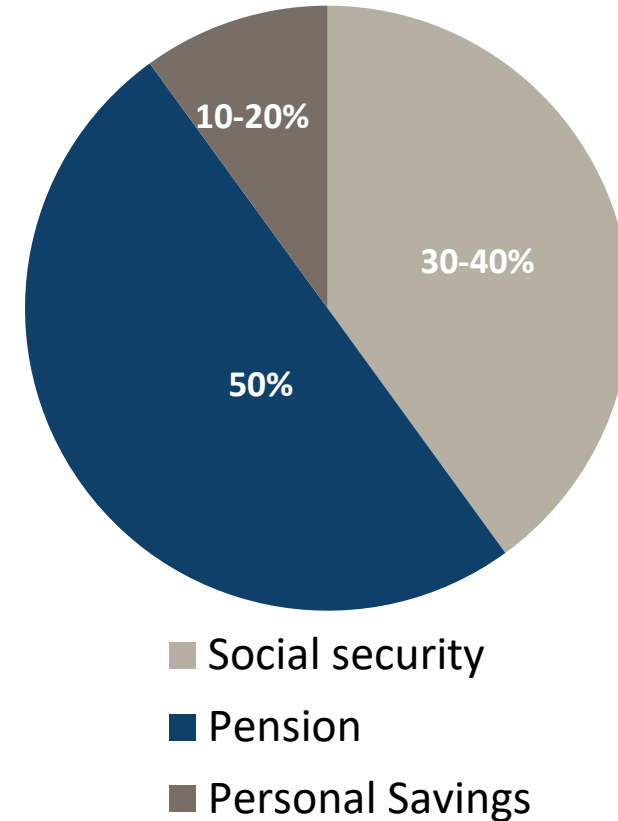
Agenda

Public Safety Retirement Plan
Planning for Unexpected Events
Service Purchases
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)





Public Safety Defined Benefit Retirement Plan Pension

Which tier are you in?

PUBLIC SAFETY PLANS:

- STATE PUBLIC SAFETY
- PUBLIC SAFETY WITH PRIOR SERVICE
- PUBLIC SAFETY WITHOUT PRIOR SERVICE
- NATIONAL GUARD



NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

Your tier determines...

Your normal retirement date after meeting the service and age requirements

The multiplier used in calculating your monthly retirement benefit

Your plan contribution rate

The reduction percentage in case of early retirement

Overview of Public Safety Plans

Plan	Final Average Salary	Vesting	Contributions	Early Retirement	Normal Retirement	Multiplier
Public Safety <u>with</u> prior service	Highest 36 of last 180 mo. averaged as of 12/31/2019 <u>or</u> 3 highest 12 mo consecutive periods	36 months of eligible service	5.5% Employee 12.63% Employer 1.14% RHIC (19.27% total)	Age 50 with 36 months of eligible employment 6% reduction	Age 55 with 36 months of eligible employment OR Rule 85	2.00% 1.75% if first enrolled after 1/1/2020
Public Safety <u>without</u> prior service	Highest 36 of last 180 mo. averaged as of 12/31/2019 <u>or</u> 3 highest 12 mo consecutive periods	36 months of eligible service	5.5% Employee 8.81% Employer 1.14% RHIC (15.45% total)	Age 50 with 36 months of eligible employment 6% reduction	Age 55 with 36 months of eligible employment OR Rule 85 65	2.00% 1.75% if first enrolled after 1/1/2020

Overview of Public Safety Plans (continued)

Plan	Final Average Salary	Vesting	Contributions	Early Retirement	Normal Retirement	Multiplier
State Public Safety	Highest 36 of last 180 mo. averaged as of 12/31/2019 <u>or</u> 3 highest 12 mo consecutive periods	36 months of eligible service	6.00% Employee 15.69% Employer 1.14% RHIC (22.83% total)	Age 50 with 36 months of eligible employment 6% reduction	Age 55 with 36 months of eligible employment OR Rule 85	2.00% 1.75% if first enrolled after 1/1/2020
National Guard	Highest 36 of last 180 mo. averaged as of 12/31/2019 <u>or</u> 3 highest 12 mo consecutive periods	36 months of eligible service	5.5% Employee 12.63% Employer 1.14% RHIC (19.27% total)	Age 50 with 36 months of eligible employment 6% reduction	Age 55 with 36 months of eligible employment OR Rule 85	2.00% 1.75% if first enrolled after 1/1/2020

Retirement Benefit Formula



- **Years of Service (YOS):** One month of service for each month of contribution
- **Final Average Salary (FAS):** Average of your highest three sets of 12-month consecutive periods (rolling) of the last 180 months (15 years) employed
- **Benefit Multiplier:** *Varies* depending on retirement plan and tier

Example of a Benefit Estimate

Benefit Multiplier:	2.00%	Marital Status:	Married
Age at Retirement:	55	Retirement Date:	June 01, 2037
Years of Service Credit:	27.2500	Account Balance:	\$160,165.13
Final Average Salary:	\$7,239.26	Tier:	Tier 1 PS

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:	\$3,945.40
50% Joint & Survivor Benefit:	\$3,772.99
100% Joint & Survivor Benefit:	\$3,615.17
Ten (10) Year Term Certain Benefit:	\$3,901.61
Twenty (20) Year Term Certain Benefit:	\$3,798.63

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.

RETIREE HEALTH INSURANCE BENEFIT OPTIONS (RHIC)

Standard Health Credit:	\$136.25
Alternate 50% Joint & Survivor Health Credit:	\$130.30
Alternate 100% Joint & Survivor Health Credit:	\$124.85

Public Safety



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!

Public Safety 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 55)

- **Receive a lifetime annuity**
- Retire as early as age 50 with 36 months of eligible service
 - 6% reduction per year prior to age 55 or if “Rule” not met
- Retire with full benefits at age 55 or when meeting “Rule” 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

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

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

Designating your Retirement Plan 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

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:

- Generic (*after you are vested*)
- Military (*up to 48 months*) *
- State (non-NDPERS that was refunded)*
- Federal *
- Legislative *
- NDPERS Leave of Absence/Seasonal
- NDPERS previous service that was refunded
- USERRA (Defined Benefit and Defined Contribution members eligible). Special provisions apply.
- Unused sick leave upon leaving employment

**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:

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

$$\text{FAS} \times \# \text{ months} \times \text{*Plan Contribution Rate \%} = \text{purchase cost}$$

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

* Contribution Rates 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





NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM



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 Service Purchase Contract
- Perform, Request or View Service Purchase Contract
- 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
Public Safety Without Prior Service Retirement	Tier 2 PS 2020	Enrolled			Learn More	Video



NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

Contact NDPERS

Customer Service

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



Online Resources

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