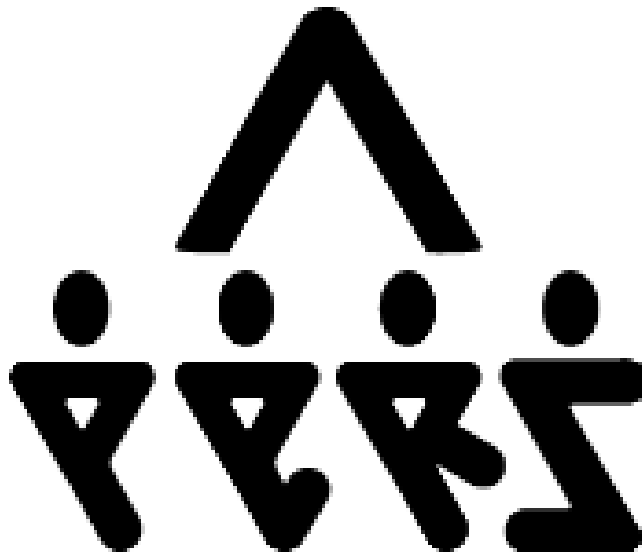


**NORTH DAKOTA  
PUBLIC EMPLOYEES  
RETIREMENT SYSTEM  
DEFERRED COMPENSATION PLAN**



**PROVIDER REPRESENTATIVE HANDBOOK**

*April 2018*

Thank you for your interest in the North Dakota Public Employees Deferred Compensation Plan. In order for you to service clients as a deferred compensation provider representative and be included on the list of provider representatives distributed by the NDPERS office to eligible employees, you must satisfy the following requirements:

- 1) You must be an authorized representative of one of the following provider companies:
  - American Trust Center
  - Bank of ND
  - AXA Equitable
  - Mass Mutual
  - Jackson National Life
  - NDPERS Companion Plan
  - Nationwide
  - Waddell & Reed Financial Services
  - Valic
- 2) You must be licensed with the North Dakota State Securities Commissioner for the sale of registered or unregistered securities or the North Dakota State Insurance Commissioner for the sale of insurance contracts or policies or both.
- 3) You must be fully trained to explain various investment options available through the provider, and be able to explain provisions of the deferred compensation program as is found under Section 457 of the Internal Revenue Code.
- 4) You must comply with the provisions of North Dakota Administrative Code 71-04-06. It will be necessary to provide a completed [Notice of Appointment of 457 Plan Authorized Agent \(SFN-58745\)](#). Your designated home office representative must sign and return the form to NDPERS.

As an authorized provider representative, you will be expected to complete all required paperwork. To assist you, this handbook includes sample forms and instructions for completion of the forms. Incomplete or incorrect paperwork may be returned, resulting in a delay of deferrals. **Forms must be submitted to NDPERS no later than the 15th of the month after the election is made.**

**NDPERS also has a Member Self Service Option (MSS) that will allow the participant to initiate, increase, decrease or suspend deferrals. If this option is utilized by the participant, your company will receive notification of this action along with pertinent contribution amounts. In this event, you will still be responsible to complete all paperwork required by the company you are representing.**

If you have any questions, please contact the NDPERS office. As provided in the Provider Administrative Agreement, it is assumed you will receive information and education about Section 457 regulations from your provider company and that you will attend the training sessions required by the NDPERS Board.

Thank you for your interest in the North Dakota Public Employees Deferred Compensation Plan. We look forward to working with you.

Sincerely,

MaryJo V. Anderson  
Retirement Benefits Manager / Plan Administrator  
North Dakota 457 Deferred Compensation Program

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**NDPERS DEFERRED COMPENSATION PLAN  
PROVIDER REPRESENTATIVE HANDBOOK**

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## NDPERS FORMS

For monthly deferrals, the preference is that the participant uses our online [PERSLink Member Self Service \(MSS\)](#). However, if the action is not available on MSS or the participant cannot access MSS for any reason, the forms index will provide you with a quick reference on which NDPERS form to use. If MSS is not used, the necessary NDPERS paperwork must be completed and submitted to the NDPERS office, in addition to any paperwork required by the provider company. **The participant must contact the Provider Company for direction on what provider forms are required to complete a transaction.**

## PROVIDER COMPANY FORMS

If a participant is submitting paperwork to NDPERS, it will be necessary for them to leave this paperwork with the NDPERS office for signature. A scheduled appointment may be required to ensure a representative is available, if a participant would like to meet with NDPERS staff to review paperwork for the deferred compensation program.

When submitting provider company paperwork to NDPERS for an authorized agent's signature, be sure to indicate exactly where signature is required. Paperwork should also accompany a letter of direction as to whom and where the paperwork should be returned. If paperwork is to be mailed, please attach a self-addressed return envelope. **If no instructions are provided, the forms will be returned to the home office address on record.**

## FORMS INDEX

NDPERS strongly encourages participants to submit 457 deferral elections through the [PERSLink Member Self Service \(MSS\)](#) portal on the NDPERS website.

If paperwork is being utilized, this must be completed and submitted to the NDPERS office, in addition to any paperwork required by a provider company.

The following forms can be found on the [NDPERS website](#) to assist your client:

<u>Event</u>	<u>Form</u>
Enroll in 457 Deferred Comp Program	<a href="#">Enrollment/Change Form SFN 3803</a>
Suspend Deductions	<a href="#">Enrollment/Change Form SFN 3803</a>
Increase/decrease Deductions	<a href="#">Enrollment/Change Form SFN 3803</a>
Transfer existing 457 funds to another provider in the NDPERS Deferred Comp Plan or to another Employer Sponsored 457 Plan. <b><i>*(Not available through MSS. SFN 3803 must be submitted to suspend contributions, if applicable.)</i></b>	<a href="#">Rollover/Transfer to 457 Plan SFN 50177</a>
Participate in the regular 3-year “Catch-Up Provision” <b><i>(Not available through MSS)</i></b>	<a href="#">Catch Up Worksheet SFN 51501</a>
Apply for Deminimus Distribution <b><i>(Not available through MSS)</i></b>	<a href="#">Request for Deminimus Distribution SFN 52051</a>
Missed contributions during USERRA Covered Military Active Duty	<a href="#">Enrollment/Change Form SFN 3803</a>
Apply to NDPERS Board for a Financial Hardship Distribution. Request form from NDPERS. <b><i>(Must contact NDPERS office for application)</i></b>	Financial Hardship Application SFN 16662
Purchase of service credit in the Defined Benefit Retirement Plan <b><i>(Must contact NDPERS office)</i></b>	Rollover/Transfer Request for Service Credit Purchases SFN 52509

## 457 DEFERRED COMPENSATION ENROLLMENT/CHANGE SFN 3803

This form is used for the following:

1. Enrolling a New Participant
2. Increasing Deductions
3. Decreasing Deductions
4. Suspending Deductions
5. Age 50+ Catch Up
6. Regular 3-Year Catch Up
7. Provider Change
8. Change in Agent
9. USERRA Missed Contributions
10. Lump Sum Sick & Annual Leave

### PART A

Provide participant information as requested.

### PART B

Name of provider company must be entered, along with name and telephone number of authorized NDPERS agent in the event there is a question on the application.

### PART C

Check all boxes that apply. For box #7, participant must complete a form to suspend deductions to the old company and another form to set up deductions under the new company.

### PART D

This section must be completed if boxes 1, 2, 4, 5, 7, or 8 in Part C are checked.

- A. Enter annual gross pay for current calendar year. It is important not to overestimate this amount. Participant may use most recent pay stub to provide information.
- B. Enter employer retirement contributions made under IRC 414(h), if applicable. This may be determined by W-2 earnings reduced by retirement contributions indicative of a 414(h) arrangement.
- C. Subtract line B from Line A.
- D. Enter maximum allowable deduction. If amount exceeds the limit, enter the limit. The following schedule applies to the maximum deferral limit:  
**\$18,500      Annual Limit for 2018**

Participants who attain age 50 or older are allowed to contribute an additional amount into the Plan. A participant is considered age 50 on January 1 of the calendar year in which age 50 is attained. The amount of the contribution is in addition to the annual applicable limit. If box #5 in Part C is checked, enter the additional catch-up amount subject to the following schedule:

**\$6,000\*      Age 50 or Older Catch-up Limit for 2018**

\*This additional catch-up cannot be used if the regular three-year catch-up is in effect.

- E. Divide line D by the number of pay periods in calendar year.

### PART E

This section must be completed if boxes 1, 2, 4, 5, 7, or 8 in Part C are checked. Provide the amount to be deferred per pay period and the pay period beginning date for the deduction change to occur. Authorization for deductions must be made in the month prior to the pay period in which the income is earned. Participant must read and initial each statement in this section. Incomplete information will result in the form being returned and may delay date of deduction. A specific amount must be entered as an option for percentage of pay is not available.

### PART F

Participant must sign and date the form in the month prior to the pay period in which income is earned. A copy of the form must be sent to the NDPERS office for approval. The participant's employer will be notified of the deduction amount by NDPERS through an electronic report.

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**ROLLOVER/TRANSFER TO 457 DEFERRED COMPENSATION PLAN SFN 50177**  
**(For provider to provider transfers or plan to plan transfers.)**

NDPERS can accept a trustee-to-trustee rollover/transfer to the NDPERS 457 Deferred Compensation Plan of pre-tax dollars from another retirement plan eligible under Section 401(a) of the Internal Revenue Code including 401(a) plans, 401(k) plans, 403(b) plans, 457(b) plans, the Federal Employees Retirement System (FERS), and traditional IRA's. For a rollover/transfer payment to be accepted, SFN 50177 must be completed and returned to NDPERS for signature authorization, along with any required provider paperwork.

**Part A**

Provide participant information as requested.

**Part B**

Enter all information regarding current provider company and account to be transferred. Verify the type of account, account number and agent's name. Participant is responsible for checking with provider on any associated fees for the funds transfer.

Enter all information regarding new provider company for funds to be transferred and check payable. Please indicate "FBO (for benefit of) - Enter your name." as a reference on check. Include the home office address and telephone number. After NDPERS provides signature authorization, the check should be mailed directly to the new provider company. **Checks should not be made out to the State of North Dakota.**

**Part C**

Participant must sign and dated the form prior to forwarding to NDPERS.

**Part D**

NDPERS authorized agent will sign and date form. The original copy will be sent to the provider who holds the funds to be transferred. A copy of the form will be sent to the participant and new provider representative, along with a copy being retained at NDPERS.

**Pursuant to the administrative agreement held with each provider company, transfer of funds must take place within 30 days from the receipt of notification.**

<p><b>Please Note:</b> A rollover/transfer request will not automatically stop deductions to the original provider company. The 457 Enrollment/Change Form SFN 3803 must be completed to stop contributions and/or to begin contributions to a new provider company.</p>
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## DISTRIBUTIONS

Distributions of 457 Deferred Compensation Plans are allowed under the following three (3) circumstances:

### 1. **Separation from Service**

Distribution can begin after a 30 day separation from service or it can be deferred to a later date. NDPERS will send a notice to the participant acknowledging termination of employment. The participant will be instructed to contact their provider representative to make arrangements for distribution, if desired, of the account.

### 2. **Unforeseeable Financial Emergency Application - SFN 16662** (Must contact NDPERS office)

According to IRC 457, a financial hardship is defined as an unforeseeable emergency resulting from a sudden and unexpected illness or accident occurring to the participant or one of participant's dependents, loss of participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond participant's control.

In the event your client is in a situation where you feel it is necessary to apply for an unforeseeable emergency distribution, *the NDPERS office must be contacted first to obtain an application*. Application materials must be submitted to the NDPERS office a minimum of ten days prior to a regularly scheduled NDPERS board meeting. Generally, required documentation includes:

- a) Complete details of unforeseeable nature of emergency
- b) Listing of income, assets and liabilities
- c) Supporting documentation
- d) Signature of participant on the application
- e) Listing of other efforts to relieve emergency

The completed application and supporting documentation will be considered by the NDPERS Board to determine whether the request meets IRC requirements for an unforeseeable emergency distribution. Examples of past applications which did not meet the IRS' definition for an eligible hardship distribution in the past include but are not limited to the following: need to send a child to college, purchase of a home, divorce, birth of a child, over-extension of credit, gambling debt.

In addition to filing an application for an unforeseeable emergency distribution, the participant must cancel deferrals into the 457 Deferred Compensation program. Subject to approval of the request, the participant may not resume deferrals for at least six months from the date of the approved distribution.

### 3. **Request for Deminimus Distribution – SFN 52051**

Participants that have not separated from service must meet the following criteria to apply for a deminimus distribution of 457 Deferred Compensation Plan account balance:

- total value of deferred compensation assets (including all providers) is less than \$5,000
- participant has not made any deferrals to the plan in the preceding twenty-four months
- participant has not previously received a deminimus distribution from the plan

#### **Part A**

Participant must provide requested information and signature.

#### **Part B**

Provider representative must provide requested information and signature. The participant must complete a form for each provider company account.

#### **Part C**

A copy of the form with original signatures must be sent to the NDPERS office for approval. Subject to proper completion and approval, a NDPERS authorized agent will sign and date the form. The original will be sent to the designated provider company for processing. NDPERS will retain a copy and send a copy to the participant for their records.



## 457 DEFERRED COMPENSATION CATCH-UP CERTIFICATION SFN 51501

Participants may obtain authorization from NDPERS to utilize the 3-Year “catch-up” provisions of the 457 Deferred Compensation Plan if meeting the following criteria:

- Eligible for the state’s deferred compensation program, but did not defer the maximum annual amount allowable for each calendar year of eligibility
- Within three calendar years of attaining eligibility for unreduced retirement benefits, which is either age 65 or meeting the “Rule”, or the participant’s declared retirement date
- 3-Year “catch-up provision” has not been previously used at any other time for any other plan
- Participant is not utilizing the age 50 or older catch-up option.

The maximum catch-up deferral is the lesser of

- twice the annual limit, or
- the annual maximum limit plus the amount of the annual maximum limit not used in prior calendar years beginning December 31, 1978 through the current calendar year.

The catch-up provision may be utilized for up to three consecutive years, but may not be used in the year the participant retires. Prior to initiating this provision, the participant must submit the Catch-Up Worksheet Certification to the NDPERS office and receive written approval from the NDPERS authorized agent.

### **Part A**

Provide participant information as requested. “Normal Retirement Date” must be declared by specifying the month and year. Participant’s age at retirement must fall within range for unreduced retirement benefits.

### **Part B**

- A. Beginning with Tax Year 1979, identify the tax year(s) the participant was employed by their current employer but did not contribute the maximum amount participant was eligible to defer.
- B. Gross earnings may be determined from participant’s W-2 Form issued by an eligible employer. Only wages paid as an employee of an eligible employer may be considered when determining gross earnings.
- C. If the employer participates in Employer Pick-up (makes contributions to employees’ retirement plan with pre-tax dollars) the percentage of pick-up should be placed in column “C” for all years starting with the pick-up year as shown on the worksheet, if applicable.
- D. For years Employer Pick-up applies, multiply the pick-up percentage (column “C”) as shown on the worksheet by the column “B” (gross annual salary), and enter the result in column “D”.
- E. The Adjusted Gross Annual Salary is determined by subtracting column “D” from column “B” and entering the result in column “E”.
- F. Annual Maximum Deferral limits are provided on page 2 of the Catch-up Worksheet form.
- G. Enter any actual amounts deferred for each tax year. This can be determined from a payroll stub or periodic statements issued by the investment firms.
- H. Subtract column “G” from column “F” for each year to determine the under-utilized amount the participant is eligible to catch up.
- I. Enter the total the amounts in column “H”.

**Please Note:** If more space is needed to reflect under-utilization in the plan, use additional forms to provide the necessary information

### **Part C**

Participant must sign form and submit to NDPERS for approval.

### **Part D**

NDPERS will complete and return to participant. Any additional provider forms required to setup catch-up provision is the responsibility of the participant.

## ROLLOVER/TRANSFER REQUEST FOR SERVICE CREDIT PURCHASES SFN 52059

This form is used for a rollover/transfer of 457 Plan funds for the purchase of service credit in the NDPERS 401(a) Defined Benefit Retirement Plan. *(The participant must initiate a purchase contract through the [PERSLink Member Self Service \(MSS\) online portal](#) or submit [Request for Purchase Information SFN 53718](#).)*

NDPERS service credit may be purchased through a rollover/transfer of pre-tax dollars from another retirement plan eligible under Section 401(a) of the Internal Revenue Code. Please see the back of the form for eligible plans and conditions regarding the acceptance of funds by NDPERS.

### **Part A**

This section will be completed by NDPERS.

### **Part B**

The participant provides all information requested.

Enter the type of account for the funds transfer, provider company holding the funds, and the exact amount of the rollover/transfer being requested. The amount of the transfer cannot exceed the amount listed by NDPERS staff in Part A of the form. The participant must sign, date, and provide a daytime telephone number.

### **Part C**

**This section is completed by the provider representative or administrator of the eligible plan or IRA from which the funds are to be transferred.**

#### **If the rollover/transfer is from the State of ND 457 Deferred Compensation Plan**

- Signature of the Provider Representative is required. Please sign and date the form. \*
- Complete Part C and return the completed form, along with any additional provider paperwork required, to NDPERS for Plan Administrator signature and approval.\*
- The form will be signed by NDPERS and returned to the Provider Company for processing

\*Mass Mutual and TIAA do not require provider signature or any additional paperwork.

#### **If the rollover/transfer is from another qualified plan**

- Enter the name of the plan or custodian of IRA and confirm the amount eligible for rollover/transfer
- Enter the telephone number and complete mailing address of the provide company in which NDPERS will be receiving the funds rollover.
- Verify the type of plan and confirm the date of the rollover/transfer.
- Signature of Plan Administrator is required

Rollover/transfer checks must be made payable to the North Dakota Public Employees Retirement System, FBO (Member's name). Return the form with the transfer funds; retain a copy for your records if needed.