



MEMORANDUM
2023-4

TO: Payroll/Personnel Officers
FROM: NDPERS Benefits Division
DATE: May 30, 2023
SUBJECT: Life Insurance Plan Changes – Payroll Adjustments

The NDPERS Group Life Insurance Plan contract has been awarded to our current carrier, Voya Financial. The coverage for our members was enhanced and premiums will be changing effective July 1, 2023.

There will be no special enrollment period due to these enhancements. However, members can continue to modify their life insurance coverage in alignment with qualifying events or during future annual enrollments.

Following is a summary of the life insurance enhancements and action items for employers:

FIRST, the basic life coverage for active members will change *as described below*:

- The basic life insurance coverage for active employees will increase to \$12,000 from \$7,000.
- The monthly premium will remain at \$0.28 for the new level of coverage.

SECOND, the guarantee issue amounts (maximum amount without requiring underwriting) and the maximum total coverages are increasing *as indicated below*:

- Guarantee issue for supplemental employee life insurance is increasing from \$200,000 to \$300,000.
- Guarantee issue for supplemental spouse life insurance is increasing from \$50,000 to \$100,000.
- Maximum total employee life insurance is increasing from \$400,000 to \$600,000.
- Maximum supplemental spouse life insurance is increasing from \$200,000 to \$300,000 (cannot exceed 50% of total employee life insurance).

THIRD, if an employee has **elected to have supplemental coverage**, the monthly premium deduction will need to be adjusted as a result of the increase in basic life insurance coverage.

If you are an employer on the State or University System PeopleSoft payroll system, the insurance coverage and premium rates are expected to be updated in PeopleSoft by NDPERS and the University System. No additional action will be required by employers in these groups.

For other employers, review the new rates for supplemental life insurance coverage on the attached chart. Then, adjust your employees' premium deductions *as follows*:

A. Employees with \$10,000 Total Coverage (including basic) prior to July 1, 2023.

Effective July 1, 2023:

- a. Employees will have \$12,000 provided as basic coverage instead of \$7,000.
- b. The first increment of employee supplemental coverage will continue at \$3,000.
- c. Therefore, the employee's supplemental coverage will increase to \$15,000 (\$12,000 + \$3,000).

Employer ACTION: Adjust the employee's premium deduction to reflect the supplemental life insurance coverage rate based on \$15,000 Employee Total Coverage (Including Basic) *column* and Employee's Age *row*.*

B. Employees with more than \$10,000 Total Coverage (including basic) prior to July 1, 2023.

Effective July 1, 2023, employers must adjust the employee's life insurance monthly premium deduction *to match the employee's total coverage amount using the new rates.*

Employer STEPS:

1. Open the enclosed rate chart.
2. Find Employee Total Coverage (Including Basic) *column* and Employee's Age *row*.
3. Adjust premium withholding to reflect the new monthly life insurance premium rate.*

Employer Self Service (ESS)

Benefit Enrollment Report

To assist employers with the above changes, NDPERS will update members' group life insurance enrollments to reflect the new basic and supplemental coverage amounts. This update will appear on your ESS Benefit Enrollment Report, currently available to be generated, with a Change Reason of "Plan Design Change".

The report will display the following information for all employees on the life insurance plan:

- All levels of coverage that the individual carries, regardless of whether a change in coverage is occurring.
- New premium amounts.
- Individuals that previously carried \$10,000 total coverage will show the new amount of \$15,000 total coverage.

The Benefit Enrollment Report will sort as follows:

- I. New Temporary Employee Enrollment.
- II. Plan Design Change.
- III. New Permanent Employees Enrollments or New Enrollments based on a qualifying event.

Information for Retirees

The premium rates for retirees have also been adjusted.

- Retiree Basic Life Insurance will increase from \$1,300 to \$1,500 at the same monthly premium of \$4.32.
- Retirees with Supplemental Life Insurance will receive a separate notification of the premium change.

If you receive any inquiries from retirees, please direct them to NDPERS at 701-328-3900 or our toll free number at 1-800-803-7377.