

# Defined Contribution Plan

## The Guide to Retirement

### Agenda

Comparison of DC Tiers

NDPERS and Empower Roles

Retirement Timeline

Retirement Forms

Retiree Insurances

NDPERS 457 Deferred Compensation Plan

Resources (YouTube, Empower, NDPERS website)

MSS (changing personal information)

# Defined Contribution Plan Tiers

PLAN	FIRST ENROLLED	VESTING	CONTRIBUTION RATE	OPTIONAL CONTRIBUTIONS	INVESTMENTS/INCOME
<p>Defined Contribution Plan, Tier 1</p> <p>This plan has a retiree health insurance credit!</p>	Prior to January 1, 2020	<p>Gradual vesting 2 years = 50%, 3 years =75%, 4 years =100%</p> <p>Or 100% vested if age 65 while employed</p>	<p>Mandatory EE Contribution: 7% Mandatory ER Contribution: 7.12% Mandatory RHIC Contribution: 1.14%</p>	N/A	<p>You and your provider map your investment strategy. Stream of income is your choice and is subject to your account balance</p> <p>*reduced RHIC if early retiree ('normal' retirement is RULE of 85 or turning age 65 while employed)</p>
Defined Contribution Plan 2020, Tier 2	January 1, 2020 – December 31, 2024	<p>Gradual vesting 2 years = 50%, 3 years =75%, 4 years =100%</p> <p>Or 100% vested if age 65 while employed</p>	<p>Mandatory EE Contribution: 7% Mandatory ER Contribution: 8.26% No RHIC</p>	N/A	You and your provider map your investment strategy. Stream of income is your choice and is subject to your account balance
Defined Contribution Plan 2025, Tier 3	After December 31, 2024	<p>Gradual vesting 2 years = 50%, 3 years =75%, 4 years =100%</p> <p>Or 100% vested if age 65 while employed EE=employee ER = employer</p>	<p>Mandatory EE Contribution: 4% Mandatory ER Contribution: 5.26% No RHIC</p>	<p>If, Optional EE Contribution: up to additional 3% made to either DC plan or NDPERS 457 plan.</p> <p>Then, Required ER Contribution Match: up to additional 3%</p>	You and your provider map your investment strategy. Stream of income is your choice and is subject to your account balance

# Sample: Retiree Health Insurance Credit (RHIC)

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## **RETIREE HEALTH INSURANCE BENEFIT OPTIONS (RHIC)**

Standard Health Credit:	\$44.58
Alternate 50% Joint & Survivor Health Credit:	\$40.89
Alternate 100% Joint & Survivor Health Credit:	\$37.77

- DC Tier 1 members have a retiree health insurance credit (RHIC).
- Calculated as \$5 for every year worked.
- Available every month.
- Administered by ASIFlex.
- Reimbursement of after-tax health, dental, vision, and long-term care premiums.
- NDPERS retiree insurances are auto-validated to ASIFlex and will automatically be reimbursed each month.
- Non-NDPERS insurances must be claimed by the retiree.

Only DC Tier 1 has RHIC

# Retirement Timeline

## Fortune Favors the Prepared!



### **6 months to one year before terminating employment**

- Determine the insurance options you will need after retirement: COBRA, private healthcare, Marketplace, Medicare, Medicare Supplement, Part D, dental, vision, and life insurances.
- Discuss the amount of your distribution with your financial advisor or Empower
- Discuss withholding from retirement plans with your financial advisor
- Consider if rolling unused sick and annual leave into a State of ND 457 Plan is right for you
- Watch NDPERS pre-retirement education YouTube videos (link on [www.ndpers.nd.gov](http://www.ndpers.nd.gov))
- Visit the social security website to get an estimate of your monthly social security payments
- Plan post-retirement budget
- Find your birth certificate and if applicable, your spouse's birth certificate and marriage certificate

# Retirement Timeline

- **90 days before terminating employment**

- If eligible, apply for Medicare
- Meet with your NDPERS retirement counselor
- Complete the NDPERS retirement forms if you are ready
- Meet with an Empower representative
- Complete the Empower retirement form if you are ready

- **No later than the month you terminate employment – 90 days prior to termination is better!**

- Submit all NDPERS and Empower forms
- Late applications will delay your retirement payment and retiree insurance enrollment

# The Forms



[Empower accounts](#)

The North Dakota Public E...

The North Dakota Pu... a few seconds ago

### All your accounts under one roof

Connect your accounts to see the complete picture of **your accounts** and balances all in the same place.



[How to Link Accounts](#)



BANK



CREDIT



INVESTMENT

## RETIREMENT

### ACCOUNT BALANCE

The North Dakota Public Employees Retirement System Defined Contribution 401(a) Plan

Rate of return >

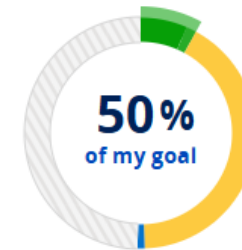
11.72% (1/22/2025 - 9/11/2025)

Your YTD contributions >

Last transaction >

Payroll Contribution

Based on your current savings rate you will reach your retirement income goal at age:



### I want to...

[View statements and documents](#)

[Upload a document](#)

[Update personal information](#)

[View/manage investments](#)

[View transaction history](#)

[Start a withdrawal/rollover](#)

[Learn about consolidating accounts](#)

[Open a new account](#)

[Less...](#)

Empower Forms: Log on to [empowermyretirement.com](https://empowermyretirement.com)

# Empower Retirement Application

Complete and submit the appropriate form to Empower

## MY PLANS

The North Dakota Public Em... ▾

## ACCOUNT INFORMATION

Account overview  
Balance  
Rate of return  
Transaction history  
Statements and documents  
Beneficiaries  
Manage bank accounts  
Upload documents

## INVESTMENTS

My investments  
Investment lineup  
Brokerage

## WITHDRAWALS

Withdrawals

## PLAN INFORMATION

1

### Plan forms

Summary plan description  
Disclosure notices  
Consolidate accounts

2

## Plan forms

Beneficiary Designation

Incoming Transfer/Direct Rollover

Personal Information Change Request

Installment Payments

Beneficiary Account Withdrawal Request

Plan Highlights

Notice of Special Tax Rules on Distributions

Public Safety Distribution Form



# NDPERS Retirement Forms:

1










The screenshot shows the NDPERS website homepage. At the top, there is a navigation bar with links for Home, NDPERS, and Word of the Day. Below this is a header with the North Dakota state logo and the text "NORTH DAKOTA PUBLIC EMPLOYEES". To the right of the header are links for Member Login and Employer Login, and a search icon. The main content area features four large white tiles with blue borders and icons. The first tile has a play button icon and the text "WATCH NDPERS VIDEOS & EVENT RECORDINGS" with a "Visit YouTube" button. The second tile has a calendar icon with a checkmark and the text "REGISTER FOR A NEW HIRE DC 2025 WEBINAR" with a "Register now" button. The third tile has a calendar icon and the text "BOOK A FINANCIAL CONSULTATION WITH EMPOWER" with a "Reserve your spot" button. The fourth tile has a document icon and the text "VIEW POPULAR GUIDES AND FORMS" with a "Download forms" button. A blue starburst with the number "2" is located to the right of the fourth tile.

2

## Leaving NDPERS Membership

Upon notification from your employer, NDPERS will send you information regarding the NDPERS benefits in which you were enrolled. It is your responsibility to notify NDPERS of your elections related to retirement and/or the insurance plans.

Use the applicable guides and forms when making your elections:

- [Deferred Retirement Guide](#)  and [Forms](#) 
- [Refund/Rollover Guide](#)  and [Forms](#) 
- [Disability Retirement Guide](#)  and [Forms](#) 
- [Retirement Guide](#)  for all NDPERS Plans
  - [Defined Benefit Retirement Forms Packet](#) 
  - [Defined Contribution Retirement Forms Packet](#) 

# NDPERS Retirement Forms

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## Defined Contribution Retirement Forms Packet

Name (Last, First, Middle) Retiree, IM A	NDPERS Member ID 12345
Last Four Digits of Social Security Number 1234	Date of Birth (mm/dd/yyyy) 01/01/1963
Mailing Address 111 Forever the Weekend Rd; Good Times, USA	
Preferred Email Address imaretriee@gmail.com	Preferred Phone Number (701) 222-5555

### Retirement Forms – Required for Benefit Payment

- Application for Periodic Payments for Defined Contribution [[SFN-59045](#)]
- Legible Photocopies of Birth Certificate, Spouse's Birth Certificate and Marriage Certificate
- Designation of Beneficiary for the Group Retirement [[SFN-2560](#)]

# NDPERS Retirement Application

Section 2 applies ONLY to members of  
the DC Tier 1 Plan



## APPLICATION FOR DEFINED CONTRIBUTION PLAN PERIODIC PAYMENTS

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

SFN 59045 (Rev. 01-2025)

NDPERS • PO Box 1657 • Bismarck • ND • 58502-1657

(701) 328-3900 • (800) 803-7377 • Fax (701) 328-3920 • ndpers-info@nd.gov

59045

Clear Form

### PART A PARTICIPANT IDENTIFICATION

Name (Last, First, Middle) Retiree, IM A	NDPERS Member ID 12345
Last Four Digits of Social Security Number 1234	Date of Birth (mm/dd/yyyy) 01/01/1963
Preferred Email Address imaretriee@gmail.com	
Daytime Telephone Number (701) 222-5555	

### PART B APPLICATION FOR RETIREMENT BENEFITS & RETIREE HEALTH INSURANCE CREDITS

NDPERS Retirement Effective Date (mm/1/ yyyy): 01/01/2026  
(If you provide no date or an ineligible date, NDPERS will use an effective date based upon your earliest eligibility.)

### SECTION 1 RETIREMENT PAYMENT OPTION

☒ Periodic Retirement Payment.

An Empower Distribution Form MUST be completed

### SECTION 2 RETIREE HEALTH CREDIT OPTIONS ( Check One)

☐ I elect the standard retiree health insurance credit option.

☐ If married I understand that I have the option to elect the following alternate actuarially reduced retiree health insurance credit option.

I elect (Check One)

☐ 50% Joint Survivor Life

☐ 100% Joint Survivor Life

### PART C AUTHORIZATION

I elect to receive the retirement benefits and health insurance credit as indicated in PART B. I understand I must submit a photocopy of my birth certificate. (If married, also submit a photocopy of spouse's birth certificate & marriage certificate.)

I understand that this "APPLICATION FOR DEFINED CONTRIBUTION PLAN PERIODIC PAYMENTS SFN 59045" must be received by NDPERS at least 30 days before distribution of my first retirement payment.

Member's Signature (Electronic Signatures will <u>not</u> be accepted)	Date
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## DESIGNATION OF BENEFICIARY FOR THE GROUP RETIREMENT PLAN

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

SFN 2560 (Rev. 08-2024)

NDPERS • PO Box 1657 • Bismarck • ND • 58502-1657

(701) 328-3900 • (800) 803-7377 • Fax (701) 328-3920 • ndpers-info@nd.gov

2560

Clear Form

\*In compliance with the Federal Privacy Act of 1974, the disclosure of the individual's social security number on this form is mandatory pursuant to 26 U.S.C. Sec. 3402. The individual's social security number will be used for tax reporting and as an identification number.

### PART A MEMBER INFORMATION

Name (Last, First, Middle)		NDPERS Member ID	
<input type="checkbox"/> Married	<input type="checkbox"/> Single	Date of Birth (mm/dd/yyyy)	Last Four Digits of SSN
<input type="checkbox"/> Divorced	<input type="checkbox"/> Widowed		
Spouse Name (Last, First, Middle)		Spouse Gender	<input type="checkbox"/> Male <input type="checkbox"/> Female

### PART B PLAN

<input type="checkbox"/> ALL DEFINED BENEFIT PLANS (Update beneficiaries for all plans) Mark plan below only if beneficiary designation should be applied to a specific plan:	<input type="checkbox"/> 401(a) DEFINED CONTRIBUTION PLAN*
<input type="checkbox"/> Main / Main 2020 <input type="checkbox"/> Public Safety with Prior <input type="checkbox"/> Job Service	<i>*Please Note: You must update beneficiaries for the 457 Deferred Compensation Plan directly with your selected provider company.</i>
<input type="checkbox"/> Judges <input type="checkbox"/> Public Safety without Prior <input type="checkbox"/> National Guard	
<input type="checkbox"/> Highway Patrol <input type="checkbox"/> State Public Safety <input type="checkbox"/> BCI	

### PART C BENEFICIARY DESIGNATION

The percentage distribution upon your death for all primary beneficiaries **must equal 100%**; likewise, for contingent beneficiaries. If shares do not equal 100%, I grant NDPERS the authority to amend each of my beneficiaries (up to +/- 1%) to pay 100% of my total account balance with up to a 1% difference being credited to the eldest. If beneficiaries are listed but no shares designated, I grant NDPERS the authority to divide shares equally between all beneficiaries with up to a 1% difference being credited to the eldest.

#### PRIMARY BENEFICIARY(IES) – Must equal 100%

Name	Relationship	DOB	SSN#	%	Address and Phone Number

#### SECONDARY BENEFICIARY(IES) – Must equal 100%

Name	Relationship	DOB	SSN#	%	Address and Phone Number

### PART D SPOUSE AUTHORIZATION (if applicable)

Only if you name a primary beneficiary other than or in addition to your spouse, your spouse must sign below.

If a vested member is married, North Dakota law requires the spouse's consent before benefits can be paid other than to the member's spouse. (NDCC 30.1-05-02). If spouse's consent is given, please be advised, that if your primary beneficiary election is someone in addition to or in lieu of your spouse, there is no monthly pre-retirement death benefit provision.

I consent to the above retirement beneficiary(ies) designated by the above named NDPERS member.

Spouse's Waiver of Benefits (Electronic Signature will <u>not</u> be accepted)	Date

### PART E MEMBER AUTHORIZATION

I understand that this election revokes any previous retirement account beneficiary designations. I understand that, if married, upon divorce this designation is valid until signed divorce decree is received and a new beneficiary designation is submitted. I have read and understand the terms and conditions of this designation. I hereby certify that the information provided on this form is true and correct to the best of my knowledge.

Member's Signature (Electronic Signature will <u>not</u> be accepted)	Date

# NDPERS Beneficiary Designation





## Insurance Forms – Required => Depending on what coverage you currently have with NDPERS your age (ex: are you Medicare eligible?)

### Health - Continuation of Coverage

- Continuation of Group Insurance Coverage (COBRA) [[SFN-14120](#)]  
*(Complete only for family members electing individual coverage if currently covered on NDPERS Dakota Plan or HDHP plan)*
- Retiree Continuation of Group Health Insurance Coverage (COBRA) [[SFN-53799](#)]  
*(Complete if currently covered on NDPERS Dakota Plan or HDHP Plan)*

### Health - Medicare Coverage

- Retiree Health Insurance Application with Medicare [[SFN-59562](#)]  
*(If either you or a dependent is over age 65)*
- Medicare Prescription Drug Plan (PDP) Individual Enrollment Form [[SFN-58860](#)]  
*(One required for each member that will be on the Dakota Retiree Plan and cannot be signed or submitted more than 90 days prior to the requested effective date of coverage)*

### Life - Vision - Dental - Long Term Care - Flexible Medical Spending

- Retiree Life Insurance Application [[SFN-53622](#)]  
*(If currently enrolled, complete to continue coverage)*
- Retiree Vision\Dental Insurance Enrollment, Change, or Cancel [[SFN-53504](#)]  
*(Complete if continuing, enrolling, or canceling coverage)*
- Continuation of Coverage in Medical Spending Account (COBRA) [[SFN-53512](#)]  
*(Complete if continuing coverage for the rest of the plan year)*
- 457 Deferred Compensation Plan Enrollment/Change [[SFN-3803](#)]

# Health, Vision, Dental & Life Insurance

## Not drawing your DC benefit yet?

18 months of COBRA if you and eligible dependents are currently enrolled in any of the following NDPERS insurances:

### **Health insurance**

### **Dental insurance**

### **Vision insurance**

*(COBRA is the exact same insurance as you have today!)*

### **Voya Life Insurance**

If you have the NDPERS life insurance:

- Port your current coverage directly through Voya
- Convert to a whole life policy directly with Voya

*(if continued without break from enrollment as an active employee)*

## Retirement (Installment Payments)

### **Health insurance**

Not Medicare eligible?

COBRA for up to 18 months if you currently have health coverage through the State of ND

You or an eligible dependent Medicare eligible?

Dakota Retiree Plan (if you or at least one dependent in your household is eligible for Medicare Part A & B)

### **Dental insurance**

### **Vision insurance**

### **Voya Life Insurance**

If you have the NDPERS life insurance:

- Continue some or all coverage with NDPERS (\*age restrictions may apply)
- Port or convert coverage directly with Voya

*(if continued without break from enrollment as an active employee)*

There is no “Open Enrollment” in retirement. Enrollment is based on qualifying events (QE)

# NDPERS and Empower Roles

## NDPERS

### **Enrollment**

Defined Contribution Plan

NDPERS 457 Deferred Compensation Plan

### Insurances

- Health
- Dental
- Vision
- Life
- Flexible Spending (while actively employed)

## Empower

### **Investments & Distributions**

Defined Contribution Plan

NDPERS 457 Deferred Compensation Plan

# Health Insurance Options at Retirement

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## Dakota Retiree Plan:

- Supplement to Medicare Parts A and B and includes the Part D prescription plan. (The supplement and Part D are “bundled” & not sold separately).

## One Medicare + Other(s) Health Insurance: (also called One Medicare/One Non-Medicare)

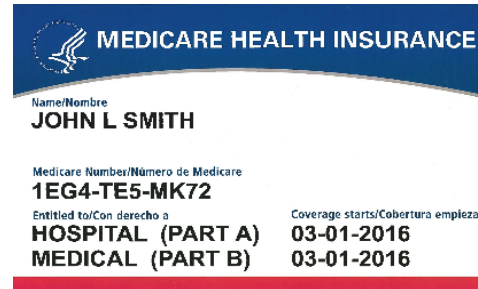
- The “One” Medicare is the Dakota Retiree Plan, which is a supplement to Medicare Parts A and B and includes the Part D prescription plan.
- The “other(s)” is the non-Medicare individual(s) enrolled in the Dakota Plan.



# How Medicare and the Dakota Retiree Plan Work Together

1

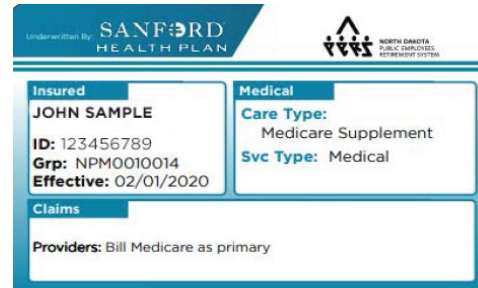
Medicare - pays first for medical and hospital visits



You get through Social Security

2

Sanford pays second – after Medicare. You cannot be enrolled in secondary insurance if you don't have primary insurance!



Dakota Retiree Plan through NDPERS

3

Humana Group Medicare is the Part-D Prescription Drug Plan





# NDPERS 457 Deferred Compensation Plan

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# Consider: Roll sick and annual leave into your NDPERS 457 Deferred Compensation Plan



- IRS mandatory 20% federal tax withholding on lump sum payouts.
- Contributions to a 457 plan are tax-deferred for federal and state taxes ONLY.
- Social Security and Medicare taxes are not deferred.
  - Taxes withheld at supplemental rate on Social Security and Medicare, then federal and state withheld on that withholding
- Money grows tax deferred and is taxed at current tax rate upon taking future distributions.

*\* Note: Your total 457 contributions for the year may **NOT** exceed the annual IRS calendar year limit (regular monthly + lump sum deferrals)*

You must be off payroll for 31 days



```
graph TD; A[You must be off payroll for 31 days] --> B[1. Lump sum distribution  
(Subject to mandatory 20% federal tax)]; B --> C[2. Periodic payment  
Annually, semiannually, quarterly, monthly  
(Taxed as ordinary income)]; C --> D[3. Rollover to other tax qualified plans  
(Not subject to income tax)];
```

1. Lump sum distribution  
(Subject to mandatory 20% federal tax)

2. Periodic payment  
Annually, semiannually, quarterly, monthly  
(Taxed as ordinary income)

3. Rollover to other tax qualified plans  
(Not subject to income tax)

## Distributions from your 457 Plan



# Let's Review!

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- **No later than the month in which you terminate employment, NDPERS must have the following on file**
- *Empower Distribution Form (you get this from Empower!)*
- *NDPERS forms:*
  - *Application for Periodic Payments for Defined Contribution [SFN-59045]*
  - *Legible Photocopies of Birth Certificate, Spouse's Birth Certificate and Marriage Certificate*
  - *Designation of Beneficiary for the Group Retirement [SFN-2560]*
  - *Retiree Vision\Dental Insurance Enrollment, Change, or Cancel [SFN-53504]*

# Are you eligible for these benefits?

## If yes, then complete the NDPERS form!

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### ***Are you enrolled in NDPERS health insurance?***

- Continuation of Group Insurance Coverage (COBRA) [SFN-14120]
- Retiree Continuation of Group Health Insurance Coverage (COBRA) [SFN-53799]

### ***Are you or a dependent Medicare eligible?***

- Retiree Health Insurance Application with Medicare [SFN-59562]
- Medicare Prescription Drug Plan (PDP) Individual Enrollment Form [SFN-58860]

### ***Do you currently have NDPERS life insurance?***

- Retiree Life Insurance Application [SFN-53622]

### ***Do you have a flexible medical or dependent care account with ASIFlex and State of ND?***

- Continuation of Coverage in Medical Spending Account (COBRA) [SFN-53512]

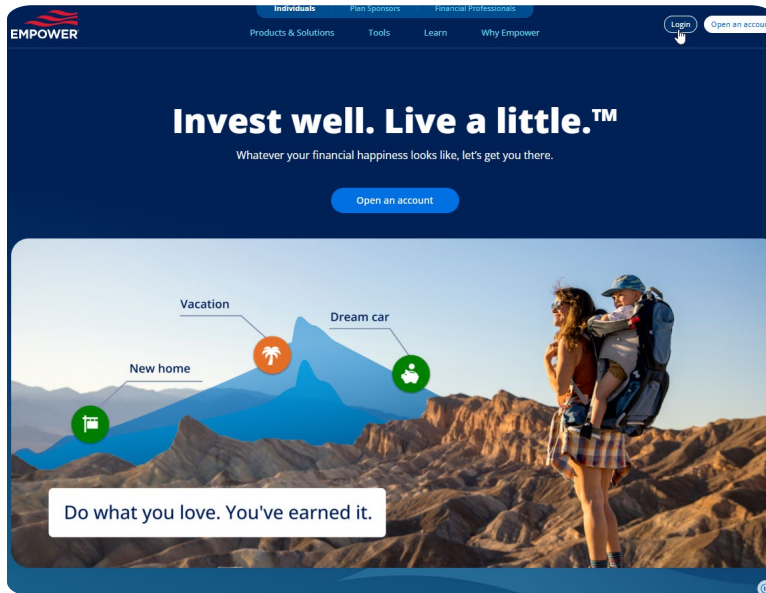
### ***Do you want to roll your sick and annual leave into your State of ND 457?***

- 457 Deferred Compensation Plan Enrollment/Change [SFN-3803]



# Contact Empower

The Trustee/Recordkeeper for your investments in  
NDPERS 401 (a) **Defined Contribution** Retirement Plan  
NDPERS 457 (b) **Deferred Compensation** Companion Plan



- Customer Service: 866-816-4400
  - Monday - Friday, 7 am - 9 pm CT
  - Saturdays, 8 am - 4:30 pm CT
- [Schedule a one-on-one financial consultation](#)
- Your Empower account at [empowermyretirement.com](https://empowermyretirement.com)
- [Register for an Upcoming New Hire Webinar](#)
- [Empower Learning Center](#)