

CHAPTER 71-03-07
PARTICIPATION OF POLITICAL SUBDIVISIONS EMPLOYER RESPONSIBILITIES

Section

71-03-07-01	Employer Contribution
71-03-07-02	Information to Employee
71-03-07-03	Collecting Employee Contributions
71-03-07-04	Termination of Employment
71-03-07-05	Premium for Basic Term Life Insurance
71-03-07-06	Requirements for Enrolling Temporary Employees and Paid Members of Political Subdivision Boards, Commissions, or Associations
71-03-07-07	Minimum Requirements for Political Subdivisions

71-03-07-01. Employer contribution.

1. An employer shall pay to the board the full monthly premium amount for each eligible employee enrolled in the group insurance plan by the fifteenth of each month. The employer shall verify the number of eligible employees and the level of coverage for each. An employee is eligible for an employer contribution for the month following the month of employment. If an eligible employee terminates employment prior to the effective date of coverage, no employer contribution is required. The employer contribution ends the month following the month of termination of employment. If an employee transfers from a permanent employee position to a temporary employee position without a termination of employment, the employer contribution ends the month in which the permanent employment ends. If an employee transfers from one participating employer to another, the new employer is responsible for the payment of the premium for the first of the month following employment.
2. As used in this section, "termination of employment" means a severance of employment by not being on the payroll of a participating employer for a minimum of one month. Approved leave of absence does not constitute termination of employment.

History: Effective June 1, 1996; amended effective July 1, 2010; April 1, 2022; July 1, 2026.

General Authority: NDCC 54-52.1-08

Law Implemented: NDCC 54-52.1-03.1

71-03-07-02. Information to employee.

Each employer shall inform employees of their right to group insurance and the process necessary to enroll. The employer shall provide each eligible employee such forms as necessary to enroll in the group insurance program.

History: Effective June 1, 1996; amended effective July 1, 2010.

General Authority: NDCC 54-52-04, 54-52.1-03.1

Law Implemented: NDCC 54-52.1-03, 54-52.1-03.1

71-03-07-03. Collecting employee contributions.

Each employer shall collect any employee contribution due and submit it with the employer contribution to the retirement board each month. When an employee on an approved leave of absence requests to continue in the group, the employer shall collect the full amount of the premium from the employee each month and remit it to the retirement board. The minimum employer contribution will be determined by the retirement board and must be consistently applied to all eligible employees.

History: Effective June 1, 1996; amended effective May 1, 2004; July 1, 2010.

General Authority: NDCC 54-52-04, 54-52.1-03.1

Law Implemented: NDCC 54-52.1-03, 54-52.1-03.1

71-03-07-04. Termination of employment.

Each employer shall notify the retirement board when an eligible employee terminates employment. The retirement board shall inform the terminating employee of options available to the employee for continuation of coverage.

History: Effective June 1, 1996.

General Authority: NDCC 54-52-04, 54-52.1-03.1

Law Implemented: NDCC 54-52.1-03, 54-52.1-03.1

71-03-07-05. Premium for basic term life insurance.

All political subdivisions that elect to participate in the group life insurance program must pay the retirement board the full premium for the basic term life insurance for each of its eligible employees.

History: Effective June 1, 1996; amended effective July 1, 2010.

General Authority: NDCC 54-52-04, 54-52.1-03.1

Law Implemented: NDCC 54-52.1-02, 54-52.1-03.1

71-03-07-06. Requirements for enrolling temporary employees and paid members of political subdivision boards, commissions, or associations.

Each employer shall inform temporary employees and the paid members of its board, commission, or association of their right to the group insurance plan and the process necessary to enroll. Each employer shall provide each eligible member such forms as necessary to enroll in the group insurance plan. Each employer shall collect any member contribution due and submit it along with any employer contribution to the retirement board each month. The minimum employer contribution will be determined by the retirement board. Each employer shall notify the retirement board when an eligible member is no longer eligible for the group insurance plan. The retirement board shall inform such member of options available for continuation of coverage.

History: Effective June 1, 1996; amended effective May 1, 2004; April 1, 2008.

General Authority: NDCC 54-52-04, 54-52.1-03.1

Law Implemented: NDCC 54-52.1-02, 54-52.1-03, 54-52.1-03.1

71-03-07-07. Minimum requirements for political subdivisions.

An enrolled political subdivision must extend the benefits of the group insurance program to its eligible employees and paid members of its board, commission, or association subject to minimum requirements established by the retirement board and a minimum period of participation of sixty months. If the political subdivision withdraws from participation before completing sixty months of participation, unless federal or state laws or rules are modified or interpreted in a way that makes participation by the political subdivision in the uniform group insurance program no longer allowable or appropriate, the political subdivision must make payment to the retirement board equal to the expenses incurred on behalf of that political subdivision's employees which exceed the income received by the retirement board on behalf of that political subdivision's employees during the time of participation. For purposes of this section:

1. "Expenses incurred" means:
 - a. Claims incurred by the political subdivision during the enrolled period and paid during or within three months after the enrolled period and includes capitated payments to providers;
 - b. Reasonable administrative expenses as incurred by the public employees retirement system and the claims administrator as set forth in the master contract; and

- c. The cost of any premium buydown provided.
- 2. "Income received" means all premiums paid by the political subdivision to the retirement board.

Full payment is due within three months after receipt of notice from the executive director, unless an alternative payment schedule has been approved by the retirement board. A late payment charge must be assessed on all money due on an account at a rate of one and three-fourths percent per month.

History: Effective June 1, 1996; amended effective April 1, 2014.

General Authority: NDCC 54-52-04, 54-52.1-03.1

Law Implemented: NDCC 54-52.1-02, 54-52.1-03, 54-52.1-03.1