

**ARTICLE 71-06  
RETIREE HEALTH INSURANCE CREDIT**

Chapter  
71-06-01            Retiree Health Insurance Credit

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**71-06-01-01. Eligibility for retiree health insurance credit applied to premiums for annuitants and surviving spouses under the North Dakota public employees retirement system, the North Dakota highway patrolmen's retirement system, the retired judges under North Dakota Century Code chapter 27-17, annuitants of the job service retirement program, and former participating members of the defined contribution retirement plan receiving periodic distributions.**

Repealed effective April 1, 2016.

**71-06-01-02. Calculation of retiree health insurance credit.**

Retiree health insurance credit will be calculated on actual years and months of service, identical to retirement benefits under North Dakota Century Code chapter 54-52.

1. Retiree health insurance credit will be subject to reduction factors in the event of early retirement.

For annuitants of the public employees retirement system defined benefit plan and North Dakota public employees retirement system judges, and for members of the defined contribution retirement plan, excluding national guard/law enforcement and highway patrol retirees, who take a periodic distribution:

<u>Age at Retirement</u>	<u>Reduction Factor</u>	<u>Age at Retirement</u>	<u>Reduction Factor</u>
64 to 65	3%	59 to 60	33%
63 to 64	9%	58 to 59	39%

62 to 63	15%	57 to 58	45%
61 to 62	21%	56 to 57	51%
60 to 61	27%	55 to 56	57%

For annuitants of the job service retirement program: This includes those who retired under a discontinued service annuity but does not include those who retired at a normal or optional date.

<u>Age at Retirement</u>	<u>Reduction Factor</u>	<u>Age at Retirement</u>	<u>Reduction Factor</u>	<u>Age at Retirement</u>	<u>Reduction Factor</u>
64 to 65	3%	59 to 60	33%	54 to 55	63%
63 to 64	9%	58 to 59	39%	53 to 54	69%
62 to 63	15%	57 to 58	45%	52 to 53	75%
61 to 62	21%	56 to 57	51%	51 to 52	81%
60 to 61	27%	55 to 56	57%	50 to 51	87%

For annuitants of the highway patrol fund and national guard/law enforcement retirees and national guard/law enforcement retirees who transferred to the defined contribution retirement plan:

<u>Age at Retirement</u>	<u>Reduction Factor</u>
54 to 55	3%
53 to 54	9%
52 to 53	15%
51 to 52	21%
50 to 51	27%

2. Disabled annuitants receiving benefits under subdivision g of subsection 3 of North Dakota Century Code section 54-52-17, subdivision d of subsection 3 of North Dakota Century Code section 39-03.1-11, North Dakota Century Code section 52-11-01, or section 71-02-05-05 will be eligible for full retiree health insurance credit benefits. No age reduction factor will be applied.
3. A surviving spouse eligible to receive benefits under paragraph 2 of subdivision a and paragraphs 2 and 3 of subdivision b of subsection 6 of North Dakota Century Code section 54-52-17, subdivision b of subsection 6 of North Dakota Century Code section 39-03.1-11, or North Dakota Century Code section 52-11-01 will receive retiree health insurance credit based on the deceased member's years of service without any age reduction applied.
4. A surviving spouse receiving benefits under the provisions of subdivision b, c, d, or e of subsection 9 of North Dakota Century Code section 54-52-17; subdivisions a, b, and c of subsection 5 of North Dakota Century Code section 27-17-01; subsection 9 of North Dakota Century Code section 39-03.1-11; or North Dakota Century Code section 52-11-01 will receive retiree health insurance credit for the duration benefits are paid, based upon the original annuitant's retirement age.

**History:** Effective April 1, 1992; amended effective June 1, 1996; July 1, 2000; July 1, 2010; April 1, 2016; April 1, 2020.

**General Authority:** NDCC 54-52.1-03.2(b)

**Law Implemented:** NDCC 54-52.1-03.3

**71-06-01-03. For retirees receiving more than one benefit entitled to retiree health insurance credit.**

1. If a retiree is receiving more than one benefit from the public employees retirement system, or other participating system; one as a surviving spouse, and the other based upon the retiree's own service credit, the retiree health insurance credit for each benefit will be combined with an effective date based on eligibility in accordance with North Dakota Century Code section 54-52.1-03.3.
2. If the retiree was employed by a political subdivision which does not participate in the public employees retirement system health plan, and is drawing a retirement benefit or a surviving spouse benefit, the individual may receive the retiree health insurance credit as any other retiree based upon a retiree premium.
3. If a husband and wife are both receiving a benefit from a retirement system that provides the retiree health insurance credit, the retiree health insurance credit will be applied as follows:
  - a. Each will have their respective retiree health insurance credit reimbursed for their respective premiums.
  - b. If only one retiree takes a family health plan under the uniform group health insurance program, they may make application with the public employees retirement system to combine retiree health insurance credits.

Retirees are responsible for making application with the public employees retirement system to combine and discontinue combining retiree health insurance credits.

4. Retirees with service credit in more than one of the participating retirement systems will have their respective retiree health insurance credit for each benefit combined with an effective date based on eligibility in accordance with North Dakota Century Code section 54-52.1-03.1.

Surviving spouses receiving multiple benefits from retirement systems that provide the retiree health insurance credit will have their respective retiree health insurance credit for each benefit combined with an effective date based on eligibility in accordance with North Dakota Century Code section 54-52.1-03.3.

**History:** Effective April 1, 1992; amended effective June 1, 1996; July 1, 1998; April 1, 2008; April 1, 2012; April 1, 2016.

**General Authority:** NDCC 54-52.1-03.2(b)

**Law Implemented:** NDCC 54-52.1-03.3

**71-06-01-04. Employer paid health premiums.**

Repealed effective July 1, 1998.

**71-06-01-05. Member contributions.**

Any member contribution received for purposes of retiree health insurance credit must be refunded without interest to any member who terminates employment and who receives a refund of retirement contributions.

**History:** Effective April 1, 1992; amended effective June 1, 1996.

**General Authority:** NDCC 54-52.1-03.2(b)

**Law Implemented:** NDCC 54-52.1-01(1)(c)

**71-06-01-06. Erroneous crediting of the retiree health insurance credit.**

Repealed effective April 1, 2016.

**71-06-01-06.1. Retroactive payment of the retiree health insurance credit.**

Repealed effective April 1, 2016.

**71-06-01-07. Optional benefits.**

A married member may elect to receive one of the following optional retiree health credit benefits in lieu of the retiree health insurance credit option provided in this chapter:

1. **Fifty percent joint and survivor benefit.** A member shall receive an actuarially reduced retiree health insurance credit during the member's lifetime and after the member's death one-half the rate of the reduced benefit will be continued to the member's surviving spouse during the spouse's lifetime. The designated beneficiary is limited to the member's spouse. Benefits shall terminate in the month in which the death of the beneficiary occurs. If the member's spouse predeceases the member or, in the event of divorce, the member's benefit must be returned to the standard option amount. The standard option amount must commence on the first day of the month following the spouse's death if a death certificate has been submitted or, in the event of divorce, a photocopy of the divorce decree.
2. **One hundred percent joint and survivor benefit.** A member shall receive an actuarially reduced retiree health insurance credit during the member's lifetime and after the member's death the same amount will be continued to the member's surviving spouse during the spouse's lifetime. The designated beneficiary is limited to the member's spouse. Benefits shall terminate in the month in which the death of the beneficiary occurs. If the member's spouse predeceases the member or, in the event of divorce, the member's benefit must be returned to the standard option amount. The standard option amount shall commence on the first day of the month following the spouse's death providing written notification of the death and a death certificate has been submitted or, in the event of divorce, a photocopy of the divorce decree.

**History:** Effective July 1, 1998; amended effective April 1, 2008; April 1, 2016.

**General Authority:** NDCC 54-52.1-03.2(b)

**Law Implemented:** NDCC 54-52.1-03.3

**71-06-01-08. Vesting in retiree health credit for members of the defined contribution retirement plan.**

Notwithstanding section 71-02-03-01.1, members of the defined contribution retirement plan vest in their retiree health credit in the same manner as members of the retirement program to which they would belong if they had not elected to participate in the defined contribution retirement plan, including the earning of service credit, the reduction for early retirement, and credit granted pursuant to section 71-02-03-01.

**History:** Effective July 1, 2000.

**General Authority:** NDCC 54-52.1-03.2(1)(b)

**Law Implemented:** NDCC 54-52.1-03.3, 54-52.6-02

### **71-06-01-09. Payment - Retiree health insurance credit benefits.**

Eligible retiree health insurance credit benefits that have been substantiated by the office must be directly deposited into a financial account identified by the member or sent to the member's last-known address. If the benefit checks are returned with no forwarding information, the benefits will remain in the fund, and will be distributed in a lump sum upon location of the member. If two consecutive checks issued remain uncashed, future payments will be suspended until the member makes payment arrangements with the office.

**History:** Effective July 1, 2018.

**General Authority:** NDCC 54-52.1-03.2(b)

**Law Implemented:** NDCC 54-52.1-03.3

### **71-06-01-10. Withdrawal.**

Withdrawal under this chapter is governed by section 71-02-08-02.

**History:** Effective April 1, 2019.

**General Authority:** NDCC 54-52-04

**Law Implemented:** NDCC 54-52-02

### **71-06-01-11. Erroneous payment of benefits - Overpayments, underpayments, and appeals.**

1. Section 71-02-04-10 applies to overpayments of the retiree health insurance credit.
2. Section 71-02-04-11 applies to underpayments of the retiree health insurance credit.
3. A person who has received written notice pursuant to section 71-02-04-10 that the person received an overpayment of the retiree health insurance credit and is not satisfied with repayment arrangements related to the retiree health insurance credit may appeal as provided in section 71-02-04-12.

**History:** Effective July 1, 2026.

**General Authority:** NDCC 54-52-04

**Law Implemented:** NDCC 54-52.1-03.3