NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

Board Meeting Agenda

Location: WSI Board Room, 1600 East Century Avenue, Bismarck ND
By phone: 701.328.0950 Conference ID: 746 609 091#
Date: **Tuesday, July 14, 2026**
Time: 8:30 A.M. **Join the meeting now**

I. MINUTES
A. June 9, 2026

II. CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

III. PRESENTATIONS
A. Fiduciary Responsibility & Ethics – Kirsten Tuntland, Office of Attorney General

IV. DEFINED BENEFIT/RETIREE HEALTH INSURANCE CREDIT
A. Highway Patrol Final Average Salary Indexing for Deferred Members – MaryJo (Board Action)

V. DEFERRED COMPENSATION / DEFINED CONTRIBUTION
A. Investment Consultant Services Request for Proposal (RFP) Update – Katheryne (Information)

VI. GROUP INSURANCE / FLEXCOMP
A. Health Insurance Plan Request For Proposal (RFP) – Deloitte & Katheryne (Information) ***EXECUTIVE SESSION**
B. FlexComp Plan Contract Amendment – Katheryne (Board Action)
C. Sanford Health Plan Member Survey – Lindsay (Information)
D. Wellness Renewal – Lindsay (Information)

VII. LEGISLATION / ADMINISTRATIVE RULES
A. Proposed Legislation: NDCC 54-52-03 Governing Authority– Rebecca (Board Action)

VIII. OPERATIONS / ADMINISTRATIVE
A. Budget – Derrick (Board Action)
B. Sagitec Statement of Work – IRIS Conversion – Derrick (Board Action)
C. Board Self-Evaluation Results – Rebecca (Information)
D. Code of Ethical Responsibility – Rebecca (Board Action)
E. Contracts Under $15,000 – Rebecca (Information)
F. Everbridge Emergency Notification Test – Katheryne (Information)
G. Next Meeting Date: August 18, 2026 (3rd Tuesday)

IX. MEMBER **EXECUTIVE SESSION
A. Insurance Appeal Case #1025 – Lindsay (Board Action)

*Executive session pursuant to N.D.C.C. §§ 44-04-19.2 & 44-04-18.4(6)(b) to discuss closed proposals received in response to the NDPERS Request for Proposal Group Medical and Prescription Drug Coverage.

**Executive Session pursuant to N.D.C.C. §44-04-19.2(1) and §54-52.1-11 (group insurance) to discuss information pertaining to an eligible employee's group medical records for claims, employee premium payments made, salary reduction amounts taken, history of any available insurance coverage purchased, and amounts and types of insurance applied for under the supplemental life insurance coverage.

North Dakota
Public Employees Retirement System
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Rebecca Fricke
Executive Director
(701) 328-3900
(800) 803-7377

Fax: (701) 328-3920 Email: ndpers-info@nd.gov Website: www.ndpers.nd.gov

Fiduciary Responsibility & Ethics

TO: NDPERS Board

FROM: Rebecca

DATE: July 14, 2026

Kirsten Tuntland, Assistant Attorney General, will provide the Board with its annual fiduciary responsibility and ethics education. Her presentation is attached for your reference.

Attachment

Fiduciary Duty & Ethics

Kirsten Tuntland
Assistant Attorney General
General Counsel Division
ND Office of Attorney General

Sources of Slides

1. National Association of Public Pension Attorneys (NAPPA) 2026 Legal Education Conference

2. North Dakota Ethics Commission

3. Originals

OVERVIEW OF CORE FIDUCIARY DUTIES

Who is a “Fiduciary”?

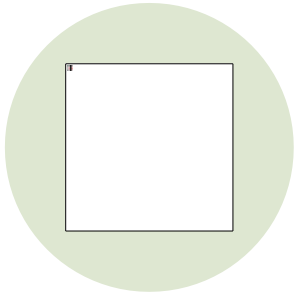
- Board or committee Members
- Administration and investment executives and certain staff
- Investment managers
- Investment consultants
- Service providers who agree to be a fiduciary by contract

- Any person who exercises discretionary authority or control over management or disposition of retirement plan assets, renders investment advice for a fee or other compensation, or has discretionary authority or responsibility for plan administration. (Restatement 3d Trusts).
- Bottom line: anyone in the pension plan organization who exercises discretion over the plan is a fiduciary.
- Fiduciaries have special duties.

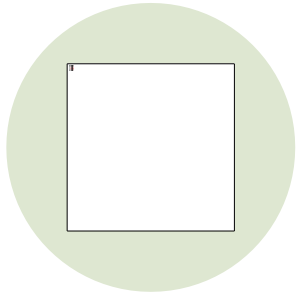
What is a “Fiduciary Duty”?

Utmost trust and confidence to manage and protect the property or money of another

Represents the highest standard of care



The strictest duty of care recognized by the U.S. legal system



The word itself comes originally from the Latin *fides*, meaning faith, and *fiducia*, meaning trust

Sources of Fiduciary Guidance

- State statutes
- Court decisions and common law of trusts
- ERISA and other retirement fund laws/regulatory guidance
- Model codes
- Restatement of trusts
- Best practices of other, similar fiduciaries
- Attorney general opinions
- Advice of legal counsel

Fiduciary Standards Over Two Centuries of American Trust Investment Law

1830 – Prudent Man Rule (*Harvard College v. Amory*, Supreme Judicial Court of Massachusetts)

"All that can be required of a trustee to invest, is, that he shall conduct himself faithfully and exercise a sound discretion. He is to observe how men of prudence, discretion and intelligence manage their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income, as well as the probable safety of the capital to be invested."

1935 – Restatement of Trusts (§ 227)

"In making investments of trust funds the trustee is under a duty to the beneficiary…to make such investments and only such investments as a prudent man would make of his own property having primarily in view the preservation of the estate and the amount and regularity of the income to be derived..."

1942 – Model Prudent Man Rule Statute (§ 1)

"In acquiring, investing, reinvesting, exchanging, retaining, selling and managing property for the benefit of another, a fiduciary shall exercise the judgment and care, under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital."

1959 – Restatement (Second) of Trusts (§ 227)

"In making investments of trust funds the trustee is under a duty to the beneficiary…to make such investments and only such investments as a prudent man would make of his own property having in view the preservation of the estate and the amount and regularity of the income to be derived..."

1974 – Employee Retirement Income Security Act (§ 404(a)(1)(B))

A fiduciary shall discharge his duties with respect to a plan…"with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims."

Fiduciary Standards Over Two Centuries of American Trust Investment Law

1992 – Restatement (Third) of Trusts (Prudent Investor Rule) (§ 227)/2007 - Restatement (Third) of Trusts (§ 90)

"The trustee has a duty to the beneficiaries to invest and manage the funds of the trust as a prudent investor would, in light of the purposes, terms, distribution requirements, and other circumstances of the trust."

1994 – Uniform Prudent Investor Act (§ 2(a))

"A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust."

1997 – Uniform Management of Public Employee Retirement Systems Act (§ 7(3))

"A trustee or other fiduciary shall discharge duties with respect to a retirement system…(3) with the care, skill, and caution under the circumstances then prevailing which a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose…"

Fiduciary Standards of Care Created from an Amalgamation of Other Standards of Care

Trust Investment Law Standard

"… all funds including any and all interest and earnings of the same, are and shall be held in trust by the board of trustees for the exclusive use and benefit of the system and for the members of the system and shall not be subject to appropriation for any other purpose whatsoever."

Fiduciary Standards That Govern the Trustees of 51 State-Level Public Employee Retirement Plans Today

W. Scott Simon: **https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4287238**

1942 – Model Prudent Man Rule Statute	6 States
1974 – Employee Retirement Income Security Act (ERISA)	27 States + Washington, D.C. copied ERISA standard of care
1992 – Restatement (Third) of Trusts	0 States
1994 – Uniform Prudent Investor Act (UPIA)	7 States
1997 – Uniform Management of Public Employee Retirement Systems Act (UMPERSA)	4 States
Amalgamation of Different Fiduciary Standards (Portions of the 1942 Model Statute, ERISA, the Restatement (Third) of Trusts, UPIA, and UMPERSA)	5 States
Trust Investment Law Standard	1 State

North Dakota Fiduciary Standard of Care

1942 – Model Prudent Man Rule Statute

NDCC § 21-10-07. Legal investments. The state investment board shall apply the prudent investor rule in investing for funds under its supervision. The “prudent investor rule” means that in making investments the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The retirement funds belonging to the teachers' fund for retirement and the public employees retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives.

- **Prudent investor statute is in SIB chapter, but a court would likely apply the same standard to the NDPERS Board’s oversight responsibilities.**

Core Fiduciary Principles, Generally

- Compliance with Laws
- Cost-Consciousness and Cost Management
- Loyalty and Impartiality
- Standard of Care; “Prudent Expert”
- Consult with Experts
- Prudent Delegation
- Monitoring and Oversight
- Transparency, Report, and Communication

Fiduciary Duties

A comprehensive list of fiduciary duties is not found in either the common law or the statutes.

However, fiduciary duties fall into two broad categories: the duty of **loyalty** and the duty of **care/prudence**.

Duty of (Undivided) Loyalty

- Act in the best interests of *all* plan participants and beneficiaries without consideration of your own interests or the interests of third parties

- Exclusive Benefit Rule: Act for the exclusive benefit of plan participants and beneficiaries
    - IRC § 401(a) plan qualification requirement

Just One Hat!

Undivided loyalty is *required*. Period.

Examples: Duty of (Undivided) Loyalty

- Legislator and appointee hats: No duty to taxpayers, constituents, or the governor. Your duty of loyalty is to plan participants and beneficiaries *only.*

- Specific plan member hats: Cannot put interests of one group of plan participants and beneficiaries (e.g., DB, DC, HP) ahead of another group.

Duty of Impartiality Among Beneficiaries

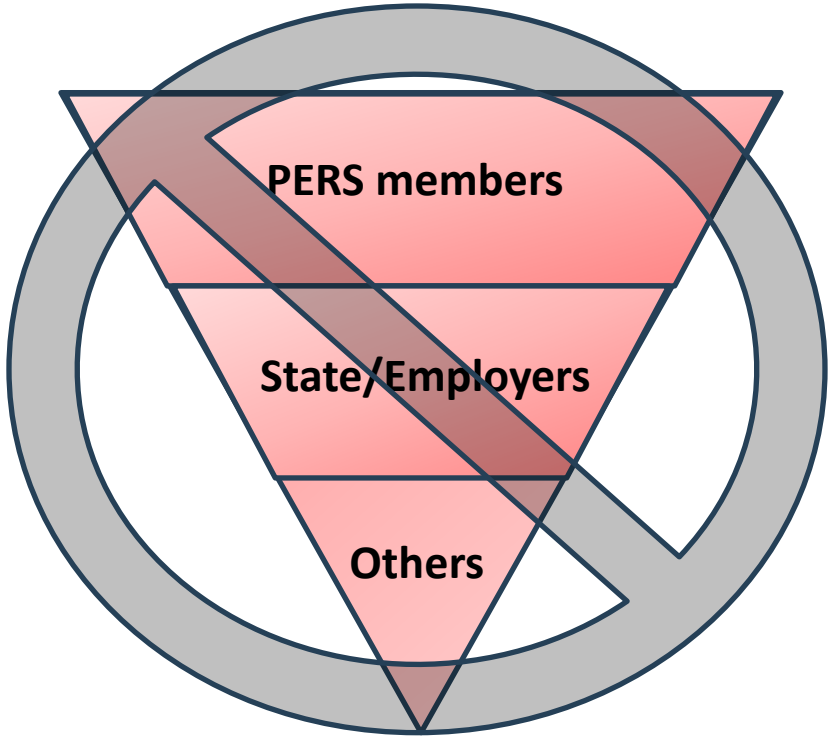
Duty of Loyalty

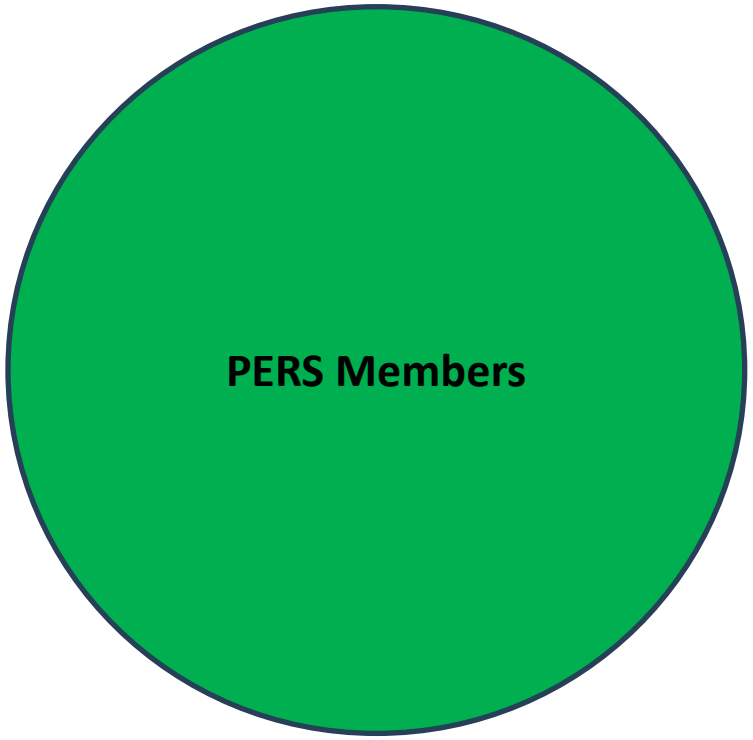
Duty of Impartiality

Make decisions to serve the *overall* best interests of beneficiaries; weigh competing priorities without bias to any member or group

Illustration: Exclusive Benefit Rule

- Act exclusively for the benefit of PERS members
- Not for the State, employers, yourself, or others



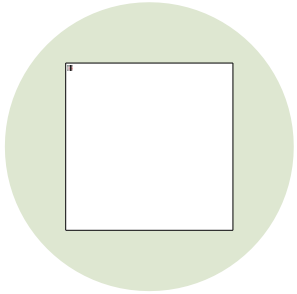


DUTY OF CARE/PRUDENCE

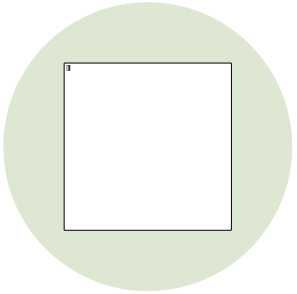
Standard of Care = “Prudent Expert”

Exercise reasonable care, skill, and caution (prudent person); standard is objective, not subjective to the trustee.

Exercise due diligence in performing the functions of the position and investing assets.



Decisions reflect best judgment on what course of action will produce positive results for the beneficiaries served.



Use any special skills or expertise.

Prudent Delegation

A trustee must personally to perform the responsibilities of the trusteeship except as a prudent person might delegate those responsibilities to others.

Prudence is the key to delegation as to all aspects of the topic:

Whether to delegate

How to delegate

To whom a task is delegated

How to supervise

Consult….But Don’t Rubber Stamp

Care/prudence requires securing and considering the advice of others, such as legal, actuarial, and investment experts, on a reasonable basis.

Reliance on expert’s opinion is reasonable when:

Expert has appropriate qualifications	Expert has accurate and full information	Reliance on expert’s opinion is reasonable under the circumstances

Prudent fiduciaries should investigate expert’s qualifications, provide the expert with complete and accurate information, and question methods and assumptions that do not make sense or are not supported.

Differing (Expert) Advice and Actions

The implicit corollary to the duty to consult with experts is that if a fiduciary fails to follow the advice of its professional consultants, it must demonstrate an informed, reasonable, and prudent rationale for failing to do so.

Another implicit corollary is that expert advice from a reasonable source should provide the basis for a board's decision to take an alternative course of action on a topic within that area of expertise (e.g., investment, actuarial, legal).

Procedural Prudence

- Conscientious processes in decision-making:
  - Understand the facts
  - Investigate the options
  - Identify and actively avoid potential bias
  - Seek expert advice and question experts if the advice is not clear

- **Requires process, not outcome and prudence, not perfection**

Prudence = Focus on the Three P's

- The duty of prudence is a test of the fiduciary's conduct, not the result of that conduct.
- Prudence is process: courts may probe the thoroughness of a fiduciary's analysis and basis for its decisions, rather than simply deferring to a determination that a fiduciary may make.
- Courts are generally deferential to the decisions made by fiduciaries when those fiduciaries follow appropriate processes (and can document that!).

Process

Process

Process

Ethics

New Travel Rules
Effective July 1, 2026

NDAC Art. 115-06 Travel Disclosure Rules

- The travel disclosure rules do not apply to “policy-monitored travel”
- “Policy-monitored travel” includes travel for which expenses are reported within the state's enterprise resource planning system, i.e. the Peoplesoft travel module
- Board member travel expenses paid by PERS fall under the “policy-monitored travel” exception because PERS reports those expenses in the Peoplesoft travel module

6-Step Process for Disclosing Conflicts of Interest

Step 1 - Identify Potential Conflicts

"Potential conflict of interest" means a public official, as part of his or her duties, must make a decision or take action in a matter where the public official has:

1. received a gift from one of the parties;

2. a significant financial interest in one of the parties or the outcome of the proceeding; or

3. a relationship in a private capacity with one of the parties.

For definitions of these terms *see* N.D. Admin. Code § 115-04-01-01.

Potential Conflict Definitions

- Gift: Any item, service, or thing of value not given in exchange for fair market consideration, including gifts of travel or recreation.
  - Exceptions identified in NDAC 115-03-01-03

- Significant financial interest: A direct and substantial in-kind or monetary interest, or its equivalent, *not shared by the general public*.
  - Excludes investments in a widely held investment fund, such as mutual funds, exchange-traded funds, participation in a public employee benefits plan, or lawful campaign contributions.

- Relationship in a private capacity: A past or present commitment, interest or relationship of the public official in a matter involving the public official's immediate family, individual's residing in the public official's household, the public official's employer, or employer of the public official's immediate family, or individuals with whom the public official has a substantial and continuous business relationship.
  - Immediate family: a parent; sibling; child by blood, adoption, or marriage; spouse; grandparent; or grandchild.

Step 2 - Declare the Potential Conflict

Declare any potential conflict on the record, if possible.

Provide enough facts for others to understand the potential conflict.

You must draw the connection from the potential conflict to the action or decision before you.

Step 3 - Two Options

After disclosure, two options to move forward.

(1) Recuse and file the form; or

(2) Ask the neutral reviewer for help.

Who is the neutral reviewer?

Identified by a government body's policy or rule.

If no policy or rule, Ethics Commission rules identify a default neutral reviewer.

Step 4 - Neutral Reviewer Evaluation

Neutral reviewer must evaluate 5 factors from N.D. Admin. Code § 115-04-01-03(7).

(1) Weight and deference to public official to perform duties

(2) Materially affect the independence of judgment

(3) Any law that would preclude recusal or abstention

(4) The size of the personal benefit

(5) Any guidance from the Ethics Commission

Step 5 - Neutral Reviewer Determination

SHSND 00003

1967 Legislative Assembly

Neutral reviewer determines whether a potential conflict of interest = a disqualifying conflict of interest.

No disqualifying conflict of interest exists?
The public official may participate.

A disqualifying conflict of interest exists?
The public official must recuse.

No ethics violation if:
(1) consult and adhere to neutral reviewer;
(2) public official acts in good faith; and
(3) the disclosed material facts are substantially the same as any complaint allegations.

Six-Step Process

Step 6 - File the Form

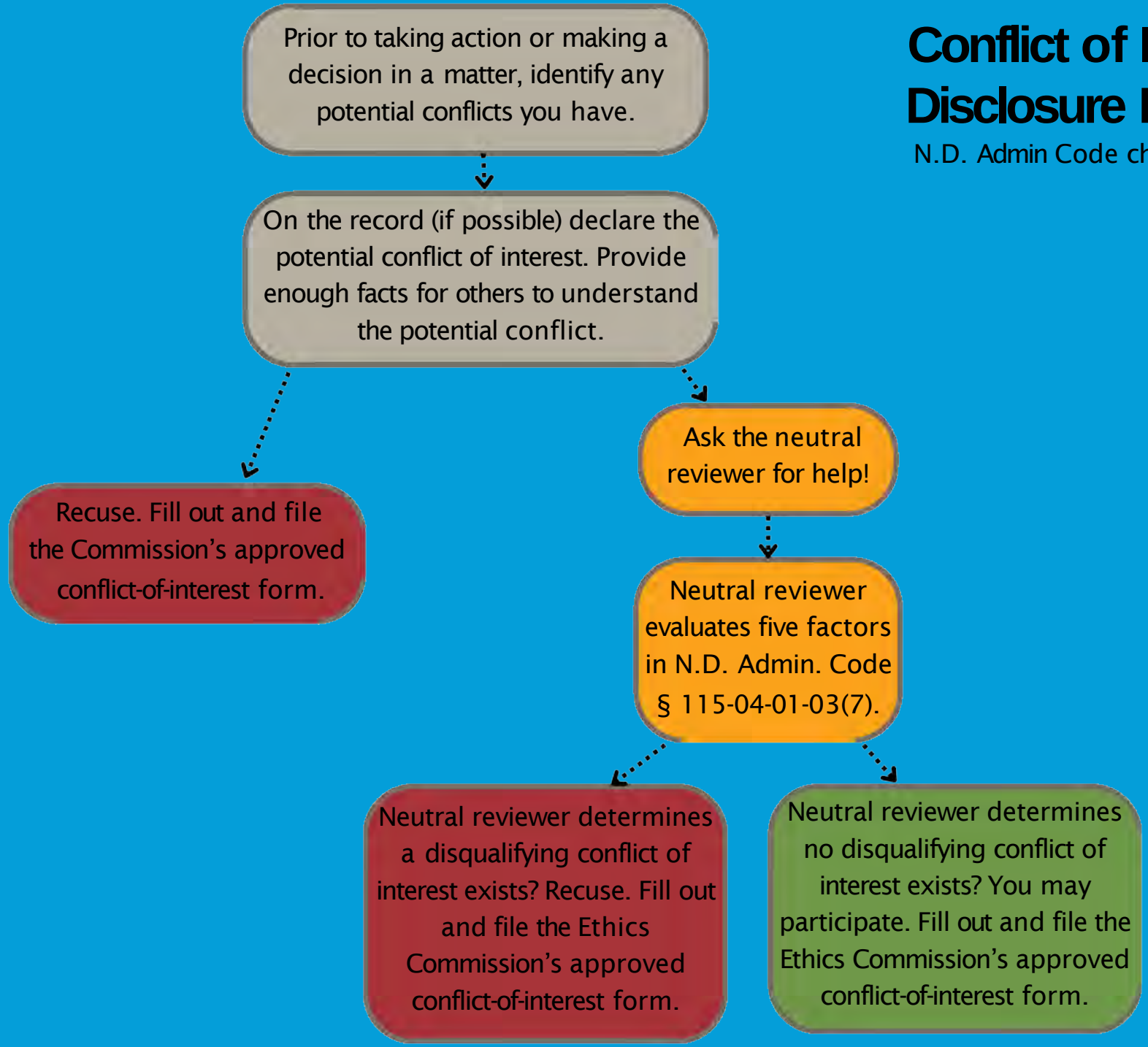
Always file the Ethics Commission's approved form with your governing body and the Ethics Commission.

Minutes must document any recusal.

Form requirement does not apply in the legislative process. *See* Ethics Commission Advisory Opinion 23-01.

Conflict of Interest Disclosure Process

N.D. Admin Code ch. 115-04-01



Six-Step Process

North Dakota
Public Employees Retirement System
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Rebecca Fricke
Executive Director
(701) 328-3900
(800) 803-7377

Fax: (701) 328-3920 Email: ndpers-info@nd.gov Website: www.ndpers.nd.gov

Highway Patrol Final Average Salary Indexing for Deferred Members

TO: NDPERS Board

FROM: MaryJo Anderson

DATE: July 14, 2026

The Highway Patrol Retirement Plan has a provision regarding the calculation of final average salary for deferred members. Deferred members are those that have terminated employment but have not yet begun receiving benefits.

North Dakota Century Code 39-03.1-11(5)

> *The final average salary used for calculating deferred vested retirement benefits must be increased annually, from the later of the date of termination of employment or July 1,1991, until the date the contributor begins to receive retirement benefits from the fund, at a rate as determined by the board not to exceed a rate that would be approximately equal to annual salary increases provided state employees pursuant to action by the legislative assembly.*

As provided in statute, it is necessary for the NDPERS Board to set a rate to be used in establishing the index factor for deferred members of the Highway Patrol. Currently, there are 33 members in the system in a deferred vested status.

It has been NDPERS' policy to solicit input (Attachment 1) and a recommendation from the Highway Patrol leadership (Attachment 2). The last legislative session provided a 3.00% increase for the second year of agencies' budgets for the 2025-2027 biennium. The North Dakota Highway Patrol leadership is recommending that deferred members in its system receive a 3.00% increase to their final average salary (FAS).

The current assumption for indexing of deferred members as reported in the Gabriel Roeder & Smith (GRS) July 1, 2025 actuarial report is 3.00% (Highway Patrol Actuarial Valuation Page E-3). Therefore, a 3.00% increase will result in an actuarially neutral cost to the plan as confirmed by our consultant.

In the past, the Board has generally approved an indexing percentage, as recommended by the Highway Patrol leadership, that is the same or slightly lower than the salary increases granted to state employees.

Board Action Requested:

Affirm or deny the Highway Patrol Administration's recommendation.

Attachment 1

North Dakota
Public Employees Retirement System
1600 E Century Ave, Suite 2 ● PO Box 1657
Bismarck, North Dakota 58503

Rebecca Fricke
Executive Director
(701) 328-3900
1-800-803-7377

Fax: (701) 328-3920 Email ndpers-info@nd.gov Website https://ndpers.nd.gov

Memorandum

TO: **Col. Daniel Haugen & Maj. Derek Arndt**

FROM: **MaryJo Anderson**

DATE: **May 18, 2026**

SUBJECT: **Highway Patrol Indexing**

The Highway Patrol indexing for deferred members of the HP system is up for review. There are currently 33 deferred vested members affected.

For your convenience, listed below are the legislative equivalents granted, as well as the increase percentages set for indexing purposes by the board since 1993 when the factor became policy.

	Legislative Increase	Index Approved
1993	3.00	3.57
1994	2.00	3.00
1995	2.00	2.00
1996	2.00+ 1.00 discretionary	2.00
1997	Average 3.00	3.00
1998	Average 3.00	1.80
1999	2.00 (min $35)	1.26
2000	2.00 (min $35)	2.00
2001	3.00 (min $35)	1.81
2002	3.00 (min $35)	1.73
2003	None Authorized	-0-
2004	None Authorized	-0-
2005	4.00	4.00
2006	4.00	4.00
2007	4.00	4.00
2008	4.00	4.00
2009	5.00	5.00
2010	5.00	5.00
2011	3.00	2.00
2012	3.00	2.00
2013	3.00	3.00
2014	3.00	3.00
2015	3.00	3.00
2016	3.00	2.00
2017	None Authorized	-0-
2018	None Authorized	-0-
2019	2.00	2.00
2020	2.50	2.50
2021	1.50	1.50
2022	2.00	2.00
2023	6.00	5.00
2024	4.00	4.00
2025	3.00	3.00
2026	3.00	

As the above illustrates, the rate has historically been set at a percentage that is the same or less than the salary increases granted to state employees. The 2025 legislature provided appropriation to agency budgets by 3.0% for the second year of the 2025-2027 biennium.

This item will be scheduled for the June NDPERS Board meeting agenda. We are requesting your written response by June 5, if possible. If you need additional information, please let me know.

Attachment 2

NORTH Dakota | Highway Patrol
Be Legendary.™

May 19, 2026

Ms. MaryJo Anderson
North Dakota Public Employees Retirement System
1600 East Century Avenue, Suite 2 – Box 1657
Bismarck, ND 58503

SUBJECT: HIGHWAY PATROL INDEXING

Dear Ms. Anderson:

The North Dakota Highway Patrol recommends that North Dakota Public Employees Retirement System index in at the rate of 3% for 2026.

Sincerely,

DANIEL J. HAUGEN
Colonel, NDHP
Superintendent

DJH

North Dakota
Public Employees Retirement System
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Rebecca Fricke
Executive Director
(701) 328-3900
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Fax: (701) 328-3920 Email: ndpers-info@nd.gov Website: www.ndpers.nd.gov

Investment Consultant Services Request for Proposal (RFP)

TO: NDPERS Board

FROM: Katheryne Korom

DATE: July 14, 2026

The Investment Consultant Services for 457(B) Deferred Compensation Plan and 401(A) Defined Contribution Plan RFP was issued on June 10, 2026. We received a total of 23 questions from interested vendors. The responses to these questions will be posted on July 14, 2026.

Following are key dates for the proposal process:

Date	Activity
June 10, 2026	RFP is issued.
June 30, 2026	Written questions regarding proposals must be received by NDPERS no later than 5:00 p.m. (Central Time).
July 14, 2026	NDPERS posts responses to all questions received.
July 31, 2026	Proposals must be received by NDPERS no later than 5:00 p.m. (Central Time).
August 25, 2026	Investment Subcommittee reviews proposals and makes recommendation to the full Board
September 2026	NDPERS Board review of proposals.
October 2026	Finalist interviews and Best and Final Offers due, if deemed necessary by the NDPERS Board.
October/November 2026	Selection and award of contract by NDPERS.

This item is informational and does not require any action by the Board.

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1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Rebecca Fricke
Executive Director
(701) 328-3900
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Fax: (701) 328-3920 Email: ndpers-info@nd.gov Website: www.ndpers.nd.gov

Health Insurance Plan Request for Proposal (RFP)

TO: NDPERS Board

FROM: Katheryne Korom

DATE: July 14, 2026

Following are the key dates in the proposal process:

Health RFP: Timeline

Health RFP
Board meetings

Activity	Description	Tentative Timing
RFP Preparation	Update RFP Documents/Exhibits	November 2025 – January 2026
January Board Meeting	Board Meeting – RFP Overview	January 13, 2026
Present RFP to NDPERS Staff	Present Updated RFP to NDPERS Staff	February – March 2026
Update RFP	Incorporate NDPERS Staff Feedback	March – April 2026
April Board Meeting	Board Meeting – Draft RFP Review	April 14, 2026
Update RFP	Incorporate NDPERS Staff / Board Feedback	April – May 2026
May Board Meeting	Board Meeting – Final RFP Approval	May 12, 2026
RFP Release	Release RFP to Vendors	June 1, 2026
Vendor Q&A Meeting	Meet with Vendors to Clarify RFP	June 2026
Vendor Questions Due	Receive RFP Questions from Vendors	June 2026
Respond to Vendor Questions	Respond to RFP Questions from Vendors	June 2026
Proposals Due	Receive Proposals from Vendors	July 2026
RFP Analysis	Analyze Proposals from Vendors	July – August 2026
August Board Meeting	Board Meeting – Present Preliminary Results	August 18, 2026
Finalist Meetings	Interview Vendor Finalists	September 2026
1st October Board Meeting	Board Meeting – Provide Update	October 13, 2026
2nd October Board Meeting	Board Meeting – Present Final Results	October 27, 2026
Vendor Selection	Select Vendor	October 2026
Begin Implementation	Vendor Implementation Commences	December 2026
Effective Date	New Biennium Commences	July 1, 2027

Representatives from Deloitte Consulting will be available to respond to questions the Board may have regarding the Health Insurance RFP.

This item is informational and does not require any action by the Board.

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FlexComp Plan Contract Amendment

TO: NDPERS Board

FROM: Katheryne Korom

DATE: July 14, 2026

At the October 29, 2025 meeting, the Board approved the contract renewal for the FlexComp plan with ASIFlex. The renewal was approved for the January 1, 2027, through December 31, 2028, contract period. Attachment 1 is the contract amendment prepared by NDPERS legal staff and approved by the University System, who partners with NDPERS for this product, and ASIFlex.

Board Action Requested

Consider approval and signature by Executive Director Rebecca Fricke of the contract amendment for the FlexComp plan with ASIFlex for the January 1, 2027, through December 31, 2028, contract period.

Attachment

Attachment 1

CONTRACT AMENDMENT
AGREEMENT FOR SERVICES BETWEEN
Application Software, Inc. dba ASIFlex AND
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
AMENDMENT NUMBER: 1

This amendment is made to the Agreement for Services Between Application Software, Inc., dba ASIFlex and North Dakota Public Employees Retirement System (Contract) between the State of North Dakota, acting through its North Dakota Public Employees Retirement System (NDPERS) and Application Software, Inc., dba ASIFlex (CONTRACTOR or ASIFlex).

WHEREAS NDPERS issued a Request for Proposal for Administrative and Recordkeeping Services for Section 125 FlexComp Plan dated March 4, 2024 (Request for Proposal);

WHEREAS the Request for Proposal requested proposals permitting the North Dakota University System (NDUS) to participate with the contractor under the same contractual terms as NDPERS;

WHEREAS ASIFlex submitted a proposal dated April 25, 2024;

WHEREAS ASIFlex and NDPERS executed the written Contract with an Initial Term from January 1, 2025 to December 31, 2026;

WHEREAS the intent of ASIFlex, NDPERS, and NDUS (collectively "the Parties") was for NDUS to be a party to the Contract;

WHEREAS the Parties, by their actions and performance, effectively made NDUS a party to the Contract during the Initial Term; and

WHEREAS the Parties desire to make NDUS a party to the written Contract, to renew the Contract term, and to further amend the Contract;

NOW THEREFORE, the Parties agree to the following terms and conditions and expressly agree that if any of the following terms and conditions conflict with any of the terms and conditions of the Contract, then, notwithstanding any term in the Contract, the following terms and conditions govern and control the rights and obligations of the Parties.

The Parties agree to amend the Contract as follows:

1. **SECTION 1) <u>PARTIES</u>** is amended as follows:

   The parties to this contract (Contract) are the state of North Dakota, acting through its ***North Dakota Public Employees Retirement System*** (NDPERS) and its ***North Dakota University System*** (NDUS) (collectively "STATE"), and ***Application Software, Inc. a Missouri Corporation doing business as ASIFlex*** having its principal place of business

at ***201 W. Broadway, Suite 4C, Columbia, MO 65203*** (CONTRACTOR or ASIFlex).

2. **SECTION 2) <u>SCOPE OF WORK</u>** is amended as follows:

CONTRACTOR, in exchange for the compensation paid by STATE under this Contract, shall provide the services identified in Exhibit A to this Amendment.

3. **SECTION 3) <u>COMPENSATION – PAYMENTS</u>** is amended as follows:

a. Contractual Amount

NDPERS shall pay for the accepted services for NDPERS participants provided by CONTRACTOR under this Contract an amount not to exceed the amounts identified in Exhibit B to this Amendment (Contractual Amount).

NDUS shall pay for the accepted services for NDUS participants provided by CONTRACTOR under this Contract an amount not to exceed the amounts identified in Exhibit B to this Amendment (Contractual Amount).

The Contractual Amount is firm for the duration of this Contract and constitutes the entire compensation due CONTRACTOR for performance of its obligations under this Contract regardless of the difficulty, materials or equipment required, including fees, licenses, overhead, profit and all other direct and indirect costs incurred by CONTRACTOR, except as provided by an amendment to this Contract.

b. Invoicing

The final cost set forth on each invoice must be equivalent to the cost for each service or goods as specified in the Scope of Work. CONTRACTOR may not submit an invoice for any service or goods specified in the Scope of Work that STATE has not fully accepted.

STATE may only expend public funds for any service or goods accepted within the Fiscal Year for which the funds are appropriated. STATE's Fiscal Year is July 1 through June 30. An invoice for any service or goods accepted within the Fiscal Year must be dated prior to July 1 and received by STATE no later than July 7 of each Fiscal Year.

c. Payment

1) Payment made in accordance with this Compensation section constitutes payment in full for the services and work performed and the deliverables and work(s) provided under this Contract and CONTRACTOR may not receive any additional compensation under this Contract.

2) STATE shall make payment under this Contract within forty-five (45) calendar days after receipt of an approved invoice.

3) Payment of an invoice by STATE will not prejudice STATE's right to object to or question that or any other invoice or matter in relation to the Contract. STATE may reduce CONTRACTOR's invoice for amounts included in any invoice or payment previously made which are determined by STATE not to constitute allowable costs, on the basis of audits conducted in accordance with the terms of this Contract. STATE may reduce any payments for amounts equal to prior overpayments to CONTRACTOR.

4) STATE may deduct the amount owed or that will be owed to STATE by CONTRACTOR from payments that are or will become due and payable to CONTRACTOR under this Contract.

d. Travel

Travel costs are covered by the Contractual Amount. CONTRACTOR may not invoice STATE for travel costs.

e. Prepayment

STATE will not make any advance payments before performance or delivery by CONTRACTOR under this Contract.

f. Payment of Taxes by STATE

STATE is not responsible for and will not pay local, state, or federal taxes. STATE sales tax exemption number is E-2001. STATE will furnish a certificate of exemption upon request by CONTRACTOR.

g. Taxpayer ID

CONTRACTOR'S federal employer ID number is: ***43-1303571***

h. Payment Methods

1) STATE may make payment using a government credit card. CONTRACTOR shall accept a government credit card without passing the processing fees for the government credit card back to STATE.

2) STATE may make payment using an ACH transfer, wire transfer, or by issuing a check to CONTRACTOR.

4. **SECTION 4) <u>TERM OF CONTRACT</u>** is amended as follows:

The Contract commenced on January 1, 2025, for a period of 24 months with options to

renew the Contract for up to two additional 24-month periods and to extend the Contract for an additional 24 months.

The Parties have agreed to renew the Contract for an additional 24 months; therefore, the Agreement is amended to change the expiration date to December 31, 2028. The Agreement has one renewal remaining. The Contract can be extended for an additional 24 months.

5. **SECTION 9) <u>INSURANCE</u>** is amended as follows:

CONTRACTOR shall secure and keep in force during the term of this agreement and CONTRACTOR shall require all subcontractors, prior to commencement of an agreement between CONTRACTOR and the subcontractor, to secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverages:

1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of $2,000,000 per occurrence.
2) [Removed.]
3) Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this contract.
4) Employer's liability or "stop gap" insurance of not less than $2,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
5) Professional errors and omissions with minimum limits of $1,000,000 per claim and in the aggregate, Contractor shall continuously maintain such coverage during the contract period and for three years thereafter. In the event of a change or cancellation of coverage, Contractor shall purchase an extended reporting period to meet the time periods required in this section.
6) In the event CONTRACTOR will host data, or provide for the hosting of data through a third-party entity, CONTRACTOR shall secure and maintain Cyber Liability and Security Insurance or equivalent insurance product(s), with minimum liability limits of not less than $5,000,000 and first party limits of not less than $1,000,000, that will provide, without cost to the CONTRACTOR or STATE, an immediate response in the event of a data breach, including meeting all notification obligations of CONTRACTOR and STATE and in the event the data breach involves personal information as defined by N.D.C.C. § 51-30-1(4), the insurance policy shall also make available free credit monitoring for any affected individual for a minimum period of one year. CONTRACTOR shall defend, indemnify, save and hold harmless, the STATE, its officers, agents and employees from liability of any nature or kind, including costs and expenses, on account of a data breach arising from CONTRACTOR hosting, transmission, or control of data, any and all suits, claims, or damages of any character whatsoever, resulting from injuries or damages sustained by any person or persons or property by virtue of performance of this Contract.

The insurance coverages listed above must meet the following additional requirements:

1) Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Contractor. The amount of any deductible or self-retention is subject to approval by the State.
2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the State. The policies shall be in form and terms approved by the State.
3) The duty to defend, indemnify, and hold harmless the State under this agreement shall not be limited by the insurance required in this agreement.
4) The state of North Dakota and its agencies, officers, and employees (State) shall be endorsed on the commercial general liability policy, including any excess policies (to the extent applicable), as additional insured. The State shall have all the benefits, rights and coverages of an additional insured under these policies that shall not be limited to the minimum limits of insurance required by this agreement or by the contractual indemnity obligations of the Contractor.
5) A "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the State.
6) The Contractor shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement. All endorsements shall be provided as soon as practicable.
7) Failure to provide insurance as required in this agreement is a material breach of contract entitling the State to terminate this agreement immediately.
8) Contractor shall provide at least 30 day notice of any cancellation or material change to the policies or endorsements. Contractor shall provide on an ongoing basis, current certificates of insurance during the term of the contract. A renewal certificate will be provided 10 days prior to coverage expiration.

6. **SECTION 12) <u>NOTICE</u>** is amended as follows:

All notices or other communications required under this Contract must be given by registered or certified mail and are complete on the date postmarked when addressed to the Parties at the following addresses, or by email complete on the date sent:

NDPERS	**CONTRACTOR**
Name: Rebecca Fricke	Name **Dennis Jones**
Title: Executive Director	Title **Chief Operating Officer**
Address: 1600 East Century Ave, Suite 2 PO Box 1657	Address **201 W. Broadway, Suite 4C**
City, State, Zip: Bismarck, ND 58502-1657	City, State, Zip Columbia, MO 65203
Email: ndpersbids@nd.gov	Email:
NDUS	

Name:	**Brent Sanford**
Title:	**NDUS Commissioner**
Address:	**600 E Boulevard Ave, Dept 215**
City, State, Zip:	**Bismarck, ND 58505-0230**
Email:	**brent.sanford@ndus.edu**

Notice provided under this provision does not meet the notice requirements for monetary claims against the State found at N.D.C.C. § 32-12.2-04.

7. **SECTION 13) CONFIDENTIALITY** is amended as follows:

CONTRACTOR shall not use or disclose any information it receives from STATE under this Contract that STATE has previously identified as confidential or exempt from mandatory public disclosure, including records that are confidential under N.D.C.C. § 54-52.3-05, except as necessary to carry out the purposes of this Contract or as authorized in advance by STATE. STATE shall not disclose any information it receives from CONTRACTOR that CONTRACTOR has previously identified as confidential and that STATE determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota public records law, N.D.C.C. ch. 44-04. The duty of STATE and CONTRACTOR to maintain confidentiality of information under this section continues beyond the Term of this Contract.

8. **SECTION 18) MERGER AND MODIFICATION, CONFLICT IN DOCUMENTS** is amended as follows:

This Contract, including the following documents, constitutes the entire agreement between the Parties. There are no understandings, agreements, or representations, oral or written, not specified within this Contract. This Contract may not be modified, supplemented, or amended, in any manner, except by written agreement signed by both Parties.

Notwithstanding anything herein to the contrary, in the event of any inconsistency or conflict among the documents making up this Contract, the documents must control in this order of precedence:

a. The terms of this Contract as may be amended;

b. STATE's Request for Proposal number 192.03-04-24 for Administrative and Recordkeeping Services for Section 125 FlexComp Plan ("RFP").

c. CONTRACTOR's proposal in response to the RFP.

Unless negotiated between the Parties and incorporated into this Contract by reference, all automated end-user agreements (e.g., click-through, shrink-wrap, or browse-wrap) are specifically excluded and null and void. Clicking shall not represent acknowledgement or agreement to any terms or conditions contained in those agreements.

9. **SECTION 23) <u>NONDISCRIMINATION AND COMPLIANCE WITH LAWS</u>** is amended as follows:

   a. CONTRACTOR shall comply with all applicable federal and state laws, rules, and policies, including those relating to nondiscrimination, accessibility and civil rights. (*See* N.D.C.C. Title 34 – Labor and Employment, specifically N.D.C.C. ch. 34-06.1 Equal Pay for Men and Women.)

   b. ADA Compliance – CONTRACTOR shall ensure that all web content and mobile apps that CONTRACTOR provides or makes available in relation to this Contract comply with the Americans with Disabilities Act (ADA) and at a minimum, conform to 28 CFR § 35.200 federal Requirements for Web and Mobile Accessibility; available at: 28 CFR § 35.200. CONTRACTOR shall verify accessibility compliance through automated and manual testing.

   CONTRACTOR is responsible for maintaining accessibility compliance of the web content and mobile apps throughout the Term of the Contract, including all renewals and extensions. If a compliance issue is discovered, CONTRACTOR shall provide a remediation plan, including timelines and impacts, to STATE. CONTRACTOR shall indemnify STATE for any and all claims, including penalties, costs, and expenses, related to accessibility claims under the ADA related to the services provided under this Contract.

   c. CONTRACTOR shall file all required reports timely, make required payroll deductions, and pay all taxes and premiums owed timely, including sales and use taxes, and unemployment compensation and workers' compensation premiums.

   d. CONTRACTOR shall have and keep current and in good standing all licenses and permits required by law during the Term of this Contract all licenses and permits required by law.

   e. CONTRACTOR is prohibited from boycotting Israel for the duration of this Contract. (*See* N.D.C.C. § 54-44.4-15.) CONTRACTOR represents that it does not and will not engage in boycotting Israel during the term of this Contract. If STATE receives evidence that CONTRACTOR boycotts Israel, STATE shall determine whether the company boycotts Israel. The foregoing does not apply to contracts with a total value of less than $100,000 or if CONTRACTOR has fewer than ten (10) full-time employees.

   f. CONTRACTOR's failure to comply with this section is a material breach by CONTRACTOR and STATE may terminate this Contract in accordance with the Termination for Cause section of this Contract.

10. **SECTION 27) <u>THIRD-PARTY RISK MANAGEMENT PROGRAM</u>** is added as follows:

CONTRACTOR shall undergo the third-party security questionnaire on an annual basis at no cost to STATE, unless CONTRACTOR has received FedRAMP, StateRAMP, or HiTrust certification. CONTRACTOR shall provide complete questionnaire within twenty-one (21) calendar days of receiving a written request. CONTRACTOR shall undergo the third-party security questionnaire when a breach has occurred.

11. **SECTION 28) USE OF ARTIFICIAL INTELLIGENCE (AI) AND MACHINE LEARNING (ML)** is added as follows:

STATE AND CONTRACTOR agree CONTRACTOR may wish to use Artificial Intelligence (AI) and Machine Learning (ML) (together AI/ML) to complete CONTRACTOR's obligations under this Agreement. CONTRACTOR's use of AI/ML is subject to prior, written approval by STATE. CONTRACTOR shall provide to STATE detailed information, in writing, on the use of AI/ML in CONTRACTOR's obligations under this Contract. CONTRACTOR agrees to submit new information to STATE for approval any time CONTRACTOR substantially changes its use of AI/ML. NDPERS reserves the right to terminate the Contract for cause if CONTRACTOR uses AI/ML in a manner that STATE has not had the opportunity to approve or denied approval.

12. **SECTION 29) DATA SECURITY** is added as follows:

b. Remote access to STATE data from outside the United States, including remote access to STATE data by authorized support staff in identified support centers, is prohibited.

c. CONTRACTOR shall transmit, process, and store STATE data within the continental United States.

d. CONTRACTOR shall notify STATE at least ninety (90) days prior to any relocation of STATE's data to a different hosting facility. STATE may terminate the Contract without penalty if STATE does not approve of the new hosting facility.

13. **SECTION 29) BUSINESS ASSOCIATE AGREEMENT** is added as follows:

Information CONTRACTOR receives from STATE or participants under this Contract must comply with all of the requirements for a business associate under the Health Insurance Portability and Accountability Act and the Health Information Technology for Economic and Clinical Health Act and the regulations issued pursuant to the Health Insurance Portability and Accountability Act and the Health Information Technology for Economic and Clinical Health. CONTRACTOR is required to execute a Business Associate Agreement, Exhibit C, and provide assurance that it has similar agreements with any subcontractor providing services on behalf of CONTRACTOR in connection with any services provided to CONTRACTOR by a subcontractor related to this Contract.

Exhibit C to this Amendment replaces the Business Associate Agreement executed on

August 20, 2024, as an addendum to the Contract.

All other terms of the Contract remain in effect. This Amendment is not effective until fully executed by all parties.

State of North Dakota, through its Public Employees Retirement System

Signature: _____

Printed: _____

Title: _____

Date: _____

Application Software, Inc. dba ASIFlex

Signature: _____

Printed: John M. Riodica

Title: President

Date: 7/9/2026

State of North Dakota, through its North Dakota University System

Signature: Brent Sanford

Printed: Brent Sanford

Title: Commissioner

Date: 7/9/2026

EXHIBIT A to AMENDMENT NUMBER: 1

SCOPE OF WORK

A.1 GENERAL REQUIREMENTS

CONTRACTOR shall handle all administrative and recordkeeping functions, including processing enrollments, terminations and election changes, member correspondence, maintaining individual flexible spending accounts (FSA) accounts for participating employees, assistance with maintaining the plan document, processing reimbursement claims, and recovering/correcting any claim payment errors. Administrative services to be provided shall also include preparing informational plan materials and providing employer and employee training.

A.2 SPECIFIC REQUIREMENTS

CONTRACTOR shall be required to provide the following administrative services:

A.2.1 ENROLLMENT SERVICES

CONTRACTOR shall participate in the annual enrollment period for both NDPERS & NDUS for the 2027 and 2028 calendar years that will run for a three-week period beginning mid-October ending in early November 2026 and 2027, unless otherwise communicated in advance by NDPERS or NDUS. Newly eligible members and members enrolling during the annual enrollment will utilize the PERSLink business system or submit enrollment forms. NDUS is requiring a separate online enrollment website be set up by the CONTRACTOR. All NDPERS enrollments will be forwarded to the CONTRACTOR via an electronic file transfer for processing on the CONTRACTOR's system. All required enrollment services shall be in place prior to the start of the annual enrollment period. The CONTRACTOR shall meet with NDPERS and NDUS staff to discuss and organize the annual enrollments. The CONTRACTOR shall conduct employer and employee training, as requested, during and around the annual enrollment periods. The CONTRACTOR shall prepare communication/marketing materials for the flexible spending account (FSA) components of the plans.

At a minimum, the CONTRACTOR must provide the following informational materials:

- Informational material that provides a general description of the flexible spending account plans, lists the major expenses covered by the accounts, stresses the advantages of participating in the program, covers important enrollment and claim filing deadlines, and lists available IVR, Mobile App, and internet services. The informational material will be put on the NDPERS website.
- Informational material containing a more detailed description of the plans, a comprehensive listing of eligible expenses under each plan, use-it-or-lose-it rule, change in family status requirement for election changes, important plan deadlines and cutoffs, procedures for filing claims and using the debit card, COBRA qualifying events, a comprehensive listing of available services, and a description of other important plan provisions. The informational material will be

put on the NDPERS website.

- All required FSA forms with instructions, including the following documents:
  - FlexComp Plan Document
  - Flexible Spending Accounts – What you need to know?
  - Flexible Spending Account Eligible Expenses
  - Medical FSA Overview
  - Dependent Care FSA Overview
  - Over-the-Counter Health Care Products
  - How to Update your FlexComp Annual Contribution Election
  - ASIFlex Quick Guide – Reimbursement Options
  - ASIFlex Mobile App
  - ASIFlex Paper Claim Form
  - Things to know about the ASIFlex Debit Card
  - Complete list of FSA Debit Card Resources
  - Debit Card Documentation Form

- CONTRACTOR shall use NDPERS enrollment forms [for NDPERS participants] unless otherwise agreed by NDPERS
- Reimbursement options brochure detailing various reimbursement options and details about submitting for reimbursement under each option.
- All materials must be co-branded with the CONTRACTOR and NDPERS logo or NDUS logo.

For those enrolling in the FSA plans, the CONTRACTOR shall provide a welcome kit which shall include the following information:

- An enrollment confirmation letter;
- An explanation of the debit card feature with instructions;
- Debit card(s) for medical spending accounts, preferably co-branded;
- Information regarding COBRA;
- Reimbursement options flyer that includes instructions on submitting claims through various options.

The CONTRACTOR shall mail welcome kits/informational materials to the participant's home address.

A.2.2 ADMINISTRATIVE SERVICES

CONTRACTOR shall administer a debit card program. Debit card(s) shall be provided to each participant prior to the start of the plan year and, for new hires and other newly eligible employees, upon enrolling in the medical spending account. The CONTRACTOR shall adhere to IRS substantiation rules applicable to the use of debit cards in FSA programs. Any fees associated with the issuance or use of debit cards should be included in the per participant/per month base cost and no additional cost shall be charged to the participant.

CONTRACTOR shall establish a website that participants can access to obtain account information and to utilize on-line services. The website shall include general information regarding the FSA plans. Desired internet services provided by the CONTRACTOR shall include: (a) ability to download plan forms, (b) access to member account information, including claim payments, pending claims and account balances; and (c) ability to file reimbursement claim forms on-line and via mobile app.

CONTRACTOR shall provide a toll-free number that participants can call for general account information or to speak to a representative. Customer service representatives shall be available at a minimum Monday through Friday, between the hours of 8:00 a.m. and 5:00 p.m. (Central Time).

A.2.3 CLAIMS PROCESSING SERVICES

NDPERS and NDUS maintain separate bank accounts, where deductions are deposited and CONTRACTOR access to the accounts is authorized to make claim transactions. The CONTRACTOR shall post contributions received from participating employers to individual participant accounts. Reimbursements for incurred expenses shall be made to participants upon the submission of a properly completed reimbursement claim form with required documentation. The CONTRACTOR shall establish and maintain controls to ensure that only valid claims are processed and that proper documentation to substantiate incurred expenses accompany submitted claims. Participants shall be permitted to mail or fax claim forms to the CONTRACTOR, and to file claim forms electronically via the CONTRACTOR's internet site or through use of the CONTRACTOR's mobile app.

If a filed claim is deemed to be invalid or if additional information is required to process a claim, notification must be sent to the claimant detailing the reason for the denial of the claim or the specific information needed in order to process the claim. The CONTRACTOR shall process claim reimbursements on a daily basis during the work week. In accordance with federal rules and guidelines, the maximum amount of reimbursement in the medical spending account (MSA) shall be available at all times during the plan year. To ensure that dependent care spending account (DCSA) participants have immediate access to funds deducted for their DCSA coverage, payroll deductions received from NDPERS and NDUS shall be posted to the participant's account and available for reimbursement. The CONTRACTOR shall detail their timelines for posting contributions.

A.2.4 ELECTRONIC FILE TRANSFER REQUIREMENTS

CONTRACTOR shall provide a secure internet site from which enrollment and payroll deduction files can be safely transferred between the CONTRACTOR and NDPERS or NDUS.

A.2.5 END OF YEAR SERVICES

The NDPERS and NDUS plan year runs from January 1 through December 31. The program's cut-off date for filing reimbursement claims is April 30, following the end of the plan year. The

CONTRACTOR shall process reimbursement claims received from participants up through the April 30 cutoff date pursuant to applicable IRS guidelines.

The NDPERS and NDUS programs adopted the grace period extension rule for both FSA accounts, which allows participants to be reimbursed for qualifying expenses incurred between January 1 and March 15 following the end of the plan year from the prior year's election. Debit card charges for MSA participants shall be applied toward any prior year unused amount before charging expenses to the current year's election.

A.3 REPORTS

CONTRACTOR shall compile, on a periodic basis, reports that summarize the claims activity and provide detailed member account information. At a minimum, the following reports shall be available to NDPERS and NDUS:

1. A report prior to the start of the plan year that lists the plan participants and their election amount.

2. A quarterly activity report which includes a detailed listing of participants, deposits to date, claims submitted, claims paid, and current account balances.

3. A preliminary forfeiture report prepared as of December 31 with member account detail.

4. A final forfeiture report with member account detail within sixty (60) days following the close of the plan year.

5. A year-to-year enrollment comparison to be provided in January of each year following annual enrollment.

6. Monthly call center activity and claims processing reports.

7. Monthly outstanding check report.

8. Quarterly performance standard reporting.

A.4 ADA ACCESSIBILITY

All required FSA forms including the FlexComp Plan Document, Flexible Spending Accounts – What you need to know?, Flexible Spending Account Eligible Expenses, Medical FSA Overview, Dependent Care FSA Overview, Over-the-Counter Health Care Products, How to Update your FlexComp Annual Contribution Election, ASIFlex Quick Guide – Reimbursement Options, ASIFlex Mobile App, ASIFlex Paper Claim Form, Things to know about the ASIFlex Debit Card, Complete list of FSA Debit Card Resources, and Debit Card Documentation Form must comply with the Americans with Disabilities Act (ADA) and at a minimum, conform to 28 CFR § 35.200 federal Requirements for Web and Mobile Accessibility.

Upon request by STATE, additional documents CONTRACTOR is required to provide under this Contract must comply with the Americans with Disabilities Act (ADA) and at a minimum, conform to 28 CFR § 35.200 federal Requirements for Web and Mobile Accessibility.

A.5 PLAN DOCUMENT

CONTRACTOR agrees to follow all the provisions in the NDPERS and NDUS plan documents.

B: SEQUENCE OF ACTIVITIES

Following is a sequence of major activities:

August 2026/2027	CONTRACTOR will begin work with the NDPERS and NDUS staff concerning the upcoming annual enrollment.
September 2026/2027	CONTRACTOR will supply to NDPERS and NDUS the written informational material identified in A.2.1 and such other information identified in the August meeting. NDUS sends employee demographic data to CONTRACTOR to set up enrollment website.
Mid-October 2026/2027	NDPERS & NDUS Annual Enrollment starts (tentative).
Early November 2026/2027	NDPERS & NDUS Annual Enrollment ends (tentative).
December 2026/2027	NDPERS sends enrollment files to CONTRACTOR. CONTRACTOR sends enrollment files to NDUS. CONTRACTOR must start providing welcome kits to members enrolling pursuant to A.2.1.
January 1, 2027/2028	CONTRACTOR starts processing NDPERS and NDUS claims.

C. MEETINGS

CONTRACTOR shall attend one meeting each year with the NDPERS Board. The CONTRACTOR may be asked to participate in any annual enrollment meetings or informational meetings. The CONTRACTOR shall attend the 1-day NDPERS biannual payroll conference and annual wellness fair, if requested by NDPERS. Virtual options may be available for these meetings at the discretion of NDPERS.

D. ONGOING ASSISTANCE

CONTRACTOR shall assist NDPERS and NDUS with maintaining the plan document and other plan compliance activities.

Administration Pricing Made Simple!

Prepared for NDPERS FlexComp

Monthly PPPM Admin Fees

FSA: $2.35 or $2.15 "Go Green"

- "Go Green" - Reduced admin fee for participants who elect direct deposit and electronic communications.
- Only one PPPM - Per Participant Per Month fee if more than one benefit is elected.
- Rates locked in for full contract period

On-Site Visits: Included at no charge

FSA Debit Cards: $0.00
Replacement cards at no additional cost.

Nondiscrimination Testing: $0.00
Complimentary testing as often as requested.

Set Up Fees/Renewal Fees: $0.00

What else is included at no additional cost?

- Dedicated Account Management
- Live Customer Service - No IVRs!
- Efficient and Accurate Claim Processing
- SPD and Plan Document Services
- Data Interchange Flexibility
- Robust Reporting Options and Ad-Hoc Reports
- Webinars and Virtual OE Sessions
- SSO (Single Sign On) Capabilities
- Mobile Application for Phones and Tablets
- Participant and Employer Surveys
- Employee Plan Communication Materials
- User Friendly Participant and Employer Portals
- On Staff General Counsel to Monitor Regulatory Environment
- Co-branding Options and Customization of Materials

800.659.3035 www.asiflex.com asi@asiflex.com

EXHIBIT C to AMENDMENT NUMBER: 1

Business Associate Agreement

This Business Associate Agreement is entered into by and between, the North Dakota Public Employees Retirement System ("NDPERS"), the North Dakota University System ("NDUS") and the Application software, Inc dba ASIFlex ("ASIFlex"), each individually a "Party" and collectively the "Parties."

DEFINITIONS

Terms used, but not otherwise defined, in this Agreement have the same meaning as those terms in the HIPAA Rules.

Catch-all definitions:

The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

Specific definitions:

a. Business Associate. "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR § 160.103, and in reference to the party to this Agreement, shall mean ASIFlex.

b. Covered Entity. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR § 160.103, and in reference to the party to this Agreement, shall mean NDPERS and NDUS.

c. Electronic Protected Health Information. "Electronic Protected Health Information" (ePHI) shall generally have the same meaning as the term "electronic protected health information" at 45 CFR § 160.103.

d. HIPAA Rules. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.

e. Protected Health Information. "Protected Health Information" (PHI) shall generally have the same meaning as the term "protected health information" at 45 CFR § 160.103 that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity.

OBLIGATIONS OF BUSINESS ASSOCIATE

The Business Associate agrees to:

a. Not use or disclose PHI other than as permitted or required by this Agreement or as required by law, or as otherwise authorized in writing by Covered Entity;

b. Use appropriate safeguards, and comply with Subpart C of 45 C.F.R. Part 164 with respect to ePHI, to prevent use or disclosure of PHI other than as provided for by the Agreement;

c. Not request, use, or disclose PHI in a manner that would violate Subpart E of 45 C.F.R. § 164 if done by Covered Entity, except that Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate.

d. Not request, use, or disclose more than the minimum amount of PHI necessary to accomplish the purpose of the use, disclosure, or request in accordance with 45 C.F.R. § 164.502(b).

e. Not share, use, or disclose PHI in any form via any medium with any individual beyond the boundaries and jurisdiction of the United States of America without express written authorization from Covered Entity.

f. Ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such PHI, in accordance with 45 CFR § 164.502(e)(1) and § 164.308(b).

g. Within twenty (20) business days of receiving written notice from Covered Entity, make any amendments to PHI in a Designated Record Set, as directed or agreed to by Covered Entity pursuant to 45 CFR § 164.526, or take other measures as necessary to satisfy the Covered Entity's obligations under 45 CFR § 164.526.

h. PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate.

i. Report to Covered Entity any use or disclosure of PHI not provided for by the Agreement of which it becomes aware, including breaches of unsecured PHI as required at 45 C.F.R. § 164.410, and any security incident of which it becomes aware;

j. To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that it creates, receives, maintains or transmits on behalf of the Covered Entity as required by the HIPAA Rules.

k. To make available to the Secretary the Business Associate's internal practices, books, and records, including policies and procedures relating to the use and disclosure of PHI and ePHI received from, or created or received by Business Associate on behalf of Covered Entity, for the purpose of determining the Covered Entity's compliance with the HIPAA Rules, subject to any applicable legal privileges.

l. Provide to Covered Entity within fifteen (15) days of a written notice from Covered Entity, information necessary to permit the Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

m. To provide, within ten (10) days of receiving a written request, information necessary for the Covered Entity to respond to an Individual's request for access to PHI about himself or herself under 45 C.F.R. § 164.524, in the event that PHI in the Business Associate's possession constitutes a Designated Record Set.

REPORTING OF A VIOLATION TO COVERED ENTITY BY BUSINESS ASSOCIATE

Business Associate shall report to Covered Entity's Breach Investigation Team (BIT) via email at ndpers-info@nd.gov any use or disclosure of PHI or ePHI not provided for by this Agreement, of which it becomes aware, including breaches of unsecured PHI as required at 45 CFR § 164.410, and any Security Incident of which it becomes aware, immediately, and in no case later than ten (10) business days after the use or disclosure.

a. Security Incident. "Security Incident" means (as defined by 45 CFR § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system. For purposes of clarification of this Section, Security Incident includes use, disclosure, modification, or destruction of PHI by an employee or otherwise authorized user of its system of which Business Associate becomes aware. Business Associate shall track all Security Incidents and shall report such Security Incidents in summary fashion as may be requested by the Covered Entity.

    i. Unsuccessful Security Incidents. Business Associate and Covered Entity agree that this Agreement constitutes notice from Business Associate of such Unsuccessful Security Incidents. By way of example, Covered Entity and Business Associate consider the following to be illustrative of Unsuccessful Security Incidents when they do not result in unauthorized access, use, disclosure, modification, or destruction of PHI or interference with an information system:

        1. Pings on Business Associate's firewall;

        2. Port Scans, which are attempts to log on to a system or enter a database with an invalid password or username;

        3. Denial-of-service attacks that do not result in a server being taken off-line; and

4. Malware (e.g., worms, viruses).

b. Discovery of a Violation. If the use or disclosure amounts to a breach of Unsecured PHI or ePHI, Business Associate shall ensure its report is made to Covered Entity's Breach Investigation Team (BIT) via email at ndpers-info@nd.gov immediately upon becoming aware of the Breach, and in no case later than ten (10) business days after discovery. The Violation shall be treated as "discovered" on the first day which the Violation is known to the Business Associate or, by exercising reasonable diligence would have been known to the Business Associate. For purposes of clarification of this Section, Business Associate must notify Covered Entity of an incident involving the acquisition, access, use, or disclosure of PHI or ePHI in a manner not permitted under 45 C.F.R. Part E within ten (10) business days after an incident even if Business Associate has not conclusively determined within that time that the incident constitutes a Breach as defined by HIPAA Rules.

c. Investigation of Breach. Business Associate shall immediately investigate the Violation and report in writing within ten (10) business days to Covered Entity with the following information:

i. Each Individual whose PHI has been or is reasonably believed to have been accessed, acquired, or disclosed during the Incident;

ii. A description of the types of PHI that were involved in the Violation (such as full name, social security number, date of birth, home address, account number);

iii. A description of unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or confidential data;

iv. A description of where the PHI or confidential data is believed to have been improperly transmitted, sent, or utilized;

v. A description of probable causes of the improper use or disclosure;

vi. A brief description of what Business Associate is doing to investigate the Incident, to mitigate losses, and to protect against further Violations;

vii. The actions Business Associate has undertaken or will undertake to mitigate any harmful effect of the occurrence; and

viii. A Corrective Action Plan that includes the steps Business Associate has taken or shall take to prevent future similar Violations.

d. Breach Notification.

i. Business Associate shall cooperate and coordinate with Covered Entity in the

preparation of any reports or notices to the Individual, required to be made under the HIPAA Rules or any other Federal or State laws, rules or regulations, provided that any such reports or notices shall be subject to the prior written approval of Covered Entity.

ii. Covered Entity shall make the final determination whether the Breach requires notices to affected Individuals and whether the notices shall be made by Covered Entity or Business Associate.

iii. For any notice regarding a Breach of Unsecured PHI caused by Business Associate that Covered Entity is required to provide pursuant to 45 C.F.R. §§ 164.404 – 164.408, Business Associate shall reimburse Covered Entity for all costs associated with Covered Entity's obligation of notifying affected Individuals, the Secretary, and the media.

e. Mitigation. Business Associate shall mitigate to the extent practicable, and at its sole expense, any harmful effects known to the Business Associate of a use, disclosure, or loss of PHI by Business Associate in violation of the requirements of this Agreement, including, without limitation, any Security Incident or Breach of Unsecured PHI. Business Associate shall reasonably cooperate with the Covered Entity's efforts to seek appropriate injunctive relief or otherwise prevent or curtail such threatened or actual Breach, or to recover its PHI, including complying with a reasonable Corrective Action Plan.

Permitted Uses and Disclosures by Business Associate

a. General Use and Disclosure Provisions. Business Associate may only use or disclose the minimum PHI and ePHI to perform functions, activities, or services for, or on behalf of, Covered Entity, specifically, as necessary to perform the services set forth in the Agreement. Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth in subsection b below.

b. Specific Use and Disclosure Provisions. Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI and ePHI:

a. As required by law.

b. To make uses, disclosures, and requests for PHI consistent with Covered Entity's minimum necessary policies and procedures.

c. For the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

d. To report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §§ 164.304 and 164.502(j)(1).

Obligations of Covered Entity

a. Covered Entity shall notify Business Associate of:

    a. Any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. § 164.520, to the extent that any such limitation may affect Business Associate's use or disclosure of PHI.
    b. Any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that any such changes may affect Business Associate's use or disclosure of PHI.
    Any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that any such restriction may affect Business Associate's use or disclosure of PHI.

b. Covered Entity agrees that it:

    i. Has included, and will include, in Covered Entity's Notice of Privacy Practices required by the Privacy Rule that Covered Entity may disclose PHI for Health Care Operations purposes.
    ii. Has obtained, and will obtain, from Individuals any consents, authorizations and other permissions necessary or required by laws applicable to Covered Entity for Business Associate and Covered Entity to fulfill their obligations under the underlying Agreement and this Agreement.
    iii. Will promptly notify Business Associate in writing of any restrictions on the use and disclosure of PHI about Individuals that Covered Entity has agreed to that may affect Business Associate's ability to perform its obligations under the underlying Agreement or this Agreement.
    iv. Will promptly notify Business Associate in writing of any change in, or revocation of, permission by an Individual to use or disclose PHI, if the change or revocation may affect Business Associate's ability to perform its obligations under the underlying Agreement or this Agreement.

Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Subpart E of 45 CFR Part 164 if done by Covered Entity, except that the Business Associate may use or disclose PHI and ePHI for management and administration and legal responsibilities of Business Associate.

Term and Termination

a. Term. The Term of this Agreement shall be effective when fully executed by all Parties, and shall terminate when all of the PHI and ePHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI and ePHI, protections are extended to any such information, in accordance with the termination provisions in this Section.

b. Automatic Termination. This Agreement will automatically terminate upon the termination or expiration of the Agreement or expiration of the services provided.

c. Termination for Cause. Business Associate agrees that if in good faith Covered Entity determines that Business Associate has materially breached any of its obligations under this Agreement, Covered Entity may:

1. Exercise any of its rights to reports, access, and inspection under this Agreement;

2. Require the Business Associate to cure the breach or end the violation within the time specified by Covered Entity;

3. Terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity

4. Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

5. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

6. Before exercising either (c)(2) or (c)(3), Covered Entity shall provide written notice of preliminary determination to Business Associate describing the violation and the action Covered Entity intends to take.

d. Effect of Termination

1. Upon termination, cancellation, expiration, or other conclusion of this Agreement, Business Associate shall:

a. Return to Covered Entity or, if return is not feasible, destroy all PHI, ePHI, and any compilation of PHI in any media or form. Business Associate agrees to ensure that this provision also applies to PHI and ePHI in possession of subcontractors and agents of Business Associate. Business Associate agrees that any original record or copy of PHI and ePHI in any media is included in and covered by this provision, as well as all originals or copies of PHI or ePHI provided to subcontractors or agents of Business Associate. Business Associate agrees to complete the return or destruction as promptly as possible, but not more than thirty (30) business days after the conclusion of this Agreement. Business Associate will provide written documentation evidencing that return or destruction of all PHI and ePHI has been completed.

b. If Business Associate destroys PHI and ePHI, it shall be done with the use of technology or methodology that renders the PHI or ePHI unusable,

unreadable, or undecipherable to unauthorized individuals as specified by the Secretary. Acceptable methods for destroying PHI or ePHI include:

a. For paper, film, or other hard copy media: shredding or destroying in order that PHI cannot be read or reconstructed; and

b. For electronic media: clearing, purging, or destroying consistent with the standards of the National Institute of Standards and Technology (NIST).

Redaction is specifically excluded as a method of destruction of PHI and ePHI.

c. If Business Associate believes that the return or destruction of PHI or ePHI is not feasible, Business Associate shall provide written notification of the conditions that make return or destruction not feasible. If Business Associate determines that return or destruction of PHI or ePHI is not feasible, Business Associate shall extend the protections of this Agreement to the PHI or ePHI and prohibit further uses or disclosures of the PHI and ePHI without the express written authorization of Covered Entity. Subsequent use or disclosure of any PHI and ePHI subject to this provision will be limited to the use or disclosure that makes return or destruction not feasible.

Miscellaneous

a. Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.

b. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the HIPAA Rules and any other applicable laws or regulations upon the effective date of such amendment, regardless of whether this Agreement has been formally amended.

c. Survival. The respective rights and obligations of Business Associate under Section 7(d), related to "Effect of Termination," of this Agreement shall survive the termination of this Agreement.

d. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity and Business Associate to comply with the HIPAA Rules.

e. Headings. Paragraph Headings used in this Agreement are for the convenience of the Parties and shall have no legal meaning in the interpretation of this Agreement.

f. Severability. With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform

such provision so that it is enforceable to the maximum extent permitted by applicable law, and the Parties shall abide by such court's determination. In the event that any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect.

g. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything this Agreement confer, upon any person other than the Parties and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

h. Applicable Law and Venue. This Business Associate Agreement is governed by and construed in accordance with the laws of the State of North Dakota. Any action commenced to enforce this Contract must be brought in the state District Court of Burleigh County, North Dakota.

i. Contact Persons. Business Associate shall identify "key contact persons" in Attachment A for all matters relating to this Agreement and shall notify Covered Entity of any change in these key contacts during the term of this Agreement in writing within ten (10) business days.

j. Business Associate agrees to comply with all the requirements imposed on a business associate under Title XIII of the American Recovery and Reinvestment Act of 2009, the Health Information Technology for Economic and Clinical Health (HI-TECH) Act, and, at the request of NDPERS or NDUS, to agree to any reasonable modification of this Agreement required to conform the Agreement to any Model Business Associate Agreement published by the Department of Health and Human Services.

Entire Agreement

This Agreement and the underlying Agreement contains all of the agreements and understandings between the parties with respect to the subject matter of this Agreement. No agreement or other understanding in any way modifying the terms of this Agreement will be binding unless made in writing as a modification or amendment to this Agreement and executed by both parties.

IN WITNESS OF THIS, **NDPERS** and **NDUS** ["Covered Entity"] and **ASIFlex** ["Business Associate"] agree to and intend to be legally bound by all terms and conditions set forth above and hereby execute this Agreement as of the effective date set forth above.

For Covered Entity:

Rebecca Fricke, Executive Director
ND Public Employees Retirement System

For Business Associate:

Signature
John M. Riddick

Printed Name

PRESIDENT

Title

Date

7/9/2026

Date

ATTACHMENT "A"

BUSINESS ASSOCIATE KEY CONTACT PERSONS

When applicable, Business Associate shall notify Covered Entity of any change in key contacts during the term of this Agreement in writing within ten business days.

Website URL (if applicable):	

FIRST POINT OF CONTACT	
Name:	SARAH Luebrecht
Title:	ACCOUNT MANAGER
Address:	
Phone Number:	573 777 5633
Fax Number:	
Email Address:	SLUEBRECHT@ASIFLEX.COM

SECOND POINT OF CONTACT	
Name:	Dennis Jones
Title:	COO
Address:	
Phone Number:	573 777 5608
Fax Number:	
Email Address:	DJONES@ASIFLEX.COM

Business Associate

(Signature): _____

(Print Name): John M. Riddick

(Title): President

(Date): 7/9/2026

North Dakota
Public Employees Retirement System
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Rebecca Fricke
Executive Director
(701) 328-3900
(800) 803-7377

Fax: (701) 328-3920 Email: ndpers-info@nd.gov Website: www.ndpers.nd.gov

Sanford Health Plan Member Survey

TO: NDPERS Board

FROM: Lindsay

DATE: July 14, 2026

Representatives from Sanford Health Plan (SHP) will be at the meeting to present the results of the SHP 2026 Member Survey (Attachment 1). The full report is provided as informational in Attachment 2.

Attachment 1

JUNE 2026 | Sanford Health Market Research

2026 NDPERS MEMBER EXPERIENCE SURVEY

Prepared by Shawn Tronier
Sanford Health Market Research

NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

METHODOLOGY

METHODOLOGY

- The NDPERS member survey was fielded from March 10, 2026 through May 20, 2026
- A random sample of 7,500 NDPERS members were invited to participate by postal mail, with an option to complete the survey online.
- The survey questions and methodology remained consistent with previous waves to support trend comparisons.
- A total of **956** NDPERS members completed the survey (619 mailed / 337 online)

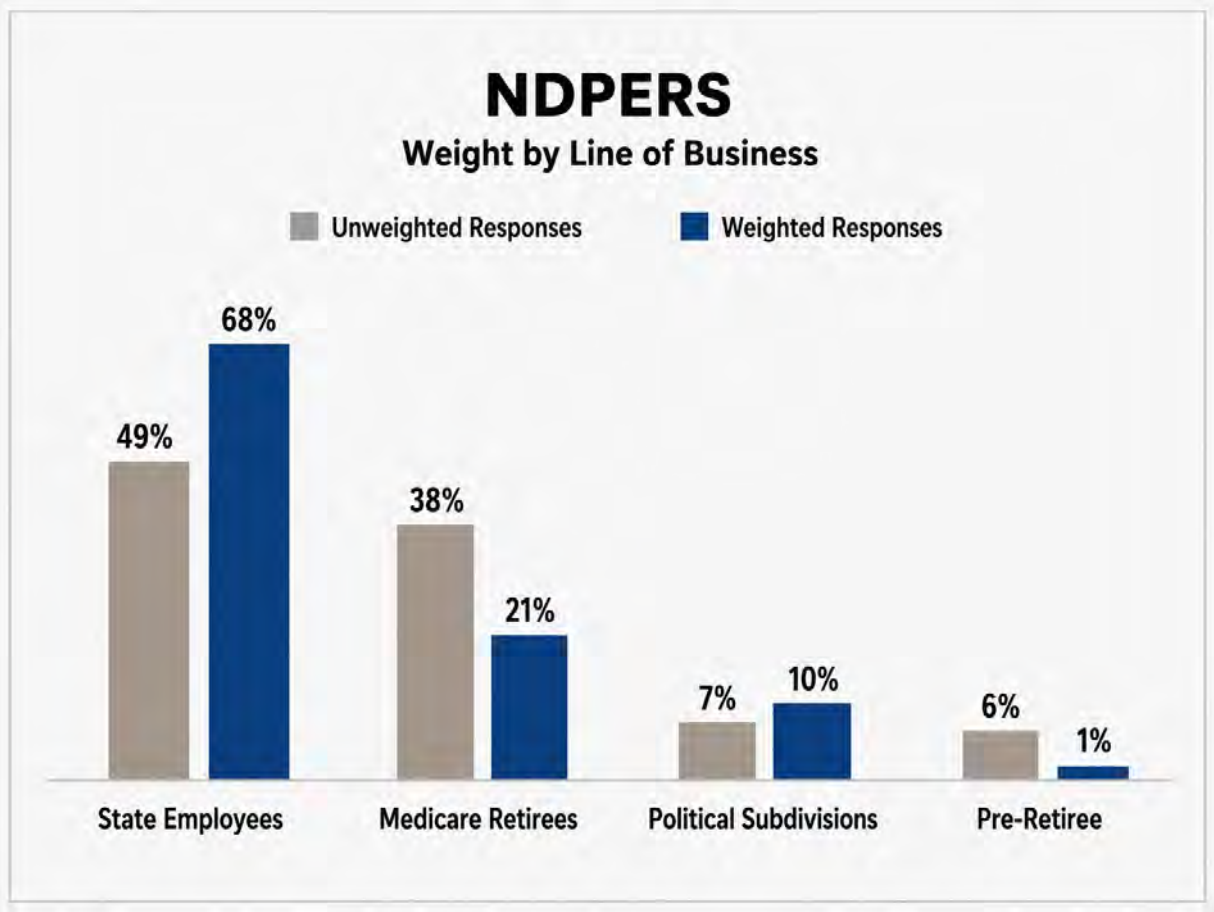
ANALYSIS

- Completed surveys were received and processed by the Sanford Health Market Insights Department
- Data was cleaned to ensure the highest level of accuracy
- Open-ended comments were analyzed using artificial intelligence to identify major themes in an unbiased manner.
- Results were weighted by line of business to accurately represent the overall NDPERS membership
- The margin of error is +/- 3.1%

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

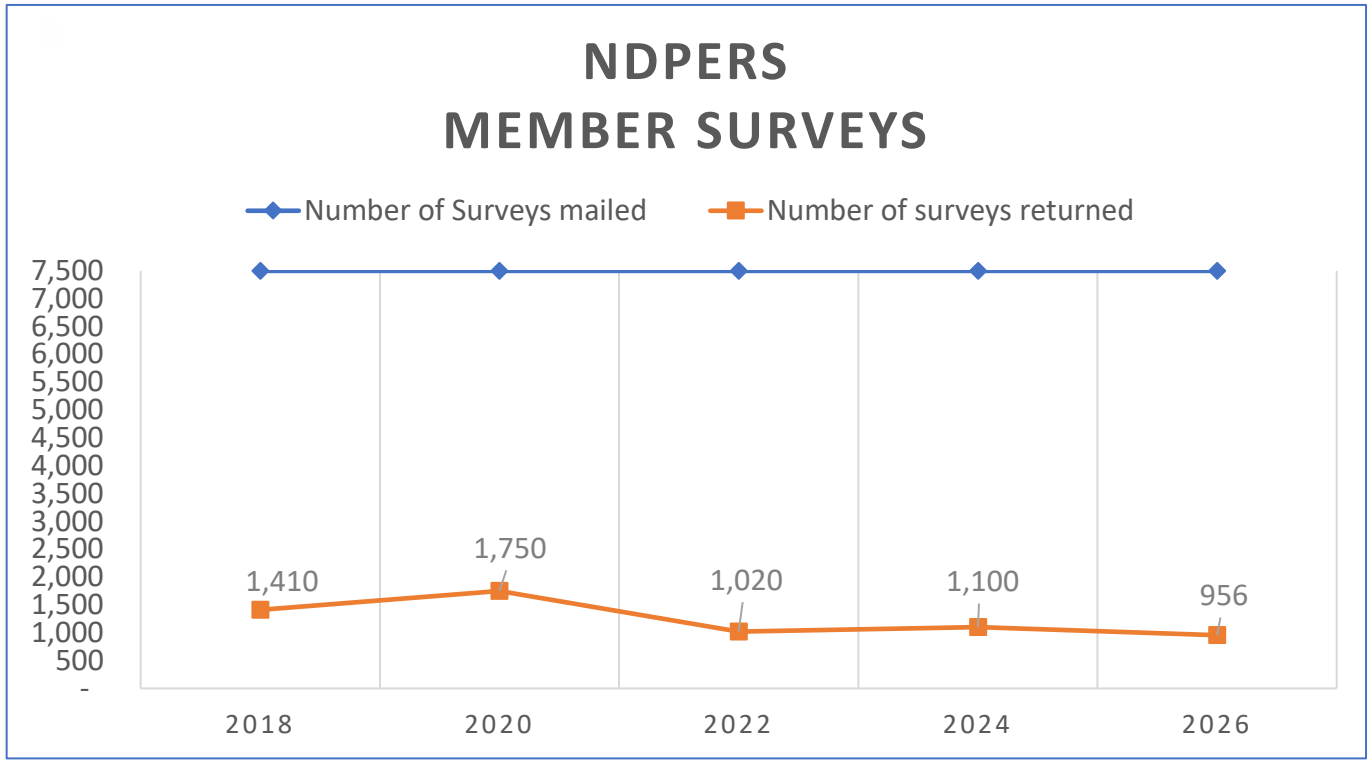
WEIGHTING BY LOB

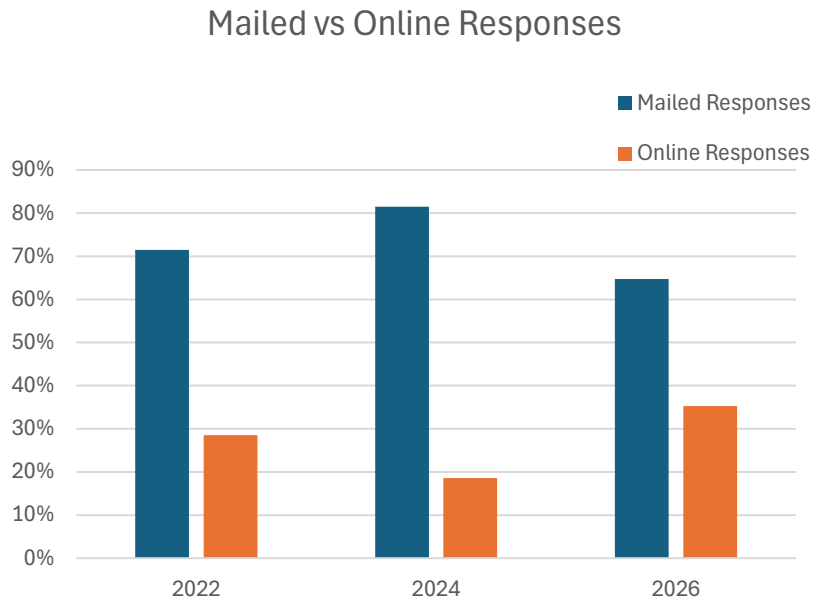
WEIGHTING ENSURES RESULTS REFLECT THE OVERALL NDPERS MEMBERSHIP



Number of responses = 956

RESPONSE RATE





NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

EXECUTIVE SUMMARY

STRONG MEMBER SATISFACTION CONTINUES, WITH OPPORTUNITIES TO IMPROVE COST, COVERAGE AND SERVICE

- **NDPERS member satisfaction remains strong**, through consistent performance in recent years.
- **NPS exceeds the industry benchmark,** providing a strong baseline **–** with notable variations by line of business.
- **Members value the strong coverage, reliable claims payment, and competitive plan value** relative to other insurance options.
- **Top improvement opportunities center on the "4 Cs"** — Cost, Coverage, Complexity, and Communication — particularly out-of-pocket expenses and benefit understanding**.**
- **Member services satisfaction remains consistent** with strong marks for courtesy, respect, and knowledge
- **Declining response rates**- causing an increase in the margin of error and warrants future discussion on survey construction.

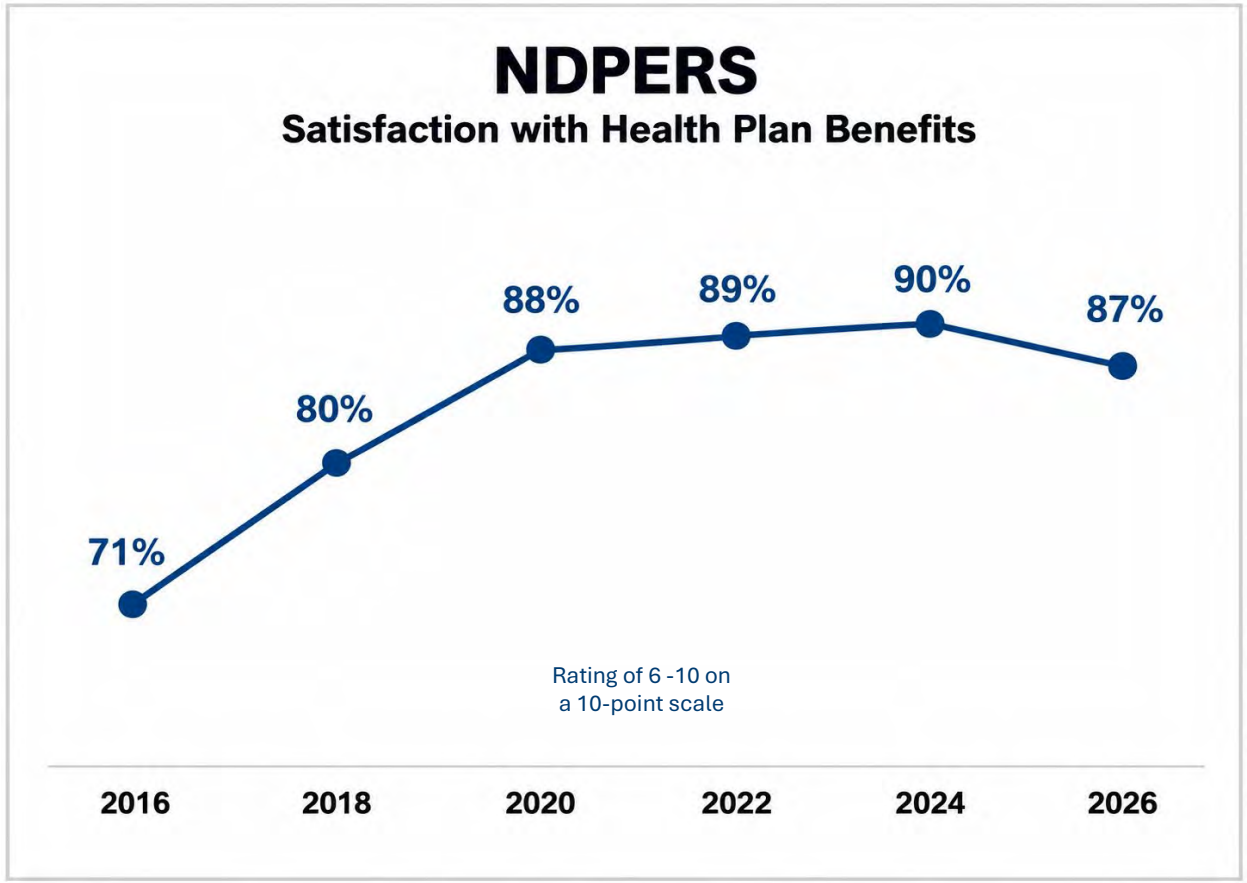
MEMBER EXPERIENCE

NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

SATISFACTION WITH BENEFITS

Q. How satisfied are you with your NDPERS Health Plan Benefits?

MEMBER SATISFACTION REMAINS HIGH

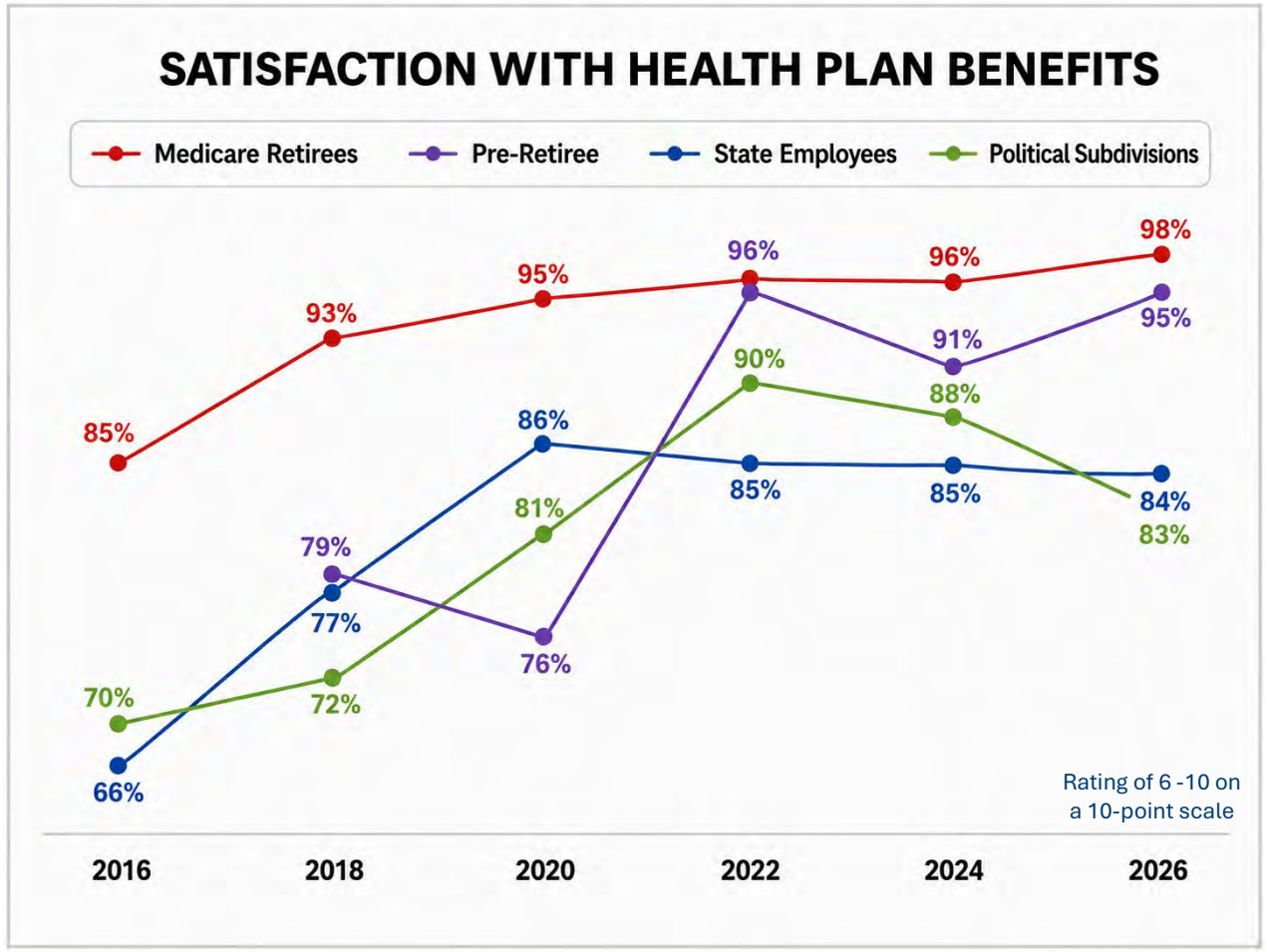


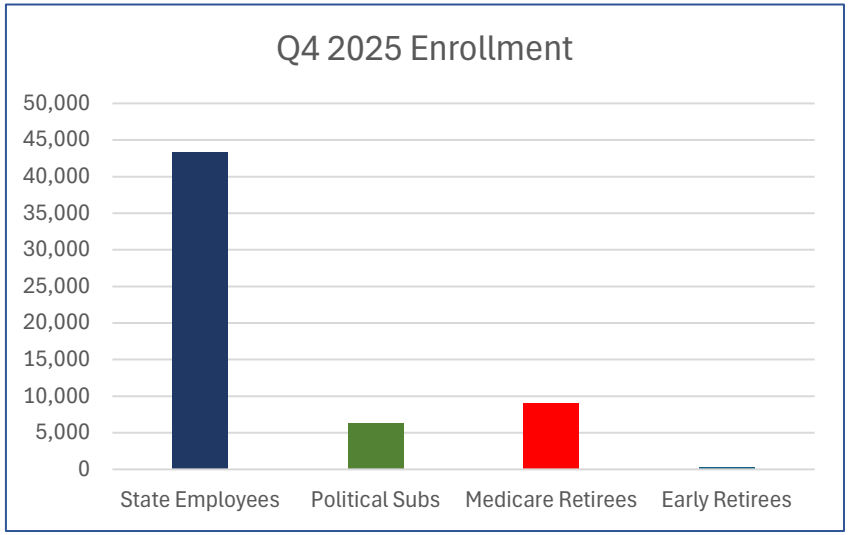
Number of responses = 948
Margin of error = +/- 3.1%

SATISFACTION BY LINE OF BUSINESS

Q. How satisfied are you with your NDPERS Health Plan Benefits?

STATE EMPLOYEES CONTINUE TO HAVE CONSISTENTLY HIGH SATSIFACTION





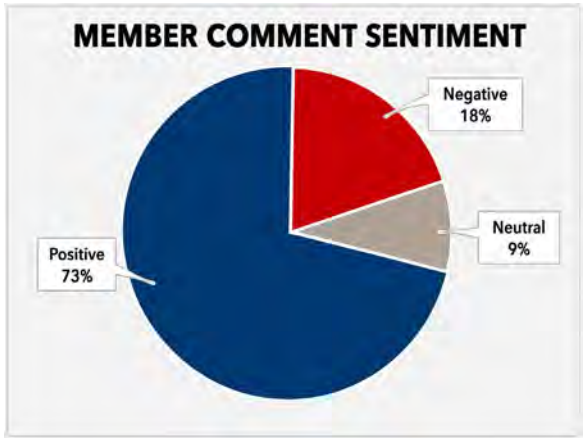
Number of responses = 948
Margin of error = +/- 3.1%

AI SUMMARY OF COMMENTS

Q. Why did you give NDPERS Dakota Plan Health Benefits that rating?

MEMBER COMMENTS REINFORCE STRONG SATISFACTION, WHILE HIGHLIGHTING COST AND COVERAGE CONCERNS

ChatGPT



Number of responses = 654

Top 3 Strengths

1. Strong overall coverage and benefits value
- "The plan seems to cover quite a bit."
- "NDPERS Benefits have covered all of our health needs very efficiently."

2. Claims are generally paid and benefits work as expected
- "Pays claims"
- "Most health claims are covered by the insurance."

3. Favorable comparison to other insurance options
- "Compared to the insurance plan I had off the Marketplace, this plan is wonderful."
- "The state has great healthcare benefits compared to other employers."

Top 3 Areas for Improvement

1. Costs: deductibles, copays, premiums, and unexpected bills
- "Why do I have to pay so much when I have health insurance?"
- "A large amount of costs are on the consumer."

2. Coverage gaps and exclusions
- "Our plan refuses to cover weight loss medication…"
- "Would prefer better dental and vision coverage plans."

3. Complexity, prior authorization and communication
- "It is quite confusing on how to use the benefits."
- "Deductible is too high, coverage is poor, everything has to be pre-approved."

Microsoft Excel Worksheet

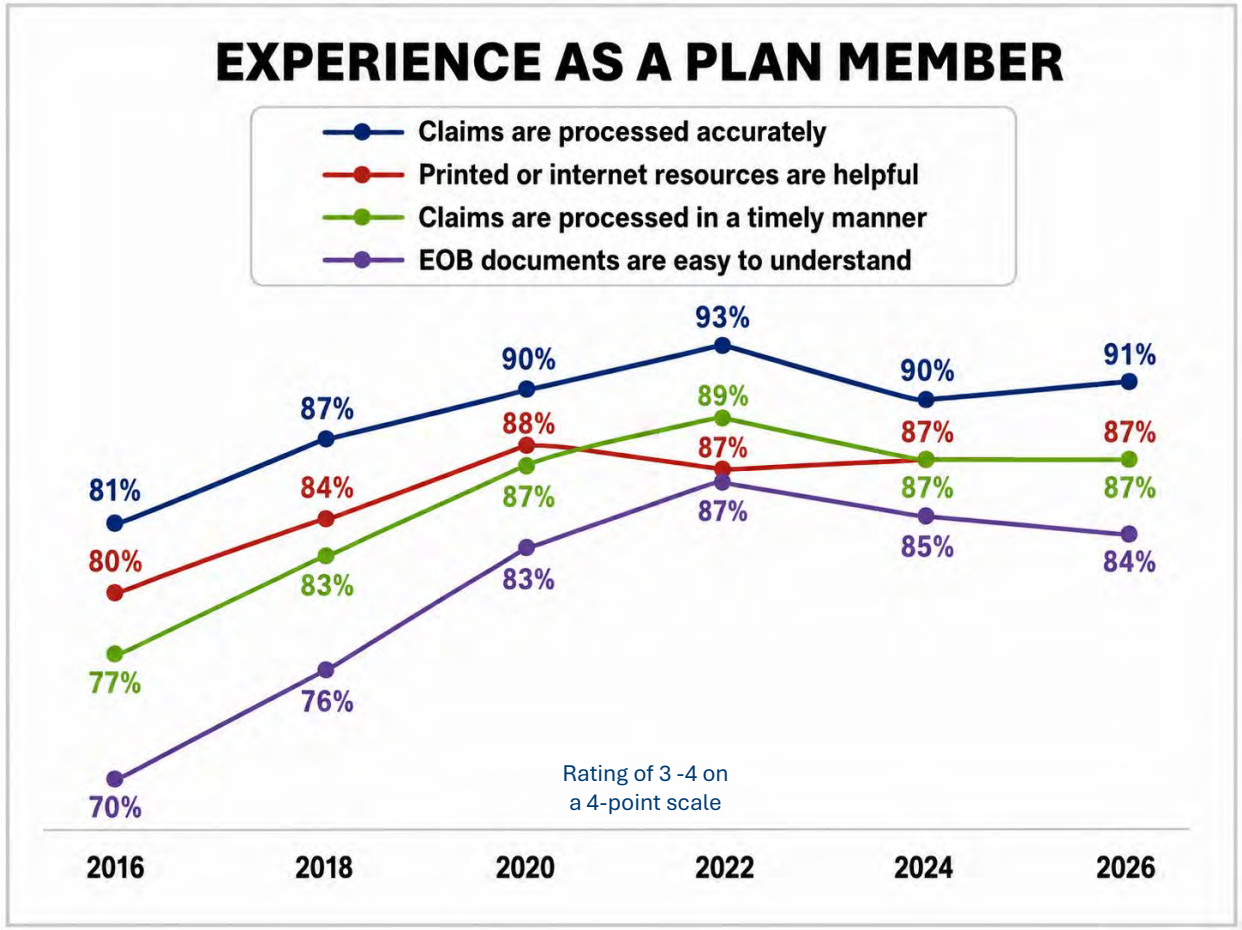
Click on the Excel Worksheet to view all member comments

Number of responses = 654

MEMBER EXPERIENCE

Q. Please tell us more about your experience as a plan member?

MEMBER EXPERIENCE REMAINS STRONG



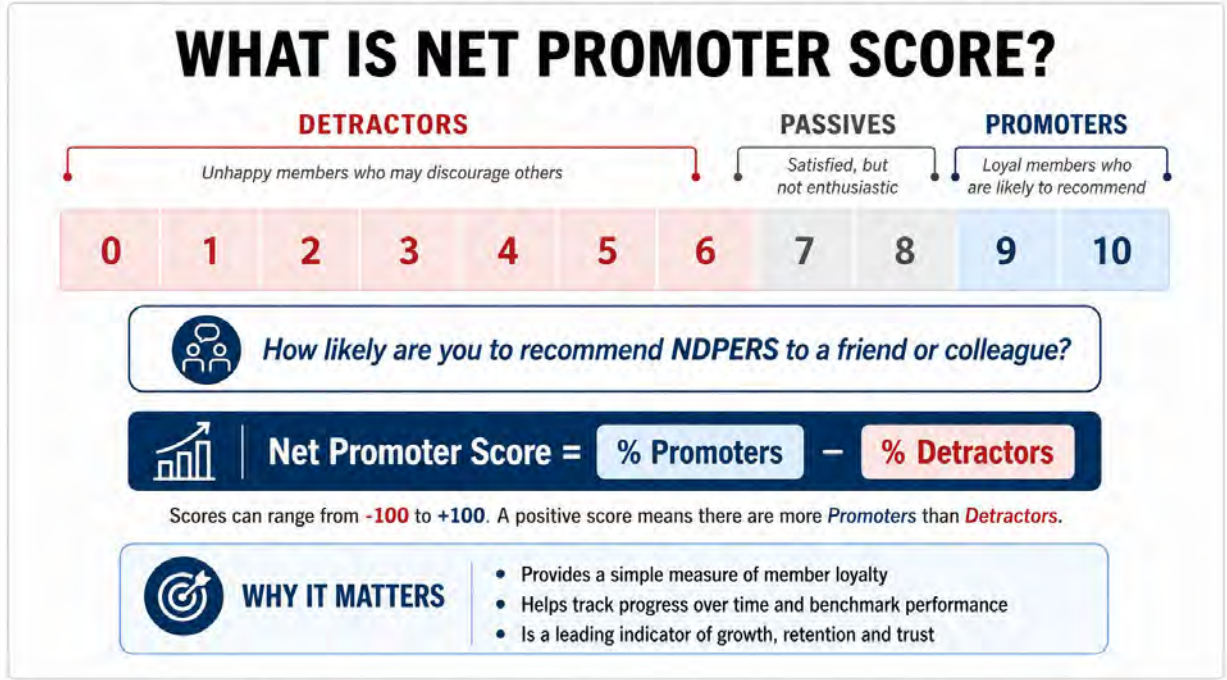
Number of responses = 906
Margin of error = +/- 3.2%

NET PROMOTER SCORE (NPS)

NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

NET PROMOTER SCORE (NPS)

NPS PROVIDES AN INDUSTRY-STANDARD MEASURE OF MEMBER LOYALTY



INDUSTRY BENCHMARK

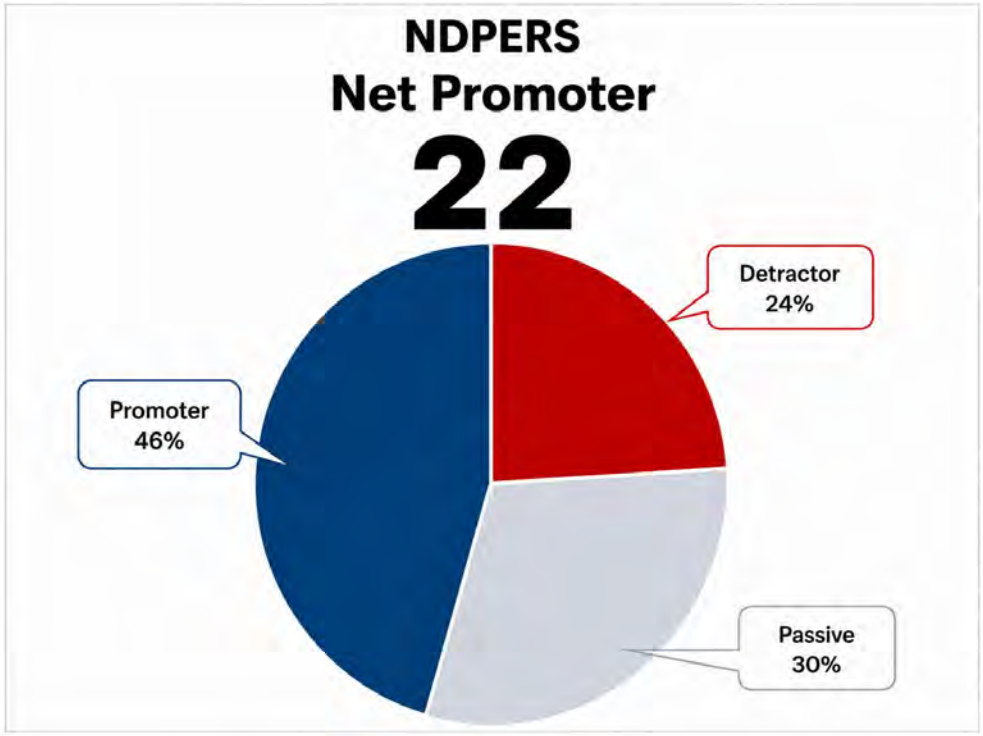
Qualtrics XM institute™

NET PROMOTER SCORE

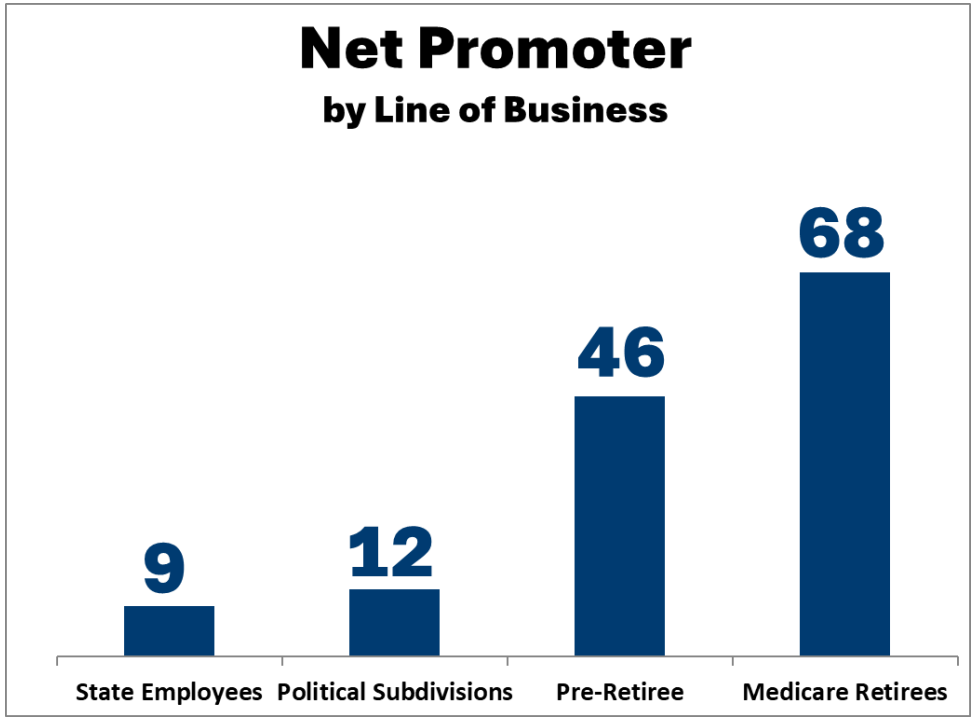
*Q: How **likely would you be to recommend** NDPERS Dakota Plan Health to a friend or family member in need of health insurance?*

INDUSTRY BENCHMARK

NDPERS NPS EXCEEDS THE INDUSTRY BENCHMARK, WITH VARIATION BY LINE OF BUSINESS



Number of responses = 934
Margin of error = +/- 3.2%



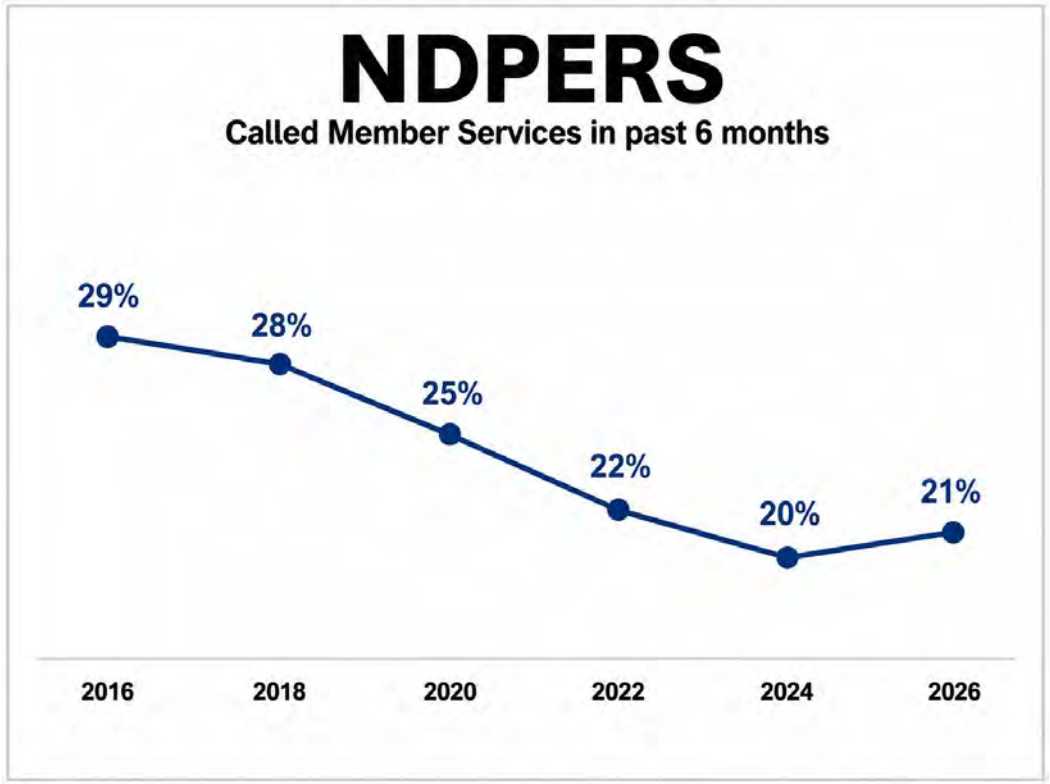
MEMBER SERVICE CENTER EXPERIENCE

NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

USAGE OF MEMBER SERVICE CENTER

Q. Have you called the Sanford Health Plan member services center within the last 6 months?

FEWER MEMBERS ARE CALLING THE SERVICE CENTER, SUGGESTING REDUCED NEED FOR DIRECT SUPPORT



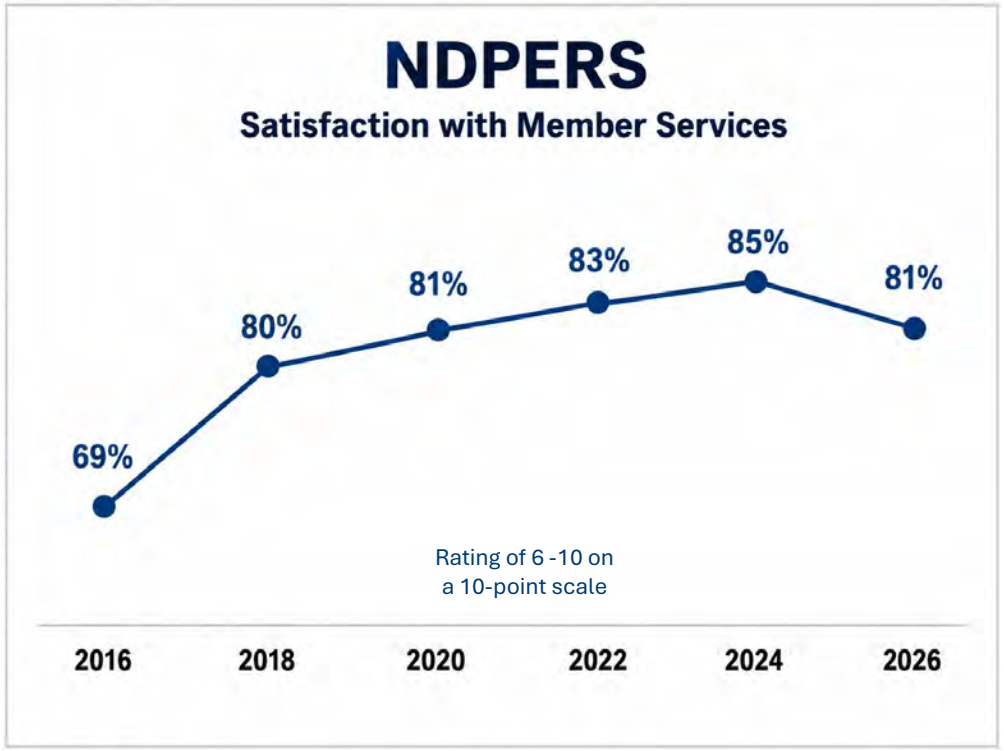
Number of responses = 935
Margin of error = +/- 3.2%

	Called Member Services in Last 6 Months	
	2026	% Change from 2024
State Employees	24%	↑ 2%
Medicare Retirees	11%	↓ 1%
Political Subdivisions	24%	↑ 6%
Pre-Retiree	27%	↓ 3%

SATISFACTION WITH MEMBER SERVICES

Q. How satisfied were you with the service when you called the member services center?

MEMBER SERVICES SATISFACTION REMAINS HIGH



Number of responses = 181
Margin of error = +/- 7.2%

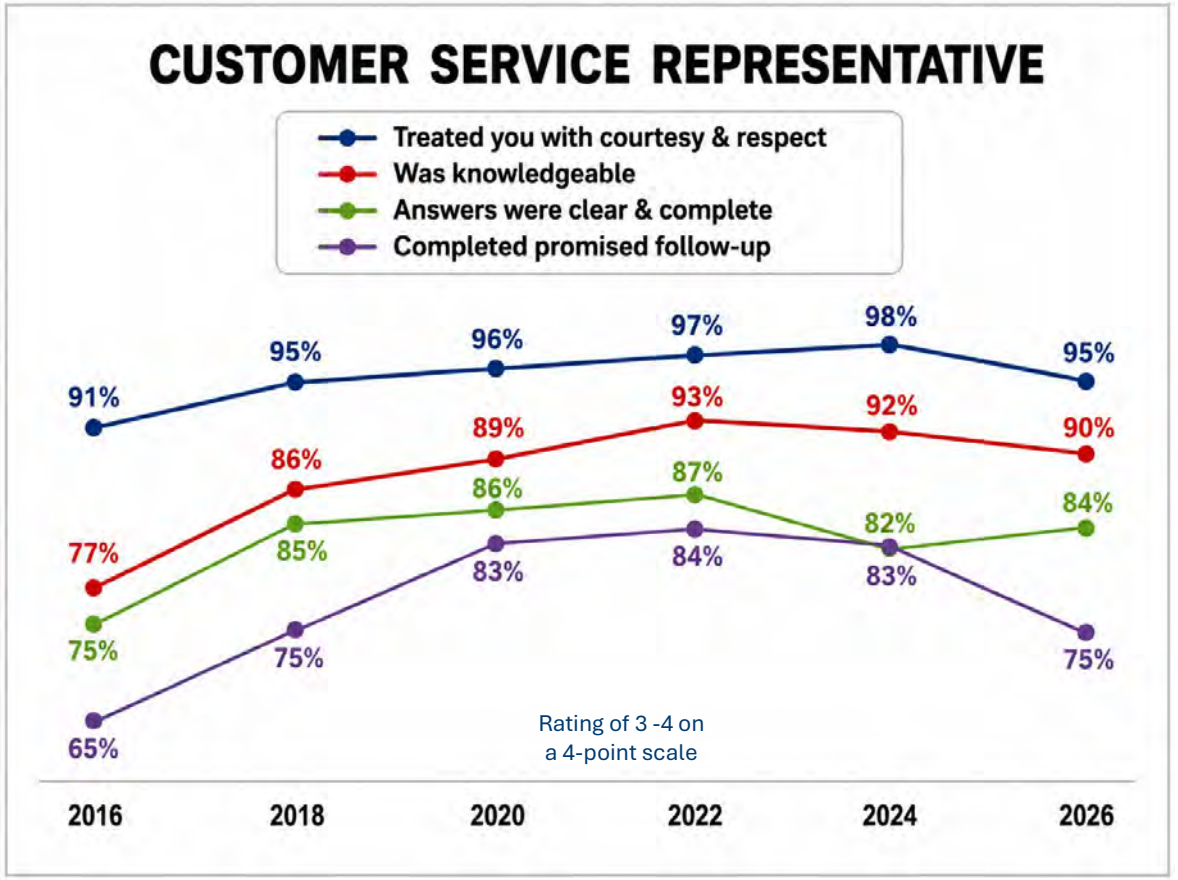
	Satisfaction with Member Services	
	2026	% Change from 2024
State Employees	80%	↓ 3%
Medicare Retirees	93%	↑ 2%
Political Subdivisions	N/A*	N/A*
Pre-Retiree	N/A*	N/A*

*Number of responses is low and statistically invalid

CUSTOMER SERVICE REPRESENTATIVES

Q. Please share your feedback about the representative you talked with

CUSTOMER SERVICE REPRESENTATIVES EARN STRONG MARKS FOR COURTESY, RESPECT AND KNOWLEDGE



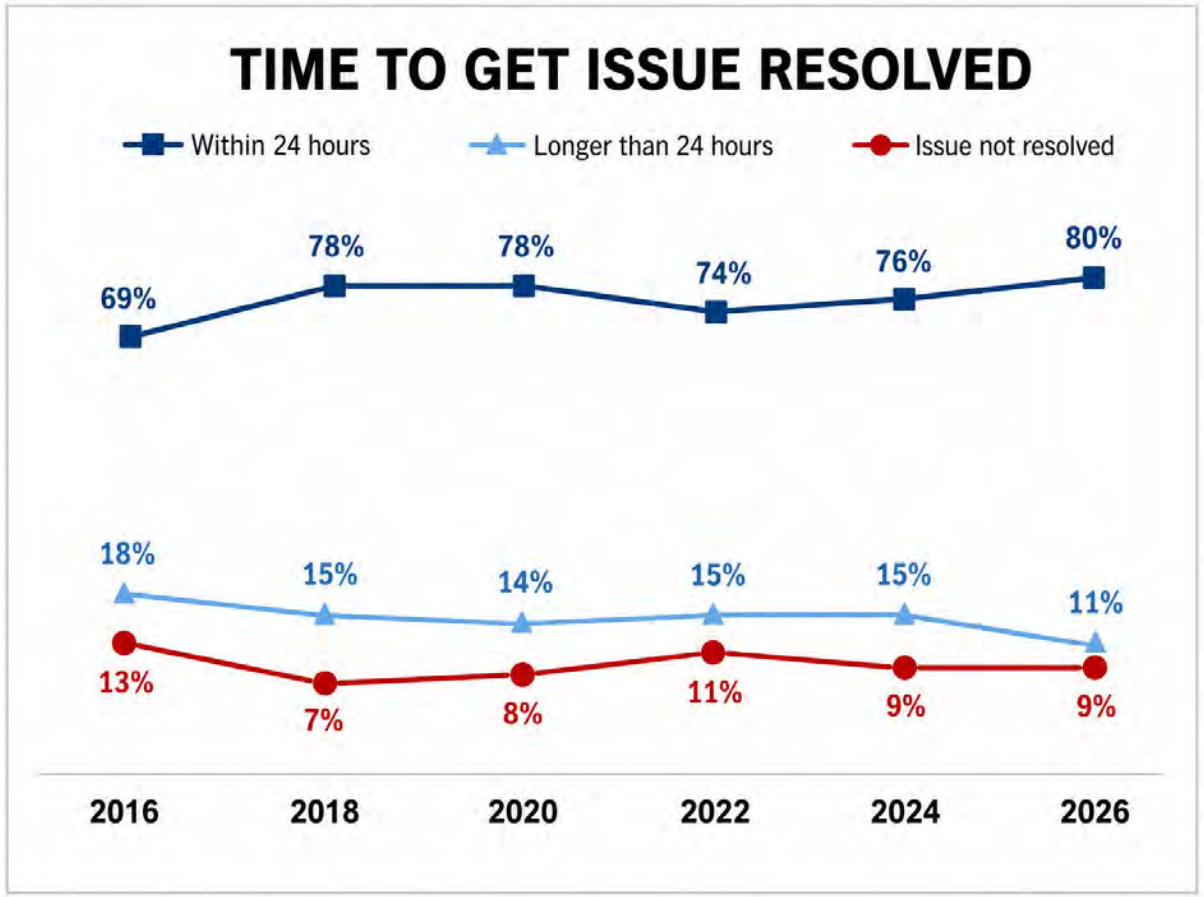
Number of responses = 178
Margin of error = +/- 7.2%

Number of responses = 69
Margin of error = +/- 11.8%

TIME TO GET ISSUE RESOLVED

Q. How long did it take the representative to provide the information or help you needed?

ISSUE RESOLUTION REMAINS STEADY — 80% RESOLVED WITHIN 24 HOURS

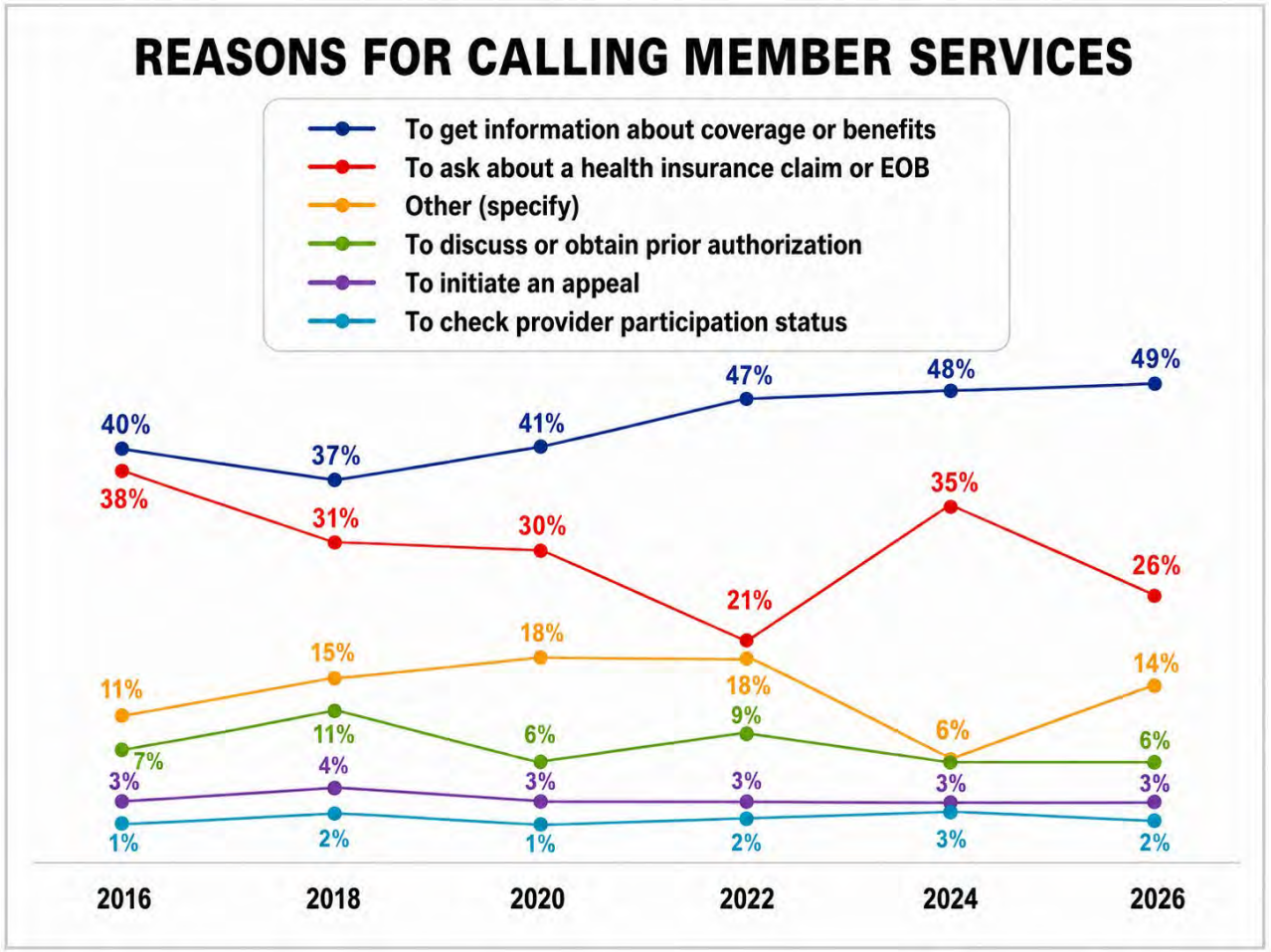


Number of responses = 178
Margin of error = +/- 7.2%

REASON FOR CALLING SERVICE CENTER

Q. Why did you call the member service center?

BENEFIT QUESTIONS AND CLAIMS/EOB INQUIRIES DRIVE THE MOST CALLS



Number of responses = 178
Margin of error = +/- 7.2%

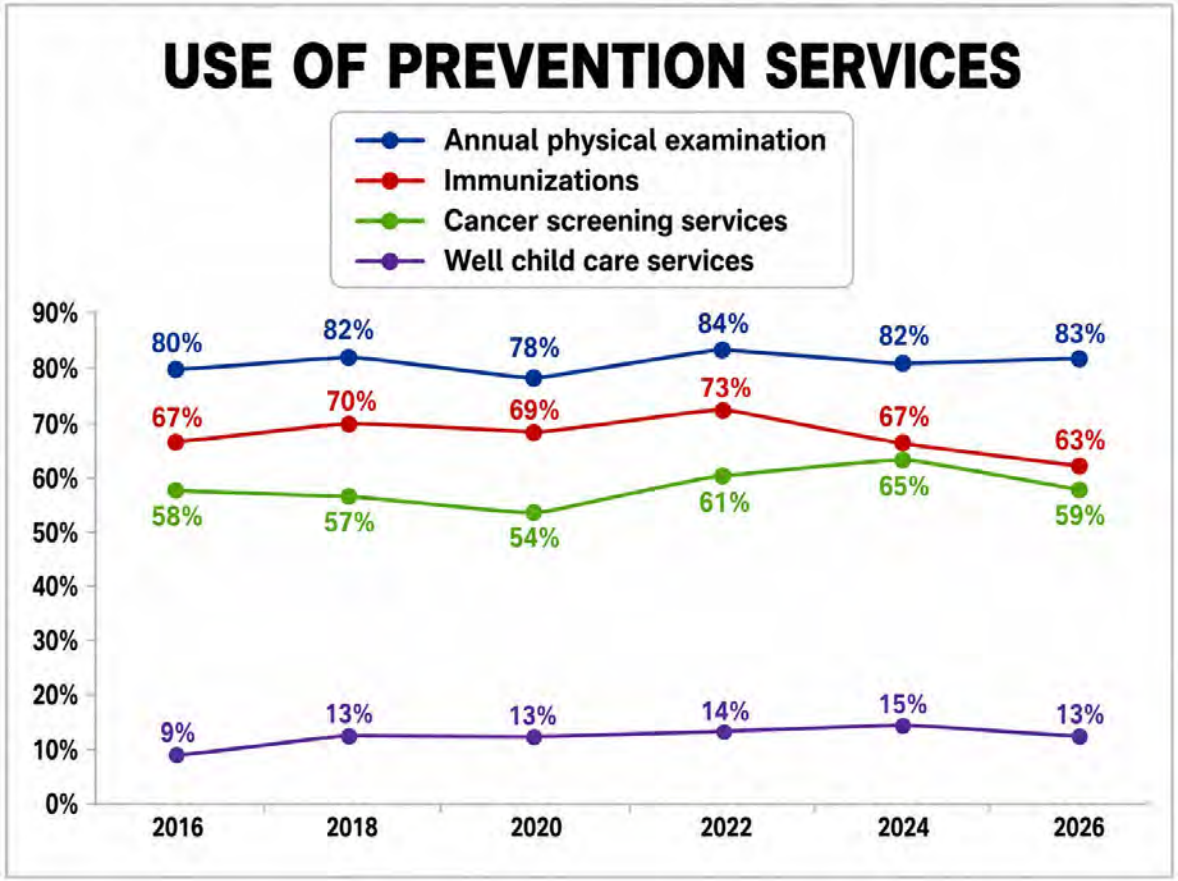
HEALTH PREVENTION AND WELLNESS SERVICES

NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

USAGE - PREVENTION SERVICES

Q. Which health prevention services do you use?

PREVENTION SERVICE USE STABLE, LED BY ANNUAL PHYSICALS

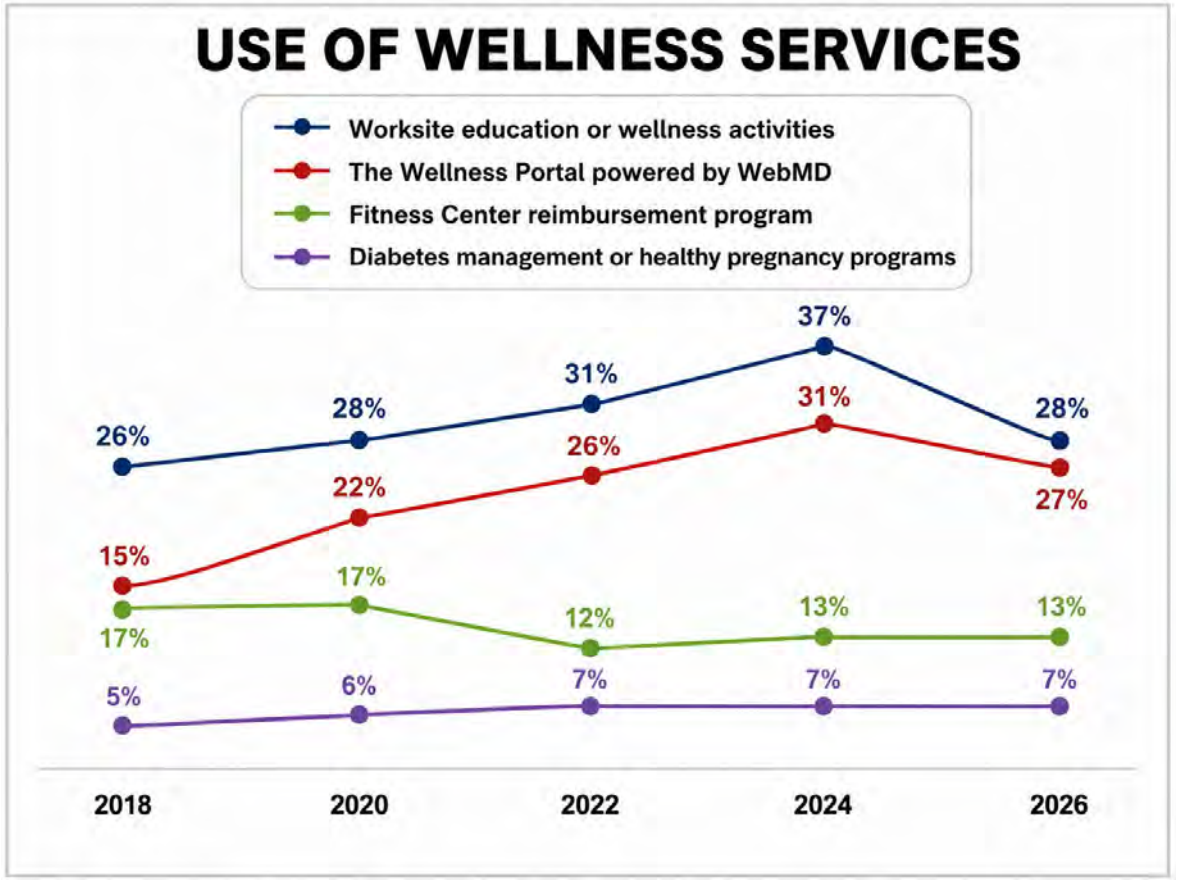


Number of responses = 956
Margin of error = +/- 3.1%

USAGE - WELLNESS SERVICES

Q. Which wellness program benefits do you use?

WORKSITE EDUCATION AND WELLNESS PORTAL USAGE DECLINED



Number of responses = 956
Margin of error = +/- 3.1%

FINAL COMMENTS

NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

FINAL COMMENTS

Q. Do you have any additional feedback you would like to provide?

FINAL COMMENTS ECHO HIGH MEMBER SATISFACTION — AND CONCERNS ABOUT COMMUNICATION, COVERAGE AND ACCESS

ChatGPT

Top 3 Positive Topics

1. General satisfaction and appreciation
- "Very pleased"
- "Love the plan!"

2. Appreciation for coverage and peace of mind
- "I am very happy with my coverage."
- "It gives us peace of mind in retirement."

3. Positive service experiences
- "Well pleased with service and promptness on all claims. Great job."
- "Easy to work with, great benefit for our family."

Top 3 Areas for Improvement

1. Communication and clarity
- "Communication is not great."
- "The coverage documents are difficult to understand."

2. Coverage gaps and denied services
- "Ct scans and X-rays and all cancer screening need 100% coverage."
- "Please start covering GLP-1s for weight loss."

3. Access and network limitations
- "Seems like this is tailored for Bismarck and Fargo employees."
- "We shouldn't have to drive 100+ miles for anything more than a checkup or vaccine."

Microsoft Excel Worksheet

Click on the Excel Worksheet to view all member comments

Number of responses = 346

METHODOLOGY

METHODOLOGY

- The NDPERS member survey was fielded from March 10, 2026 through May 20, 2026
- A random sample of 7,500 NDPERS members were invited to participate by postal mail, with an option to complete the survey online.
- The survey questions and methodology remained consistent with previous waves to support trend comparisons.
- A total of **956** NDPERS members completed the survey (619 mailed / 337 online)

ANALYSIS

- Completed surveys were received and processed by the Sanford Health Market Insights Department
- Data was cleaned to ensure the highest level of accuracy
- Open-ended comments were analyzed using artificial intelligence to identify major themes in an unbiased manner.
- Results were weighted by line of business to accurately represent the overall NDPERS membership
- The margin of error is +/- 3.1%

NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

APPENDIX

NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

Attachment 2

2026 NDPERS MEMBER EXPERIENCE SURVEY

Executive Summary and Full Report

July 2026

Jointly Commissioned by the North Dakota Public Employees Retirement System & Sanford Health Plan

Prepared by: Sanford Health Market Research

SANFORD HEALTH PLAN

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EXECUTIVE SUMMARY AND KEY INSIGHTS

NDPERS members remain highly satisfied with their Dakota Plan Health Benefits, although several measures declined modestly from their 2024 highs. The 2026 survey also establishes a new Net Promoter Score baseline, provides updated insight into member service center performance, and summarizes key themes from open-ended member comments.

ABOUT THE RESULTS

- **Survey Response:** A random, representative sample of 7,500 NDPERS members was invited to participate. Results are based on 956 completed surveys, including 619 mailed responses and 337 online responses.
- **Margin of Error:** The full sample has a margin of error of ± 3.1%, and the sub-sample of Member Services Call Center callers (n=178) has a margin of error of ± 7.2%. There is a third sub-sample of Member Services Call Center callers who responded to the question for a promised follow-up (n=69) which has a margin of error of ± 11.8%. All samples are reported at the 95% confidence level.
- **Time Frame:** Responses were gathered from March 10, 2026 through May 20, 2026.

GENERAL MEMBERSHIP SATISFACTION

Member satisfaction with NDPERS benefits remains high. Core member experience measures remain strong.

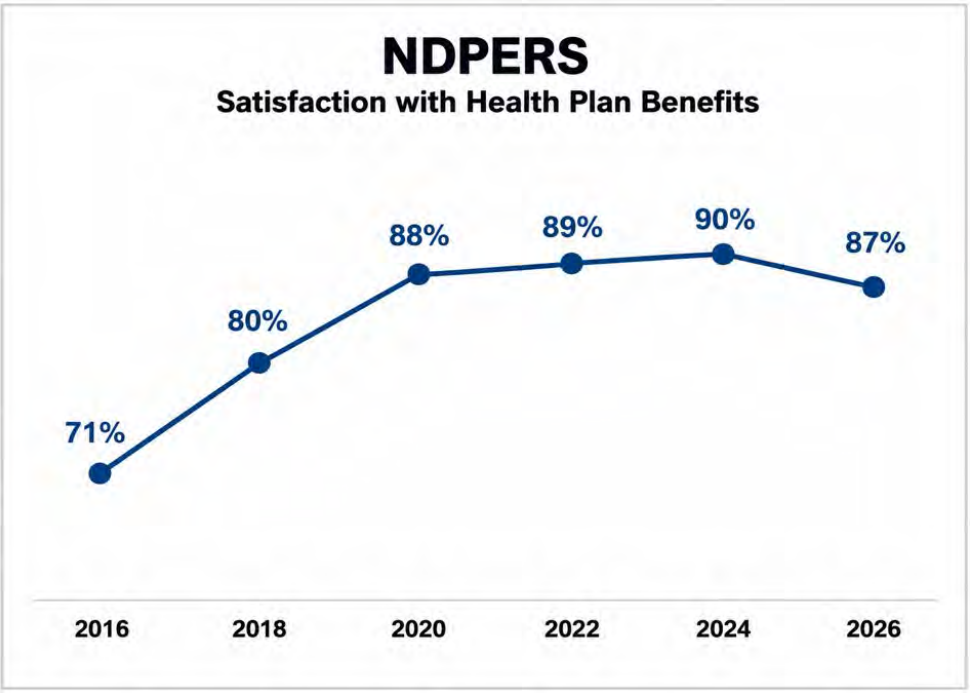
- 87% are satisfied with their NDPERS Dakota Plan Health Benefits (a 3-point decrease from 2024).
- 91% agree that health insurance claims are processed accurately (a 1-point increase from 2024).
- 87% agree that claims are processed in a timely manner (no change from 2024).
- 87% agree that printed materials or internet resources are helpful (no change from 2024).
- 84% agree that EOBs are easy to understand (a 1-point decrease from 2024).

MEMBER SERVICES CALL CENTER

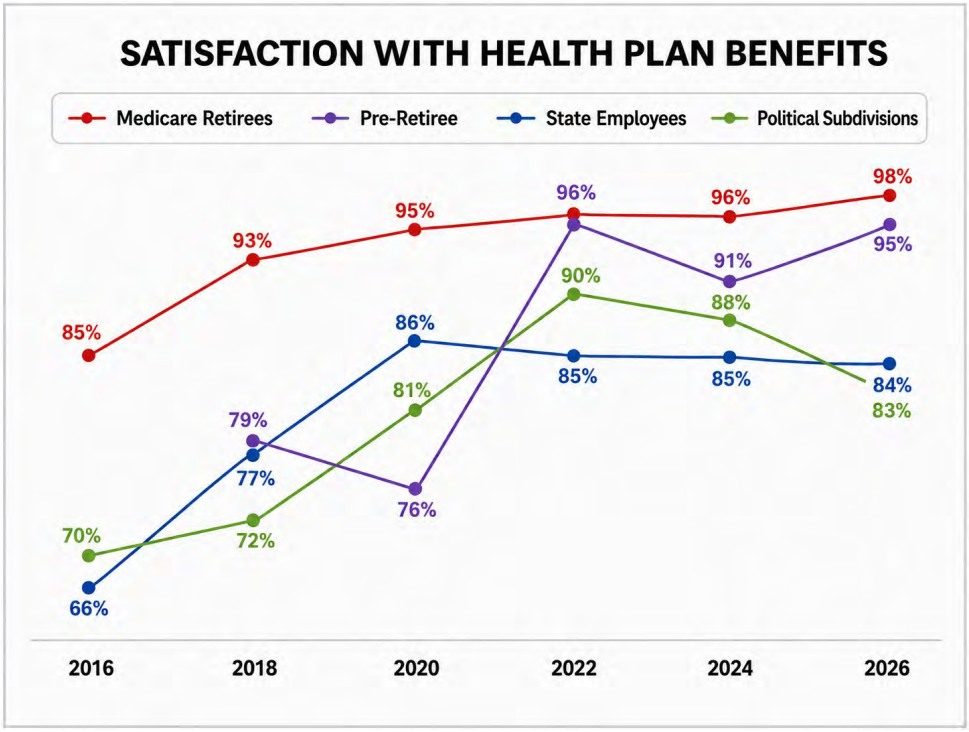
Member Services Center usage remains relatively steady. Customer service representatives continue to receive strong marks for courtesy, respect, and knowledge, but follow-up and issue resolution remain important areas for continued focus.

- 21% of members report calling Member Services in the past six months (a 1-point increase from 2024, but down 8 points from 2016).
- 81% of callers are satisfied with the service they received when they called Member Services (a 4-point decrease from 2024).
- 95% agreed that the service representative was courteous and respectful (a 3-point decrease from 2024).
- 90% agreed that the service representative was knowledgeable (a 2-point decrease from 2024).
- 84% agreed that questions were answered clearly and completely (a 2-point increase from 2024).
- 75% agreed that the service representative completed any promised follow-up (an 8-point decrease from 2024).
- 49% called the service center to get information about coverage or benefits, 26% called to ask about a health insurance claim or explanation of benefits (EOB), and 14% selected Other (specify).

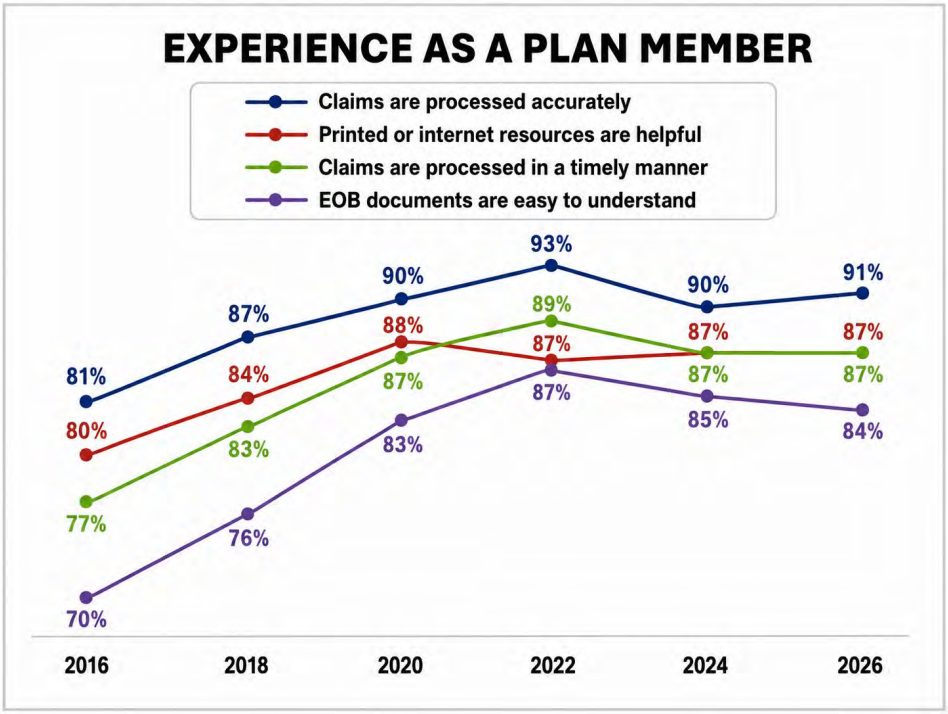
SATISFACTION WITH BENEFITS



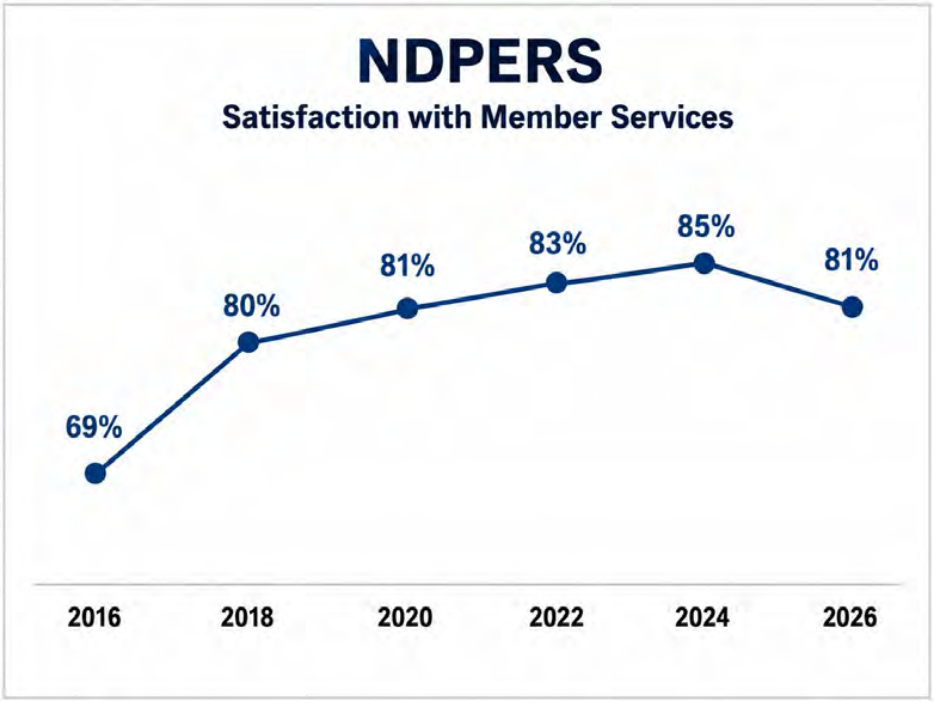
SATISFACTION BY LINE OF BUSINESS



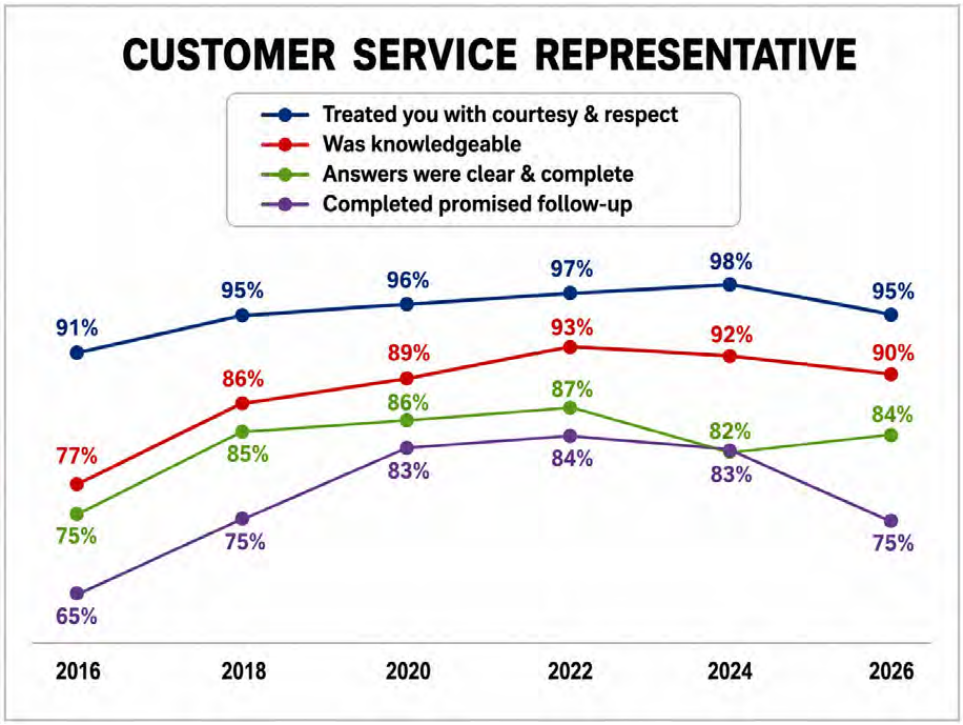
MEMBER EXPERIENCE SCORES



SATISFACTION WITH MEMBER SERVICES



CUSTOMER SERVICE REPRESENTATIVE SCORES



KEY INSIGHTS

MEMBER SATISFACTION AND LOYALTY REMAINS STRONG

- Member satisfaction remains strong.
- Net Promoter Score (NPS) exceeds the industry benchmark, providing a strong baseline, with notable variation by line of business.
- Members value strong coverage, reliable claims payment, and competitive plan value relative to other insurance options.
- Top improvement opportunities center on the "4 Cs": Cost, Coverage, Clarity, and Communication, particularly out-of-pocket expenses and benefit understanding.

OPPORTUNITIES FOR IMPROVEMENT

Strengthen Value by Addressing Cost and Coverage Concerns

Open-ended comments show that members value the plan's coverage and reliability, but the most common concerns center on out-of-pocket costs, coverage gaps, and services members expected to be covered. These issues should remain a key focus because they directly influence perceived plan value.

Improve Communication Clarity and Benefit Understanding

Members continue to identify plan complexity, prior authorization, claim questions, EOBs, and benefit explanations as sources of confusion. Simplifying communication, strengthening self-service resources, and improving clarity around coverage decisions can reduce frustration and support better member experience.

Focus on Member Services Follow-Up and Issue Resolution

Member services satisfaction declined from 2024, and ratings related to promised follow-up also decreased, however both were within the margin of error. Continued focus on first-call resolution, post-call feedback, staff training, and timely follow-up will be important to strengthen service performance.

METHODOLOGY: FIELDING AND ANALYZING THE RESULTS

Sanford Health Market Insights conducts consumer and market research for Sanford Health's various service divisions and partners. Survey goals, methodology, and questions for this effort were developed in cooperation with Sanford Health Plan and NDPERS leadership.

FIELDING THE SURVEY: SURVEY SAMPLING AND DISTRIBUTION

To generate accurate, credible and actionable results, the survey effort focused on asking the right questions to the right people.

- ***Survey Sample:*** Using policyholder lists provided by Sanford Health Plan, 7,500 NDPERS members were randomly selected and invited to participate in the survey.
- ***Survey Distribution:*** Surveys were sent by postal mail, and members had the option of returning a paper survey or completing the survey online. A total of 619 respondents mailed in their survey and 337 completed the survey online.
- ***Unique Survey IDs:*** To track survey participation, eliminate the possibility of duplicate participation, and allow for data entry validation, each survey was assigned a unique survey ID number.
- ***Survey Collection:*** Surveys were received by Sanford Health Market Insights from March 10, 2026 through May 20, 2026. Paper surveys were returned by mail, and online survey completion required a survey password and survey ID.
- ***Survey Questions:*** The 2026 NDPERS questionnaire retained core trend questions from previous waves and added Net Promoter Score (NPS) to establish an industry-standard measure of member loyalty.

PREPARING RESULTS: ANALYZING AND REPORTING RESULTS

Due to the nature of the survey effort, preparing survey results involved consistent analysis and reporting methods across multiple waves, while also incorporating new 2026 measures where applicable.

SURVEY PARTICIPATION

This section details who responded to the general membership portion of the 2026 NDPERS/Sanford Health Plan Member Survey.

	Weighted Membership %	Survey Responses %	Survey Responses
State Employees	68%	49%	468
Medicare Retirees	21%	38%	363
Political Subdivisions	10%	7%	67
Pre-Retiree	1%	6%	58
Total Members			**956**
Surveys Sent			**7,500**
Response Rate			**12.7%**

NOTES

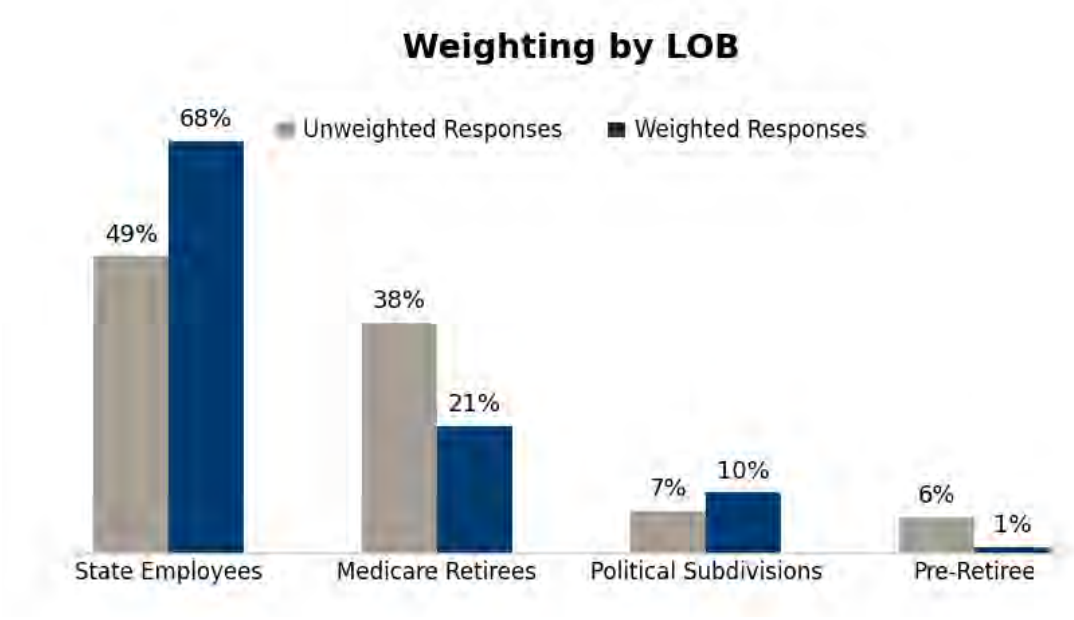
- A random sample of 7,500 NDPERS members was invited to participate by postal mail, with an option to complete the survey online.
- A total of 956 individuals completed the 2026 NDPERS member survey, delivering a response rate of approximately 12.7%.
- Completed responses included 619 mailed surveys and 337 online surveys.
- Results are weighted by line of business to accurately represent the overall NDPERS membership.
- The full sample has a margin of error of ± 3.1% at the 95% confidence level.

AI-ASSISTED COMMENT AND SENTIMENT ANALYSIS

- Open-ended comments were analyzed using artificial intelligence tools to identify major themes in an unbiased manner.
- The 2026 survey included two open-ended comment opportunities: one asking members to explain their health benefits satisfaction rating, and one final opportunity to provide additional feedback. Comments were reviewed by using artificial intelligence to identify major themes, sentiment patterns, and recurring improvement opportunities.

WEIGHTING BY LINE OF BUSINESS

- ***Weighting by Line of Business:*** Results were weighed to reflect the overall NDPERS membership distribution.



- ***Net Effect of Weighting:*** Because Medicare Retirees are typically highly satisfied with their benefits and their scores are weighted down, the net effect of weighting lowers all satisfaction scores. For example, the raw results show that 90% of members are satisfied with their NDPERS benefits. When we weigh the results, that number is lowered to 87%.
- ***Calculating Percentage Totals***: Two different scales were used in question responses.
    - ***Satisfied/Not Satisfied Totals:*** Satisfaction questions asked members to use a 1 to 10 scale, with 10 representing "Extremely Satisfied." Answer values from 1 to 5 are reported as "Not Satisfied" and answers from 6 to 10 are reported as "Satisfied."
    - ***Agree/Disagree Totals:*** Agreement questions asked members to use a 1 to 4 scale, with 4 representing "Strongly Agree." Answer values of 1 and 2 are reported as "Disagree" and values 3 and 4 are reported as "Agree."
- ***Number of Responses Per Question:*** Not all survey questions were answered by all survey respondents. Responses for each question may vary based on whether the question was skipped or had an "N/A" option.

GENERAL MEMBER SURVEY RESULTS

This section provides a detailed breakdown of key general membership survey questions, including member satisfaction with NDPERS Dakota Health Plan benefits perception of core health plan services, and a new measure for 2026, Net Promoter Score (NPS).

SATISFACTION WITH HEALTH PLAN BENEFITS

SURVEY QUESTION

How satisfied are you with your NDPERS Dakota Plan Health Benefits?

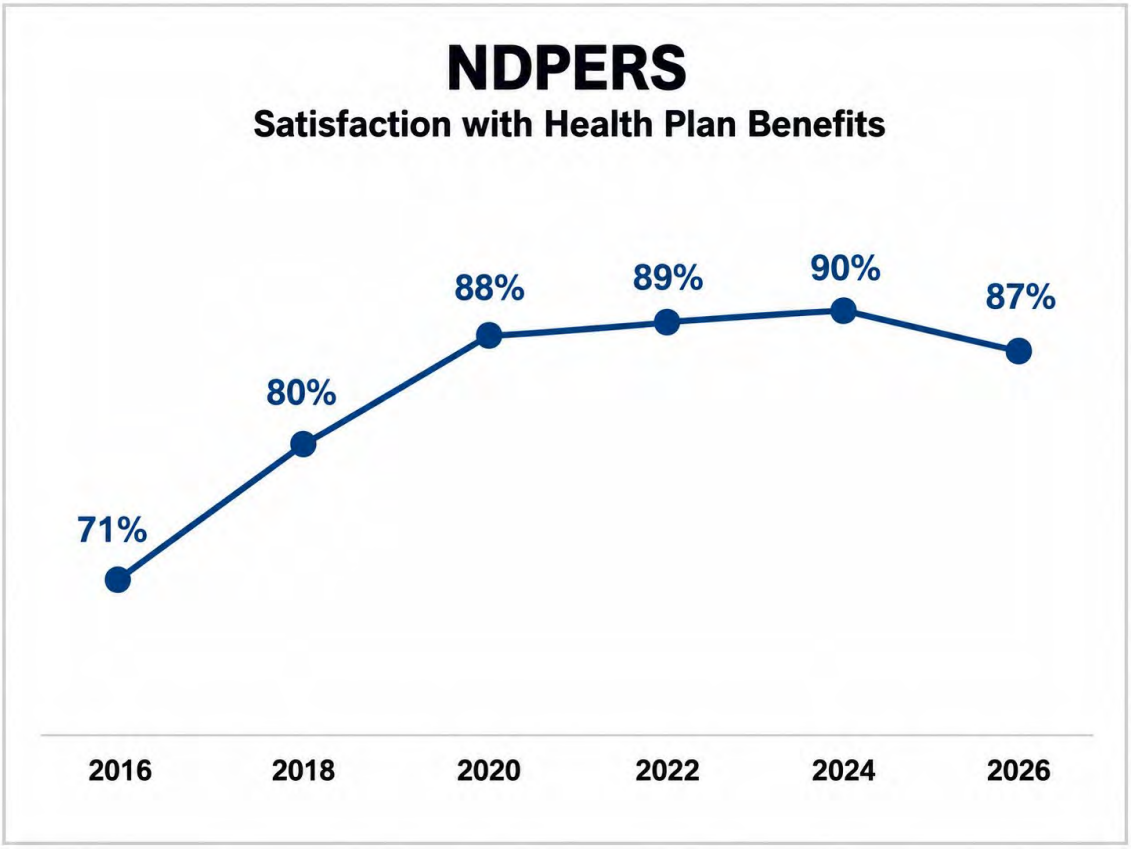
Use the 10-point scale below to tell us your opinion; 1 is "Not At All Satisfied" and 10 is "Extremely Satisfied."

For reporting purposes, ratings of 6 to 10 are reported as "Satisfied."

Line of Business	Satisfied %	Not Satisfied %	Survey Responses
State Employees	84%	16%	468
Medicare Retirees	98%	2%	363
Political Subdivisions	83%	17%	67
Pre-Retiree	95%	5%	58
Weighted Total	**87%**	**13%**	**948**
Change from 2024	**-3 pts**		

NOTES

- Overall satisfaction remains high at 87%.
- For purposes of this analysis, values 1 to 5 were considered "Not Satisfied" and values 6 to 10 were considered "Satisfied."



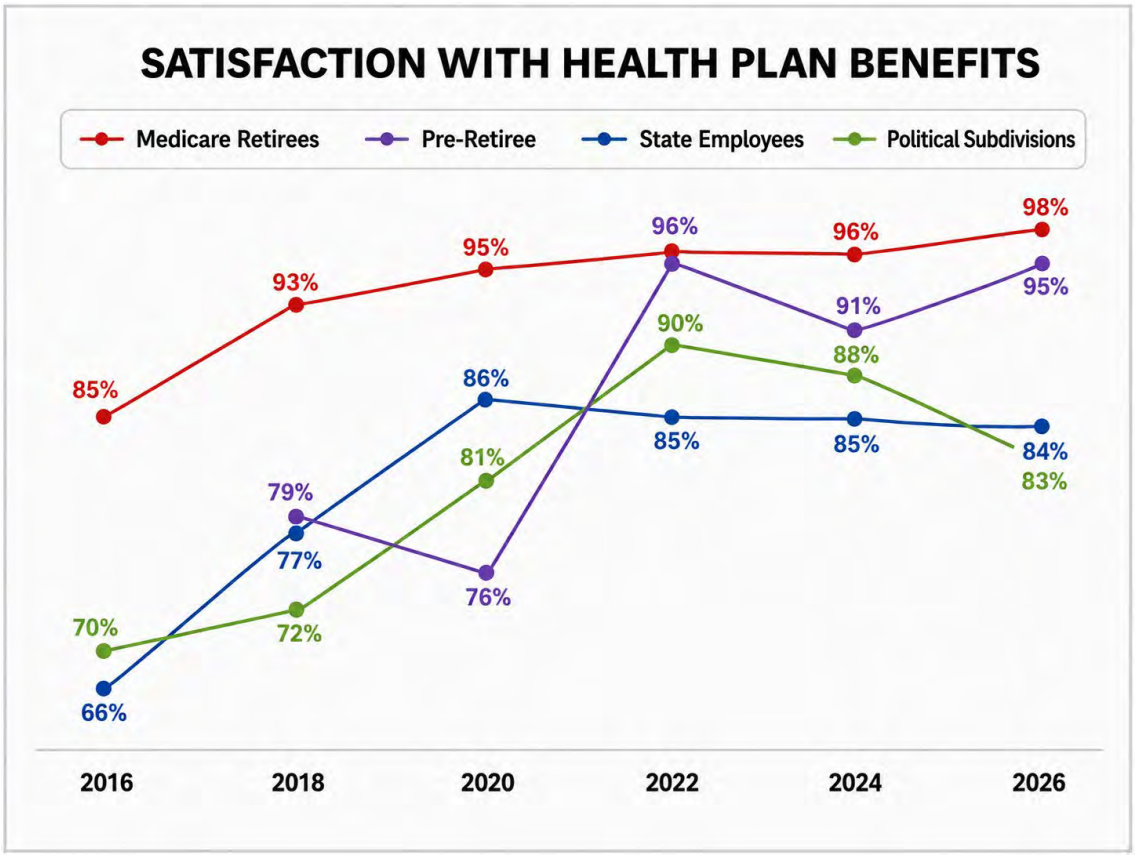
SATISFACTION WITH HEALTH PLAN BENEFITS BY LOB

SURVEY QUESTION

How satisfied are you with your NDPERS Dakota Plan Health Benefits?
Use the 10-point scale below to tell us your opinion; 1 is "Not At All Satisfied" and 10 is "Extremely Satisfied."
For reporting purposes, ratings of 6 to 10 are reported as "Satisfied."

NOTES

- Political Subdivision members and State Employees report lower satisfaction than Medicare Retirees and Pre-Retirees.



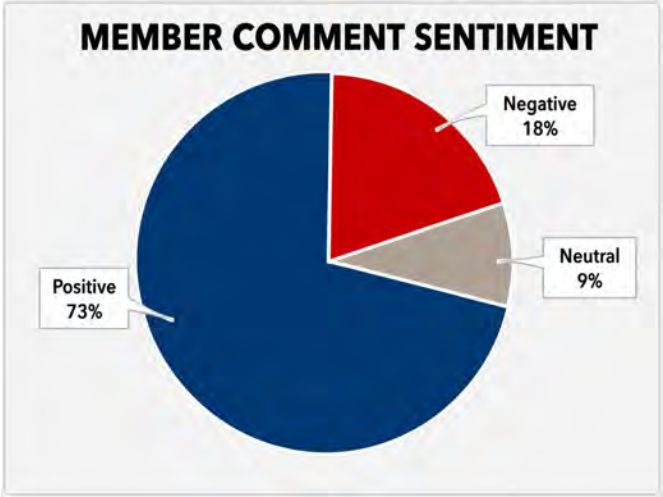
REASONS FOR HEALTH BENEFIT SATISFACTION RATING

SURVEY QUESTION

Why did you give your NDPERS Dakota Plan Health Benefits that rating?

Number of substantive comments = 653

Sentiment	Comments	% of Comments	Executive Read
Positive	476	73%	Strongly favorable overall
Neutral	60	9%	Limited or mixed detail
Negative	117	18%	Focused on cost, coverage gaps, and complexity



Top Strength	What Members Said	Representative Comments
Strong overall coverage and benefits value	Members describe the plan as comprehensive, dependable, and meeting their needs.	"The plan seems to cover quite a bit." "NDPERS Benefits have covered all of our health needs very efficiently."
Claims are generally paid and benefits work as expected	Many members report few problems with claims, payment, or use of the plan.	"Pays claims." "Most health claims are covered by the insurance."
Favorable comparison to other insurance options	Several members view the plan as a valuable employment or retirement benefit.	"Compared to the insurance plan I had off the Marketplace, this plan is wonderful." "The state has great healthcare benefits compared to other employers."
Top Improvements	**What Members Said**	**Representative Comments**
Cost: deductibles, copays, premiums, and unexpected bills	Members raised concerns about out-of-pocket expenses and affordability.	"Why do I have to pay so much when I have health insurance?" "A large amount of costs are on the consumer."
Coverage gaps and exclusions	Members cited specific services, medications, or benefit categories they would like covered more fully.	"Would prefer better dental and vision coverage plans." "The plan doesn't cover weight loss which is a huge preventative measure."
Complexity, prior authorization, and communication	Members want clearer benefits, simpler processes, and better issue resolution.	"It is quite confusing on how to use the benefits." "Deductible is too high, coverage is poor, everything has to be pre-approved."

EXPERIENCE AS A PLAN MEMBER

SURVEY QUESTION

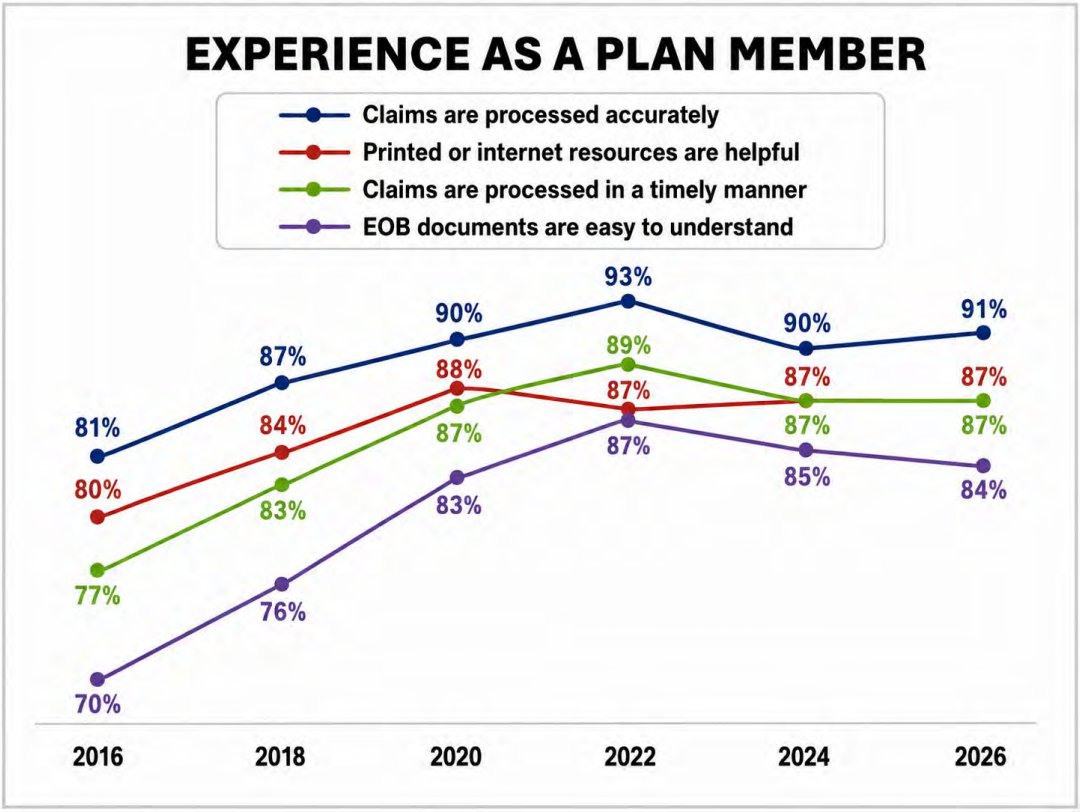
Please tell us more about your experience as a plan member.

Respondents rated core member experience statements using a 4-point agreement scale. For reporting purposes, ratings of 3 and 4 are reported as "Agree."

MEMBER EXPERIENCE RESULTS BY LINE OF BUSINESS					
Measure	**State Employees**	**Medicare Retirees**	**Political Subdivisions**	**Pre-Retiree**	**Weighted Total**
Claims are processed accurately	89%	98%	86%	96%	91%
Printed or internet resources are helpful	86%	93%	84%	98%	87%
Claims are processed in a timely manner	86%	94%	83%	96%	87%
EOB documents are easy to understand	81%	94%	81%	100%	84%
Survey Responses	**449**	**338**	**63**	**56**	**906**

NOTES

- Core member experience measures remain strong.
- Claims accuracy is the strongest measured area at 91% agreement in 2026.
- EOB understandability remains the lowest member experience measure at 84%, indicating continued opportunity to improve clarity.



NET PROMOTER SCORE (NPS)

SURVEY QUESTION

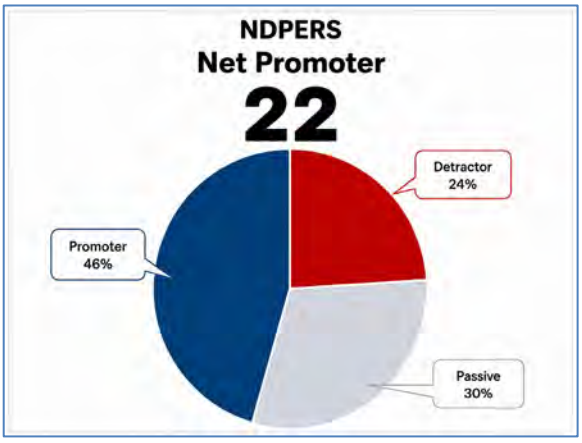
How likely would you be to recommend NDPERS Dakota Plan Health to a friend or family member in need of health insurance?

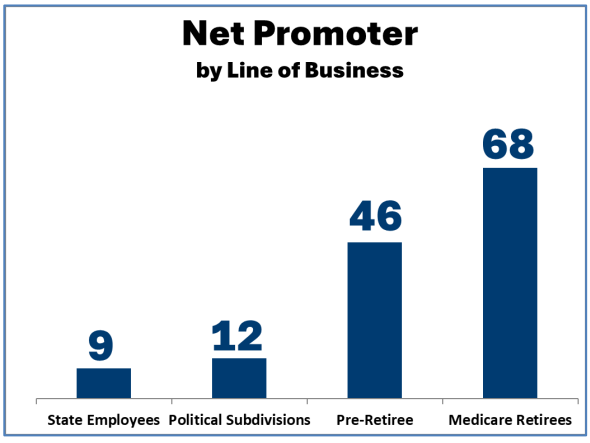
Net Promoter Score is calculated as the percentage of Promoters minus the percentage of Detractors. Scores can range from -100 to +100.

Line of Business	Survey Responses	NPS
Medicare Retirees	352	68
Pre-Retiree	56	46
Political Subdivisions	64	12
State Employees	462	9
Weighted Total	934	22

NOTES

- NDPERS' weighted Net Promoter Score of 22 exceeds the health insurance industry average of 15.
- NPS varies widely by line of business, with Medicare Retirees reporting the strongest loyalty score.
- The 2026 NPS results establish a baseline for future tracking of member loyalty, retention risk, and trust.





MEMBER SERVICES CALL CENTER

This section provides a detailed breakdown of questions asked in the member services call center portion of the survey.

CALLED MEMBER SERVICES IN PAST 6 MONTHS

This section details who responded to the Member Services call center portion of the 2026 NDPERS/Sanford Health Plan Member Survey.

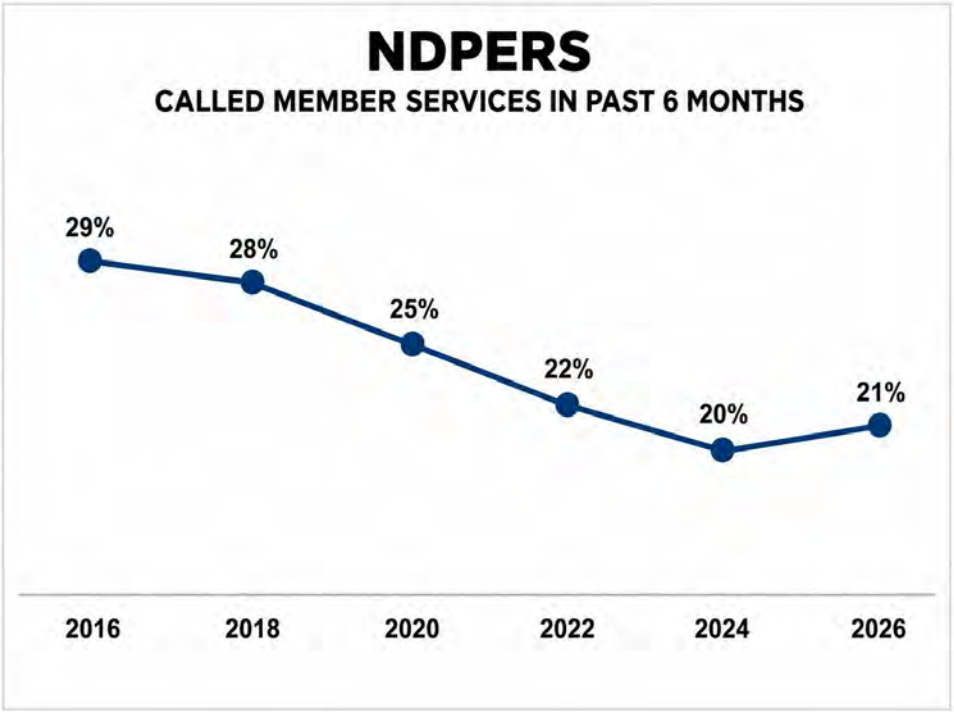
SURVEY QUESTION

Have you called the Sanford Health Plan Member Services Center in the past 6 months?

MEMBER SERVICES CALL CENTER PARTICIPATION			
Line of Business	**Responses**	**Called in Past 6 Months**	**Did Not Call**
State Employees	466	24%	76%
Medicare Retirees	349	11%	89%
Political Subdivisions	64	20%	80%
Pre-Retiree	56	27%	73%
Weighted Total	**935**	**21%**	**79%**

NOTES

- The percentage of members calling the service center has decreased from 29% in 2016 to 21% in 2026.
- Lower call volume suggests fewer members need direct support or that more members are able to navigate the plan without calling.
- Because the caller sub-sample is smaller than the total survey sample, results in this section have a wider margin of error and should be interpreted directionally.



SATISFACTION WITH MEMBER SERVICES

SURVEY QUESTION

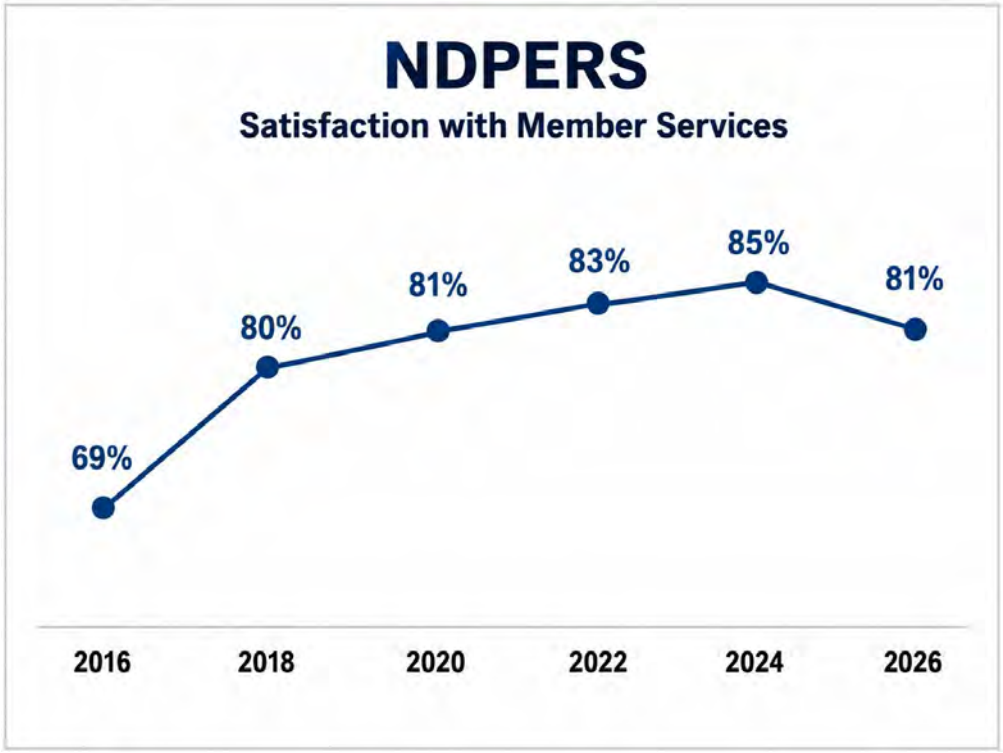
How satisfied were you with the service you received when you called member services?

Use the 10-point scale below to tell us your opinion; 1 is "Not At All Satisfied" and 10 is "Extremely Satisfied." For reporting purposes, ratings of 6 to 10 are reported as "Satisfied."

SATISFACTION WITH MEMBER SERVICES CALL CENTER SERVICE			
Line of Business	**Responses n**	**Satisfied %**	**Not Satisfied %**
State Employees	113	80%	20%
Medicare Retirees	40	93%	8%
Political Subdivisions	13	77%	23%
Pre-Retiree	15	93%	7%
Weighted Total	**181**	**81%**	**19%**

NOTES

- Member Services satisfaction remains high at 81%.
- Satisfaction remains 12 points higher than the 2016 baseline of 69%.
- Given the small caller sample size, the 2026 decline should be monitored but interpreted with caution.



CUSTOMER SERVICE REPRESENTATIVES

SURVEY QUESTION

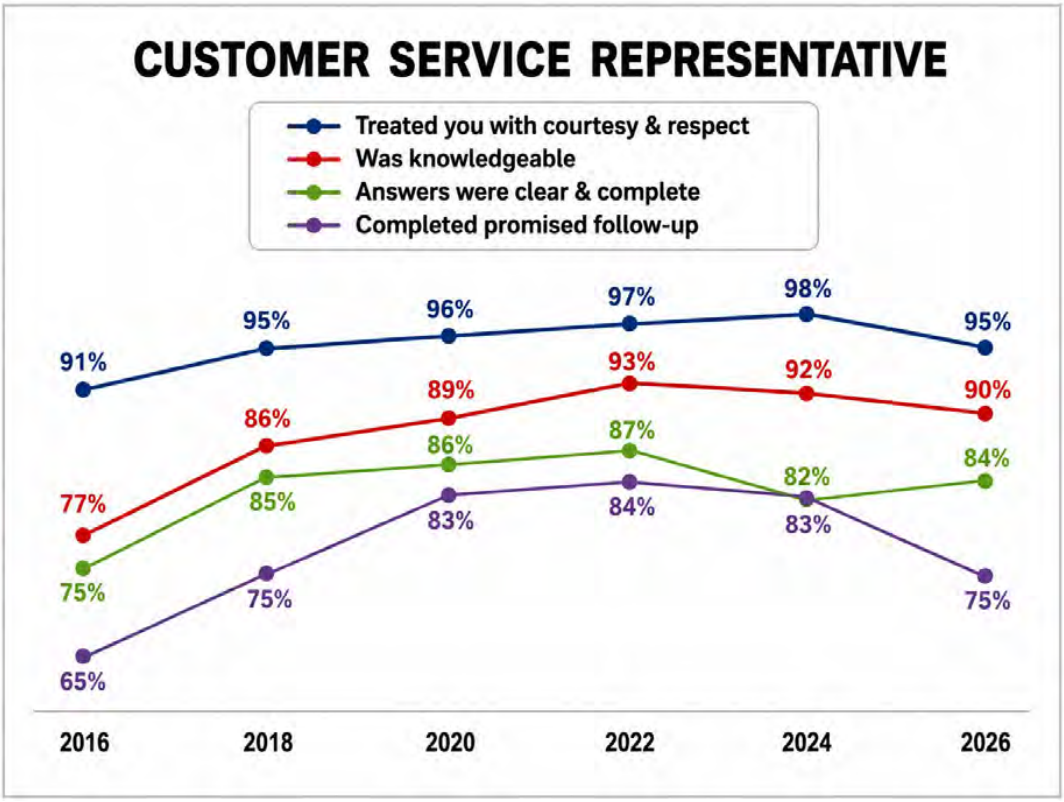
Please share your feedback about the representative you talked with.

Respondents rated each statement using a 4-point agreement scale. For reporting purposes, ratings of 3 and 4 are reported as "Agree."

CUSTOMER SERVICE REPRESENTATIVE RATINGS BY LINE OF BUSINESS					
Customer Service Measure	**State Employees**	**Medicare Retirees**	**Political Subdivisions**	**Pre-Retiree**	**Weighted Total**
Treated you with courtesy and respect	95%	97%	92%	100%	95%
Was knowledgeable	88%	97%	85%	93%	90%
Answered questions clearly and completely	83%	97%	85%	93%	84%
Completed promised follow-up	69%	82%	80%	91%	75%
Survey Responses	**111**	**38**	**15**	**13**	**177**

NOTES

- Customer service representatives continue to receive strong marks for courtesy, respect, and knowledge.
- Clear and complete answers improved from 2024, moving from 82% to 84%.
- Completed promised follow-up is the lowest-rated representative measure and declined to 75%, making it the clearest opportunity for improvement.
- Given the small caller sample size, the 2026 decline should be monitored but interpreted with caution.



TIME TO ISSUE RESOLUTION

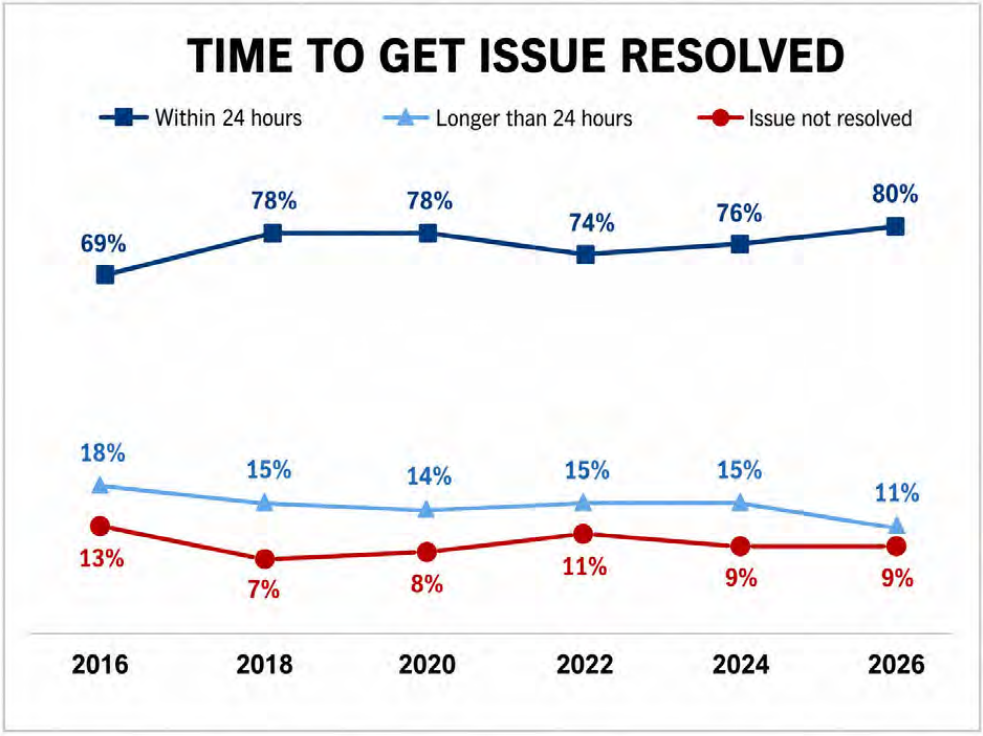
SURVEY QUESTION

How long did it take the representative to provide the information or help you needed?

TIME TO ISSUE RESOLUTION BY LINE OF BUSINESS					
Resolution Measure	**State Employees**	**Medicare Retirees**	**Political Subdivisions**	**Pre-Retiree**	**Weighted Total**
Resolved within 24 hours	79%	85%	77%	93%	80%
Longer than 24 hours	10%	8%	8%	0%	11%
Issue not resolved	11%	8%	15%	7%	9%
Survey Responses	**110**	**40**	**15**	**13**	**178**

NOTES

- Issue resolution improved in 2026, with 80% of callers reporting their issue was resolved within 24 hours.
- The percentage of callers requiring longer than 24 hours declined from 15% in 2024 to 11% in 2026.
- The share of callers whose issue was not resolved remained unchanged at 9%.



REASONS FOR CALLING MEMBER SERVICES

SURVEY QUESTION

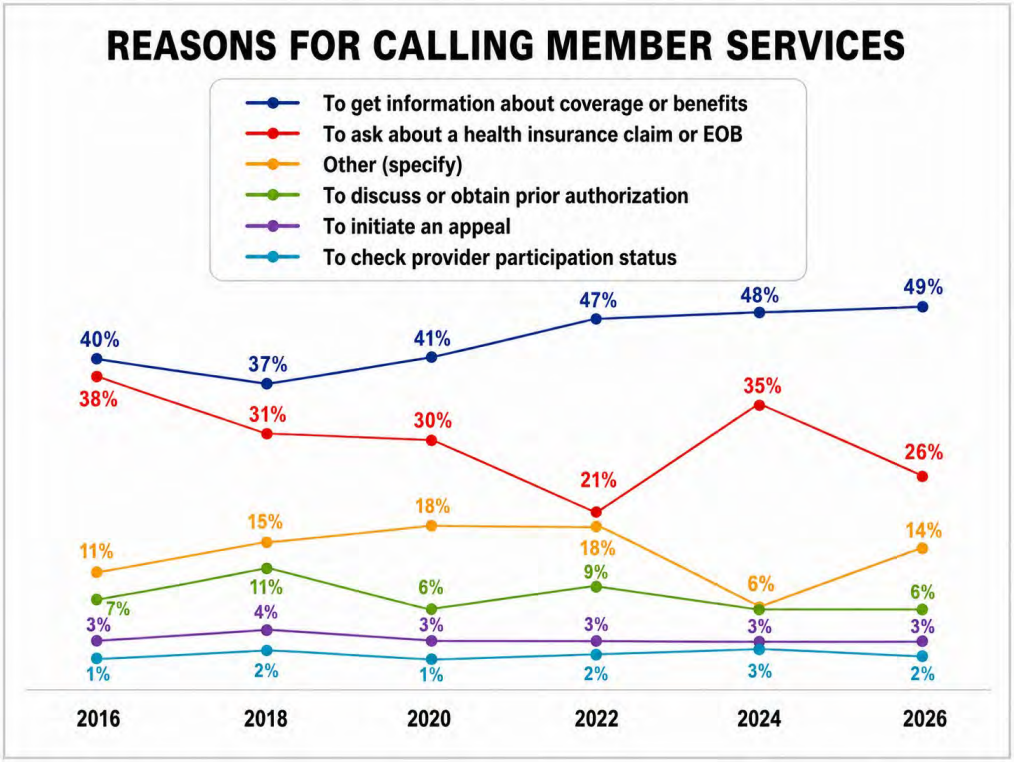
Why did you call the member services call center?

Respondents selected one or more reasons for calling Member Services. Results are weighted by line of business.

REASONS FOR CALLING MEMBER SERVICES BY LINE OF BUSINESS					
Reason for Calling	**State Employees**	**Medicare Retirees**	**Political Subdivisions**	**Pre-Retiree**	**Weighted Total**
To get information about coverage or benefits	49%	43%	54%	73%	49%
To ask about a health insurance claim or EOB	25%	33%	31%	13%	26%
Other (specify)	14%	15%	8%	13%	14%
To discuss or obtain prior authorization	6%	3%	8%	0%	6%
To check provider participation status	2%	5%	0%	0%	2%
To initiate an appeal	4%	3%	0%	0%	3%
Survey Responses	**111**	**40**	**15**	**13**	**179**

NOTES

- Benefit questions remain the top reason members call the service center, accounting for 49% of calls in 2026.
- Calls about claims or EOBs declined from 35% in 2024 to 26% in 2026.
- "Other (specify)" increased to 14%, suggesting an opportunity to further review verbatim responses and refine future response categories.



HEALTH PREVENTION AND WELLNESS SERVICES

This section summarizes member-reported use of health prevention services and NDPERS Dakota Wellness Program benefits in 2026, with trend comparisons to previous survey waves.

USAGE OF PREVENTION SERVICES

SURVEY QUESTION

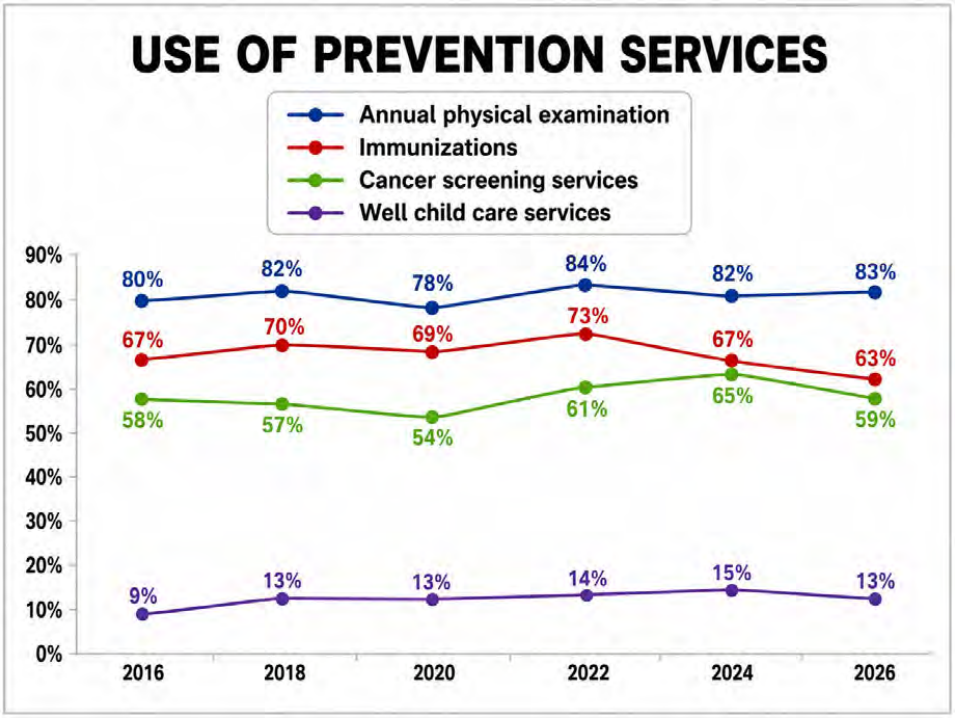
Which health prevention or health screening services do you use?

Respondents could select multiple prevention or screening services. Results are weighted by line of business.

USE OF PREVENTION SERVICES BY LINE OF BUSINESS					
Prevention Service	**State Employees**	**Medicare Retirees**	**Political Subdivisions**	**Pre-Retiree**	**Weighted Total**
Annual physical examination	83%	84%	80%	84%	83%
Immunizations	58%	71%	46%	66%	63%
Cancer screening services	58%	59%	51%	79%	59%
Well child care services	24%	0%	17%	4%	13%
Other prevention/screening service	19%	15%	17%	21%	17%
Do not use prevention or screening services	**4%**	**3%**	**8%**	**2%**	**4%**
Survey Responses	468	363	67	58	956

NOTES

- Prevention service use remains stable overall, led by annual physical examinations at 83%.
- Immunization use decreased to 63%, while cancer screening services decreased to 59% after reaching 65% in 2024.



USAGE OF WELLNESS SERVICES

SURVEY QUESTION

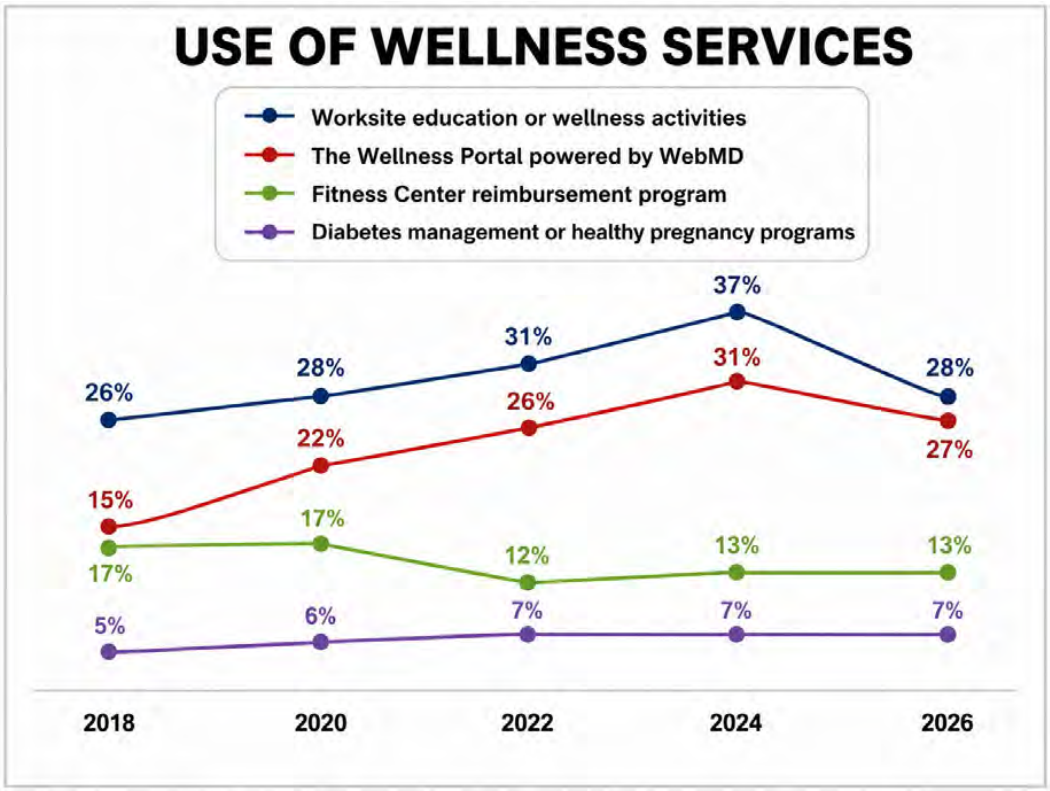
Which wellness program benefits do you use?

Respondents could select multiple wellness program benefits. Results are weighted by line of business.

USE OF WELLNESS SERVICES BY LINE OF BUSINESS					
Wellness Program Benefit	**State Employees**	**Medicare Retirees**	**Political Subdivisions**	**Pre-Retiree**	**Weighted Total**
Worksite education or wellness activities	34%	5%	31%	9%	28%
The Wellness Portal powered by WebMD	33%	10%	20%	23%	27%
Fitness Center reimbursement program	12%	18%	8%	16%	13%
Diabetes management or healthy pregnancy programs	7%	8%	8%	5%	7%
Other wellness benefit	1%	2%	2%	2%	1%
Any listed wellness benefit used	54%	37%	48%	32%	50%

NOTES

- Use of worksite education or wellness activities declined from 37% in 2024 to 28% in 2026.
- Wellness Portal use also declined, moving from 31% in 2024 to 27% in 2026.
- Fitness center reimbursement and diabetes management/healthy pregnancy programs were stable from 2024 to 2026.



FINAL COMMENTS

SURVEY QUESTION

Do you have any additional feedback you would like to provide?

Number of substantive comments = 294

Sentiment	Comments	% of Comments	Executive Read
Positive	84	28.6%	Appreciation and plan satisfaction
Neutral	108	36.7%	Often no additional feedback
Negative	102	34.7%	Concentrated around communication, coverage, and access

Top Positive Topic	What Members Said	Representative Comments
General satisfaction and appreciation	Many final comments simply reinforced satisfaction or appreciation.	"Very pleased." "Love the plan!"
Coverage and peace of mind	Members described the plan as an important source of confidence and protection.	"I am very happy with my coverage." "It gives us peace of mind in retirement."
Positive service experiences	Several members highlighted prompt service and helpful interactions.	"Well pleased with service and promptness on all claims. Great job." "Easy to work with, great benefit for our family."

Top Improvement Theme	What Members Said	Representative Comments
Communication and clarity	Members want simpler language, clearer documents, and easier benefit explanations.	"Communication is not great." "The coverage documents are difficult to understand."
Coverage gaps and denied services	Members raised concerns about services or medications they believe should be covered.	"CT scans and X-rays and all cancer screening need 100% coverage." "Please start covering GLP-1s for weight loss."
Access and network limitations	Some members cited travel distance, network access, or rural availability concerns.	"Seems like this is tailored for Bismarck and Fargo employees." "We shouldn't have to drive 100+ miles for anything more than a checkup or vaccine."

NOTES

- Final comments echo the same major themes seen in the health benefit rating comments: strong overall satisfaction, paired with concerns about communication, coverage, and access.
- Compared with Q7, Q32 comments are more mixed because many respondents used the final question to raise specific issues or improvement ideas.

RESPONDENT CHARACTERISTICS

This section provides additional respondent characteristics available in the report, including health plan type, household coverage, and age distribution.

TYPE OF HEALTH PLAN

SURVEY QUESTION

Which health insurance plan do you have?

TYPE OF HEALTH PLAN BY LINE OF BUSINESS				
Line of Business	**PPO / Basic**	**HDHP**	**Retiree / Medicare**	**Don't Know**
State Employees	82%	9%	0%	9%
Medicare Retirees	2%	0%	85%	12%
Political Subdivisions	80%	5%	2%	14%
Pre-Retiree	52%	0%	36%	13%
Weighted Total	**65%**	**6%**	**19%**	**10%**

NUMBER IN HOUSEHOLD COVERED

SURVEY QUESTION

How many people in your household are covered by your NDPERS Dakota Plan Health Benefits?

NUMBER IN HOUSEHOLD COVERED BY BENEFITS BY LINE OF BUSINESS				
Line of Business	**1**	**2**	**3**	**4 or More**
State Employees	13%	40%	14%	33%
Medicare Retirees	39%	59%	0%	1%
Political Subdivisions	38%	36%	9%	17%
Pre-Retiree	22%	73%	4%	2%
Weighted Total	**21%**	**44%**	**11%**	**24%**

AGE DISTRIBUTION

SURVEY QUESTION

How old are you?

AGE DISTRIBUTION BY LINE OF BUSINESS				
Line of Business	**Under 34**	**35 to 54**	**55 to 64**	**65+**
State Employees	10%	44%	33%	14%
Medicare Retirees	1%	1%	1%	98%
Political Subdivisions	5%	37%	45%	14%
Pre-Retiree	2%	2%	86%	11%
Weighted Total	**7%**	**34%**	**28%**	**31%**

North Dakota
Public Employees Retirement System
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Rebecca Fricke
Executive Director
(701) 328-3900
(800) 803-7377

Fax: (701) 328-3920 Email: ndpers-info@nd.gov Website: www.ndpers.nd.gov

Wellness Renewal

TO: NDPERS Board

FROM: Lindsay

DATE: July 14, 2026

NDPERS staff has completed the renewal of the Employer Based Wellness Program for the plan year July 1, 2026 to June 30, 2027. This renewal determines those employers that will qualify for the 1% health insurance premium discount during the plan year. Employers are given the opportunity to combine efforts with another NDPERS employer in order to qualify.

At this time, there are a total of 162 out of 205 employers electing to participate in the wellness program. The number of participating employers decreasing is a result of the consolidation of the Department of Corrections agencies earlier this year. This is an employer participation rate of 79%, which is similar participation rate compared to last year at 78.5%. However, we continue to see that the majority of employees on the plan work for agencies offering onsite wellness activities. Those employers who do not are typically small employers.

The breakdown of the participating employers is as follows:

- 102 state agencies, universities and district health units
- 24 counties
- 8 school districts
- 14 cities
- 14 other political subdivisions

There was a net gain of one employer (one employer discontinuing and two employers opting in). This item is informational only and does not require any action by the Board.

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Bismarck, North Dakota 58502-1657

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Proposed Legislation: NDCC 54-52-03 Governing Authority

TO: NDPERS Board

FROM: Rebecca

DATE: July 14, 2026

In follow-up to a previous discussion regarding proposed legislation, the Board asked that we discuss whether a bill proposal should be prepared and submitted next Session related to the provisions of NDCC 54-52-03. Specifically, the Board requested discussion on whether to submit a modification on the "eight of eleven board members constitute a quorum" requirement under subsection (6).

NDCC 54-52-03

54-52-03. Governing authority.

1. A state agency is hereby created to constitute the governing authority of the system to consist of a board of eleven individuals known as the retirement board. No more than one elected member of the board may be in the employ of a single department, institution, or agency of the state or in the employ of a political subdivision. An employee of the public employees retirement system or the state retirement and investment office may not serve on the board.
2. Four members of the legislative assembly must be appointed to serve on the board. The majority leader of the house of representatives shall appoint two members of the house of representatives and the majority leader of the senate shall appoint two members of the senate. The members appointed under this subsection shall serve a term of two years. The members appointed under this subsection serve at the pleasure of the appointing majority leader.
3. Four members of the board must be appointed by the governor to serve a term of five years. Each appointee under this subsection must be a North Dakota citizen who is not a state or political subdivision employee and who is familiar with retirement and employee benefit plans. The governor shall appoint one of the citizen members to serve as chairman of the board. The members appointed under this subsection serve at the pleasure of the governor.
4. Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.
5. The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.
6. A board member shall serve until the board member's successor qualifies. Each board member is entitled to one vote, and eight of the eleven board members constitute a quorum. Six votes are necessary for resolution or action by the board at any meeting.

Board Action Requested:

1) Provide direction on preparation of a bill proposal to modify the quorum requirement.
2) If a change is requested, provide direction on what modification the Board wishes be made to NDCC 54-52-03(6).
3) Provide direction regarding if any additional changes are requested under NDCC 54-52-03.

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Budget

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: July 14, 2026

The request by Governor Armstrong was for NDPERS to submit a hold-even budget for the upcoming biennium. The budget presented to you today takes that recommendation into consideration and is for a base budget amount of $13,774,798. This amount equals the base budget calculation provided by OMB.

2027-2029 Base Budget

The calculation of our base budget is as follows:

2023-25 appropriation	$14,054,162
Cost to continue adjustments	260,231
Remove one-time funding	(539,595)
Base Budget calculated by OMB	$13,774,798

Optional Change Package Considerations

At the May & June Board meetings, discussion took place as to what optional packages to include in the upcoming budget.

Following is the cost information relating to the optional change packages:

Initiative	FTE	Cost	% Increase Over Base Budget
Operational Inflationary Increases	-	181,242	1.3%
Sagitec Development Team	-	656,271	4.8%
Co-Pilot for Staff	-	53,784	0.4%
Contingent Self-Funded Staff	5.0	1,479,436	10.7%

Board Action Requested

Approve the 2027-2029 base budget and optional packages to be submitted to OMB.

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Executive Director
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Sagitec Statement of Work – IRIS Conversion

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: July 14, 2026

Background

The Internal Revenue Service (IRS) will retire the Filing Information Returns Electronically (FIRE) system on December 31, 2026. Beginning with Tax Year 2026 (filed in early 2027), the Information Returns Intake System (IRIS) will become the exclusive platform for submitting information returns.

The FIRE system relies on legacy infrastructure and a fixed-width ASCII file format. In contrast, IRIS utilizes a modern XML-based schema, provides real-time validation, supports targeted corrections, and incorporates enhanced authentication and security protocols.

Impact to NDPERS

Under the FIRE system, PERS submitted annual 1099 files through a manual portal upload, requiring staff to log into the IRS system and transmit the file directly. IRIS replaces this process with an application-to-application (A2A) submission requirement.

To streamline development of the A2A functionality, Sagitec has offered to build a standardized application that can be leveraged across its entire client base. This shared-development model will reduce overall costs for individual clients, as a single solution will serve multiple organizations.

Sagitec confirmed that NDPERS' portion of the development cost is $50,000. A Statement of Work is being prepared and will be provided to legal once ready.

The IRS announced the conversion timeline in July 2025, after NDPERS' biennial budget had already been established. Additionally, our operating budget is expected to be constrained due to the accessibility upgrades made earlier this year to our member and employer portals.

Board Action Requested

1) Sagitec is still drafting the statement of work for this upgrade. Consider approving the statement of work from Sagitec, pending legal review, for $50,000 so Sagitec can immediately begin development of the A2A upload functionality.

2) Consider approving having OMB move $250,000 of appropriation authority from our contingency line item into the operating line item of our budget.

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Executive Director
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Fax: (701) 328-3920 Email: ndpers-info@nd.gov Website: www.ndpers.nd.gov

Board Self-Evaluation Results

TO: NDPERS Board

FROM: Rebecca

DATE: July 14, 2026

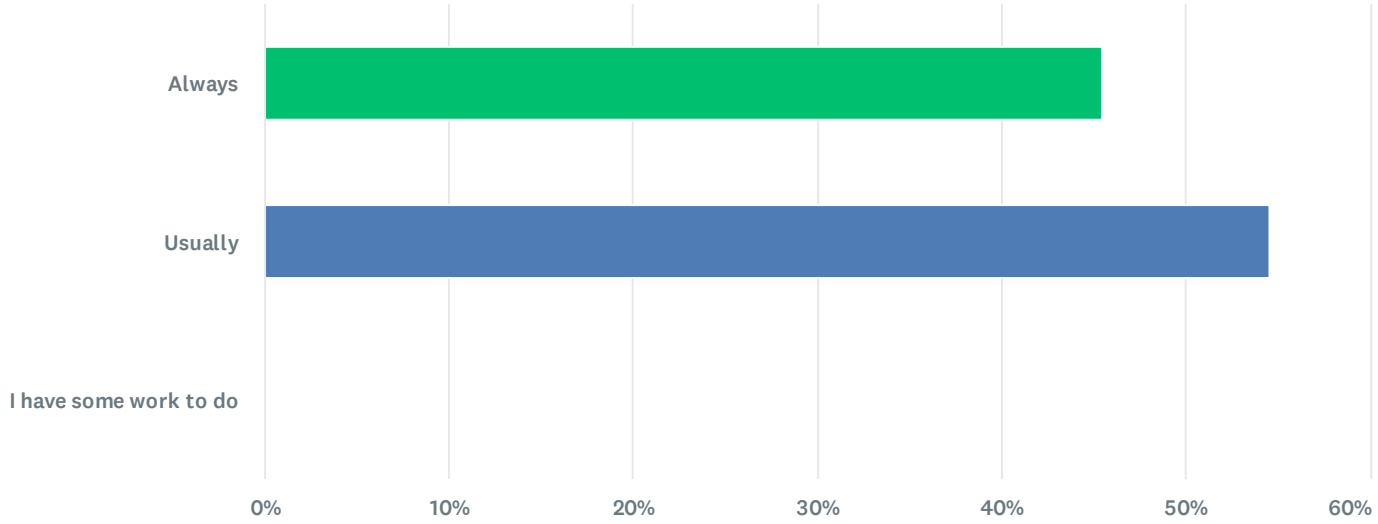
Attached are the results of the Board's annual self-evaluation. Please remember the purpose of this is to reflect on how each of you fulfills your own responsibility, and evaluate yourself to see if there are ways you as an individual and the Board as a whole can become better trustees.

This item is informational and does not require Board action.

Attachment

Q1 11 responses

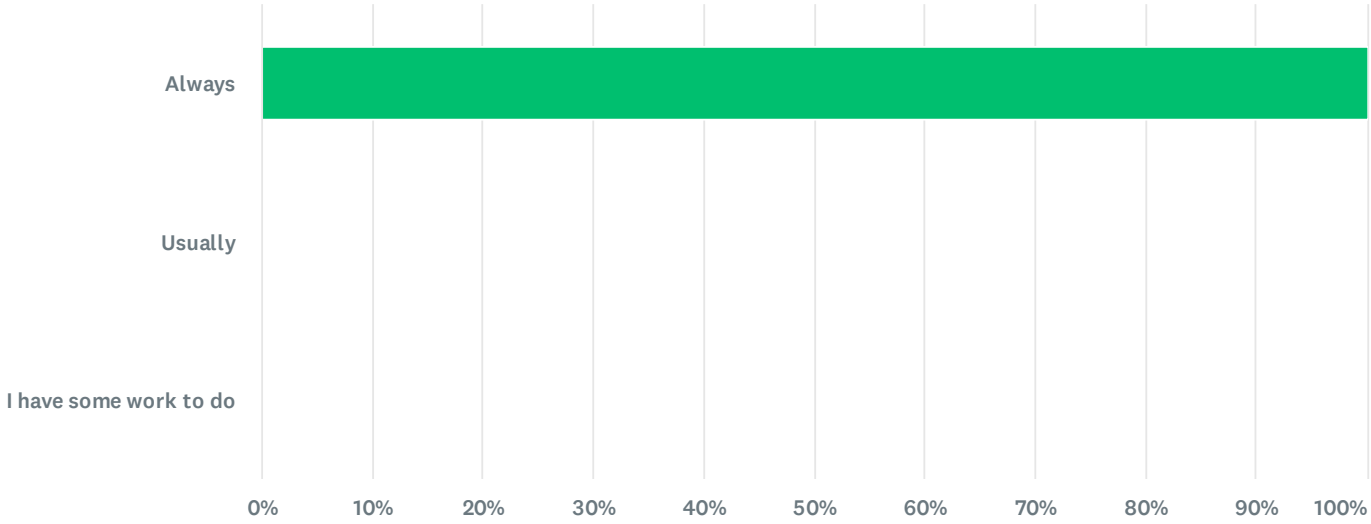
I understand the authority that has been retained by the NDPERS Board and what duties have been delegated to staff.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	Each meeting the distinction between authority for the Board and staff become clearer to me.	7/2/2026 10:52 AM
2	I am new and still learning, but feel like I am getting a solid grasp on authority both by the board what has been delegated to staff. Both board members and staff have been incredibly helpful in this learning process. The NDPERS orientation provided by staff launched me a head as well.	6/9/2026 2:49 PM

Q2 11 responses

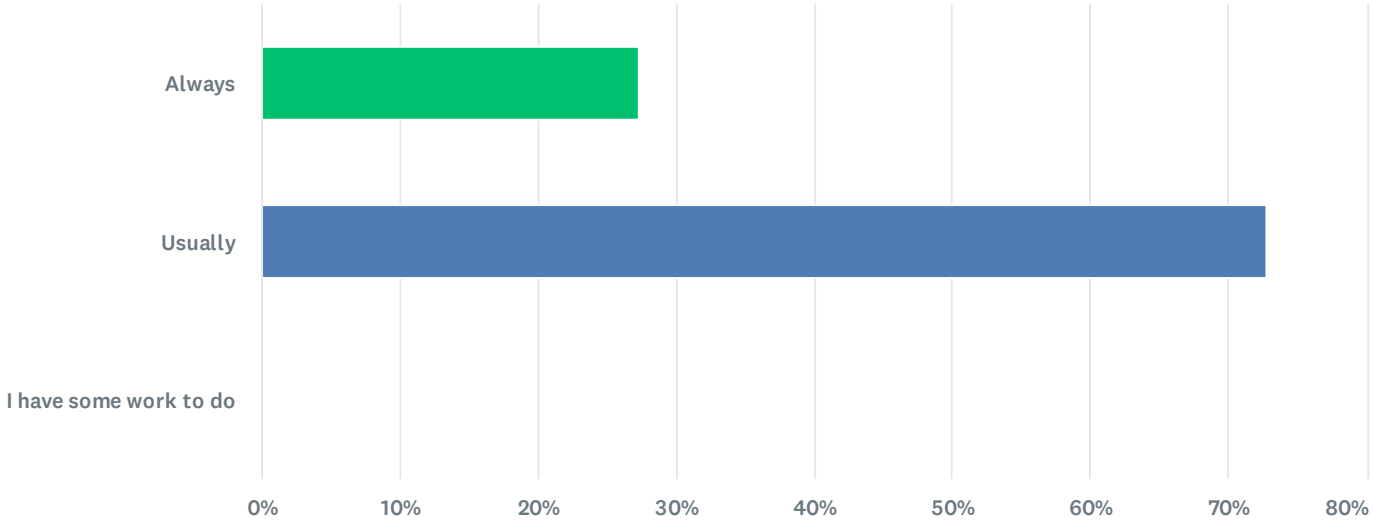
I work with other Board members and staff in a fair, respectful and professional manner.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR ANSWER.	DATE
1	The Board members are all top-notch, and I really enjoy learning from them.	7/2/2026 10:52 AM

Q3 11 responses

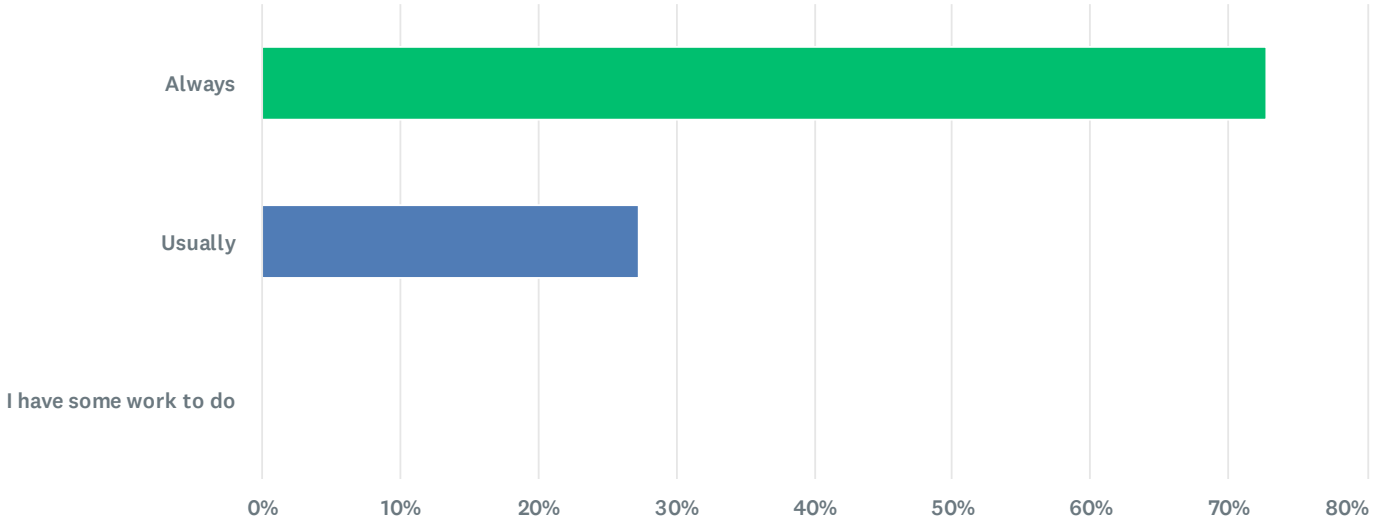
I actively engage in Board meetings by contributing to the discussions in a meaningful and appropriate way and listening to others.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	I am relatively new to the Board. I am learning from the considerable expertise of the other Board members.	7/2/2026 10:52 AM
2	I am starting to contribute as I'm learning, today was my third board meeting.	6/9/2026 2:49 PM

Q4 11 responses

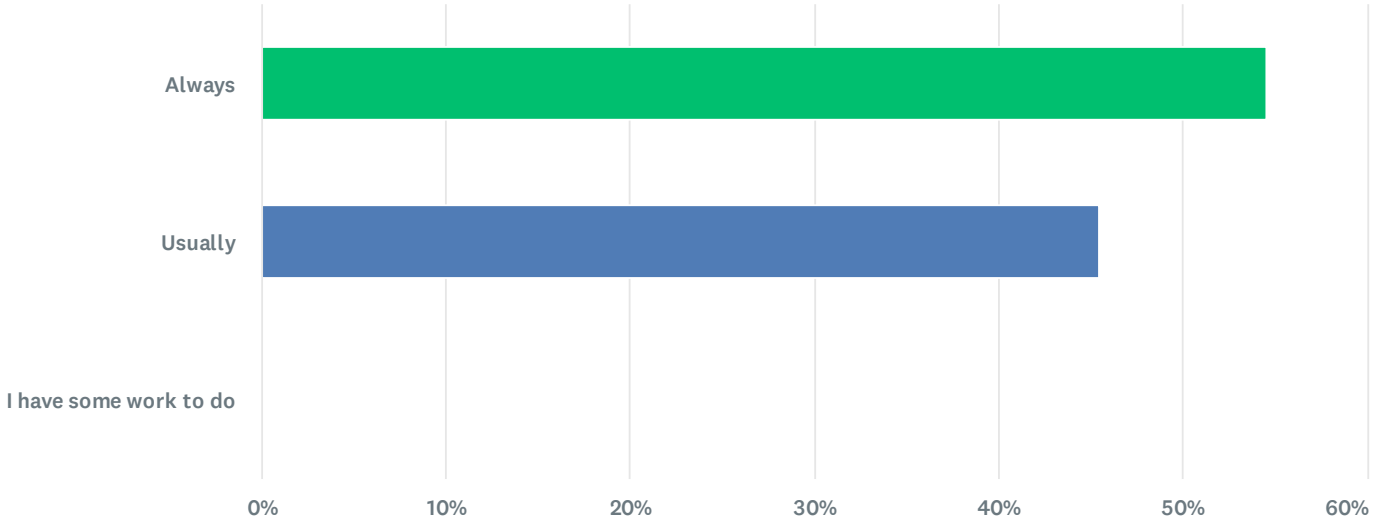
I make an effort to become educated on any NDPERS program(s) that I do not understand.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	There is a lot of information to become familiar with. If I don't understand what is on agenda, I will research topic (very good information on NDPERS website, ask NDPERS staff, or reach out to another Board member.	7/2/2026 10:52 AM
2	I have been reading a lot of material that was provided to me and using the NDPERS YouTube channel to learn as much as possible as a new member.	6/9/2026 2:49 PM

Q5 11 responses

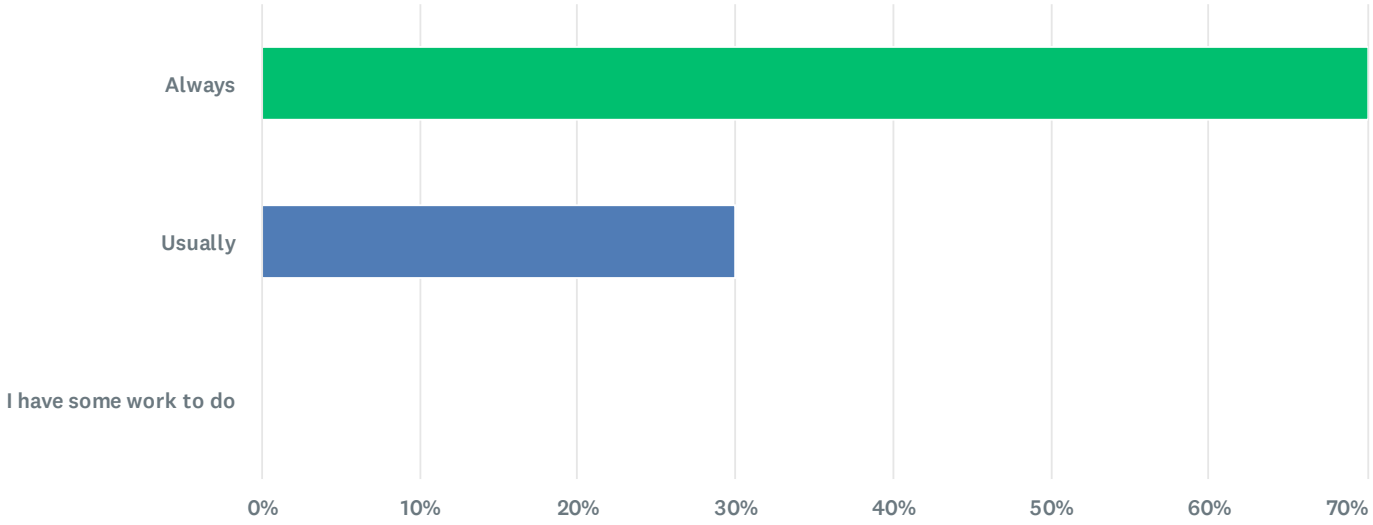
I am comfortable with the amount of time I devote as a Board member.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	I probably could review the Board material more thoroughly. There is considerable information sent out. I rely on experts on the topic to discuss.	7/2/2026 10:52 AM
2	I devote time outside of board meetings to educate myself. Before board meetings I make it a priority to review materials.	6/9/2026 2:49 PM

Q6 10 responses

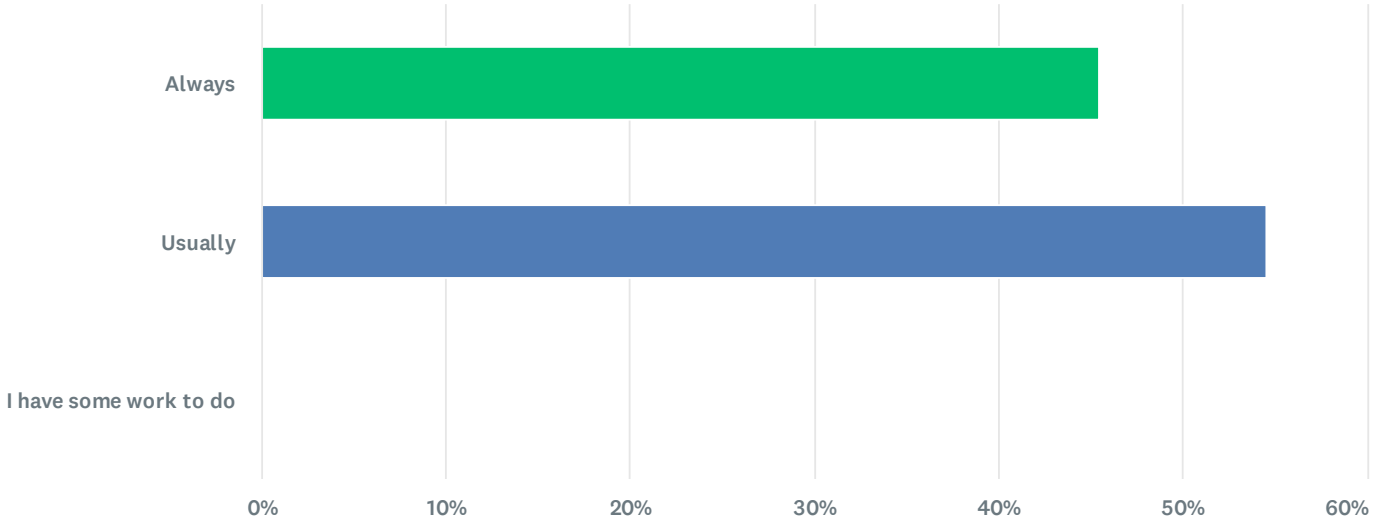
I attend the Board and Sub-committee meetings I am expected to attend.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	I enjoy being on the NDPERS Board, and have made a commitment to being a good Board member.	7/2/2026 10:52 AM
2	I have attended all board meetings and am not part of any sub-committees yet.	6/9/2026 2:49 PM

Q7 11 responses

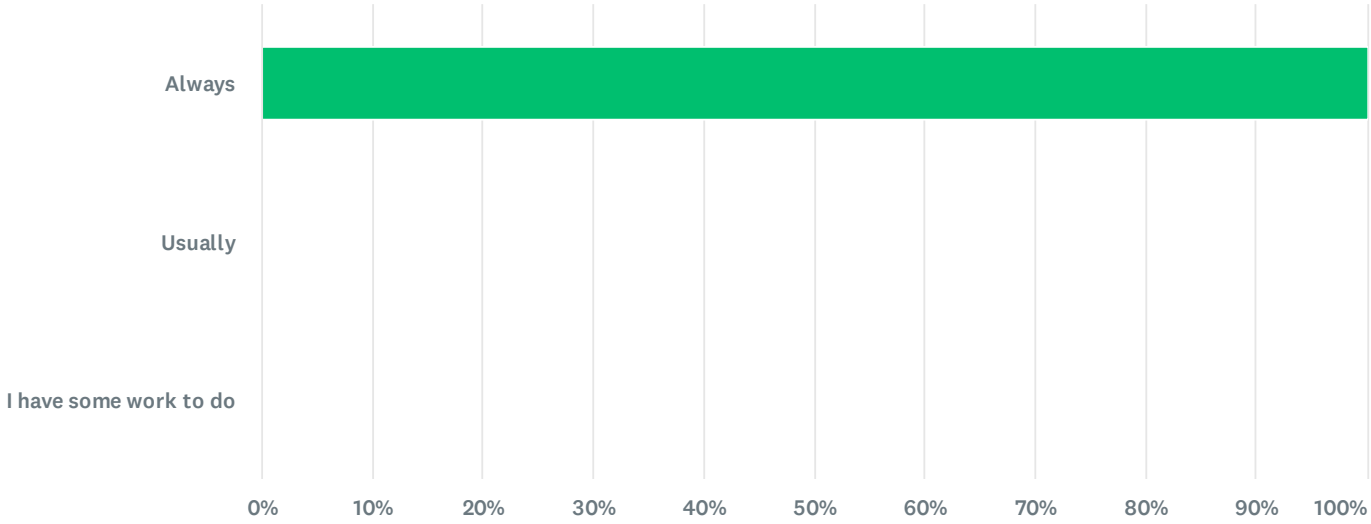
I am prepared for Board meetings by reading and considering the information in advance.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	Sometimes there is so much material that it gets overwhelming. I may skim material and wait for the explanation at the Board meeting.	7/2/2026 10:52 AM

Q8 11 responses

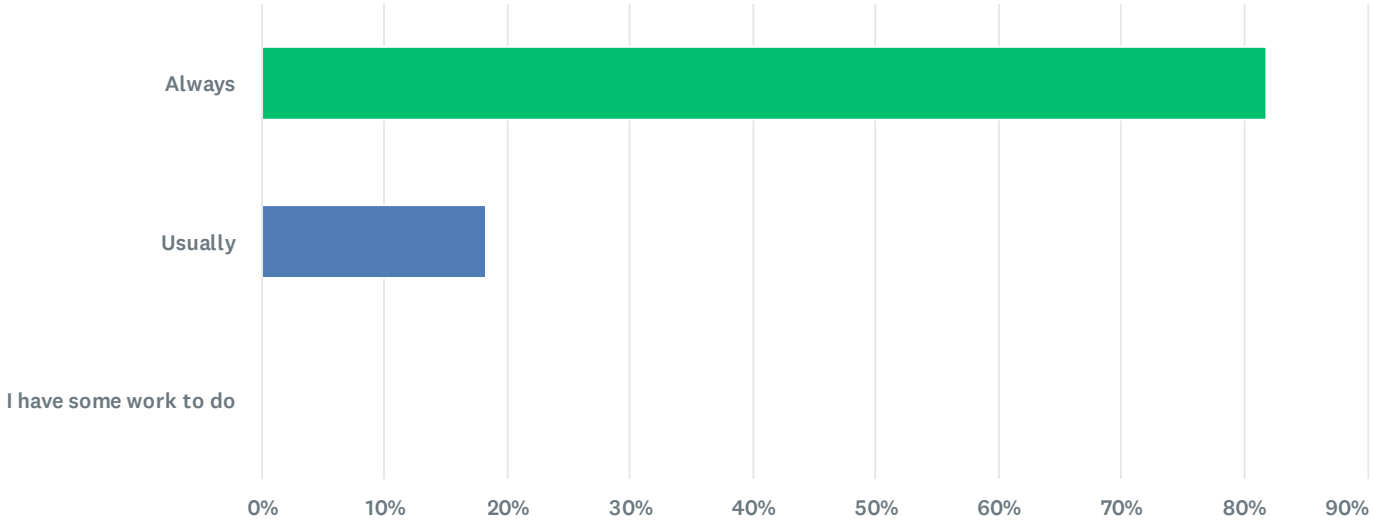
I understand the NDPERS Board’s Code of Conduct requirements, abide by them, and avoid conflicts of interest.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	If I am aware of any conflicts of interest, I will share that information.	6/15/2026 3:40 PM

Q9 11 responses

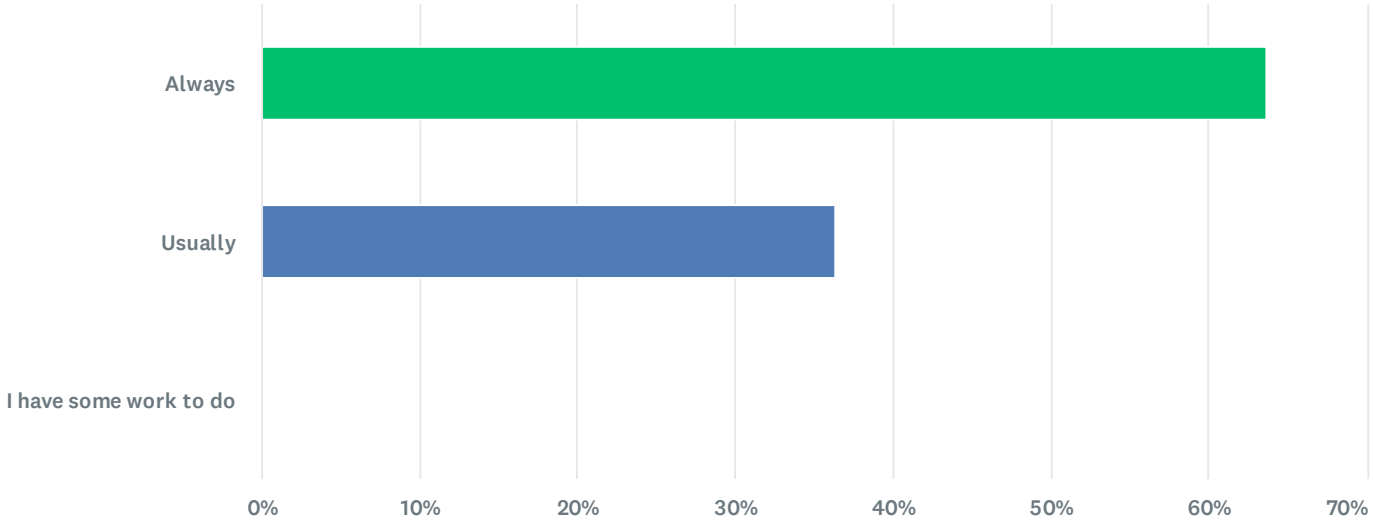
I understand the legal duties and responsibilities required of me as a fiduciary, and act for the exclusive benefit of our members and beneficiaries.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	There may be certain topics I do not completely understand, but will ask questions if that happens.	6/15/2026 3:40 PM

Q10 11 responses

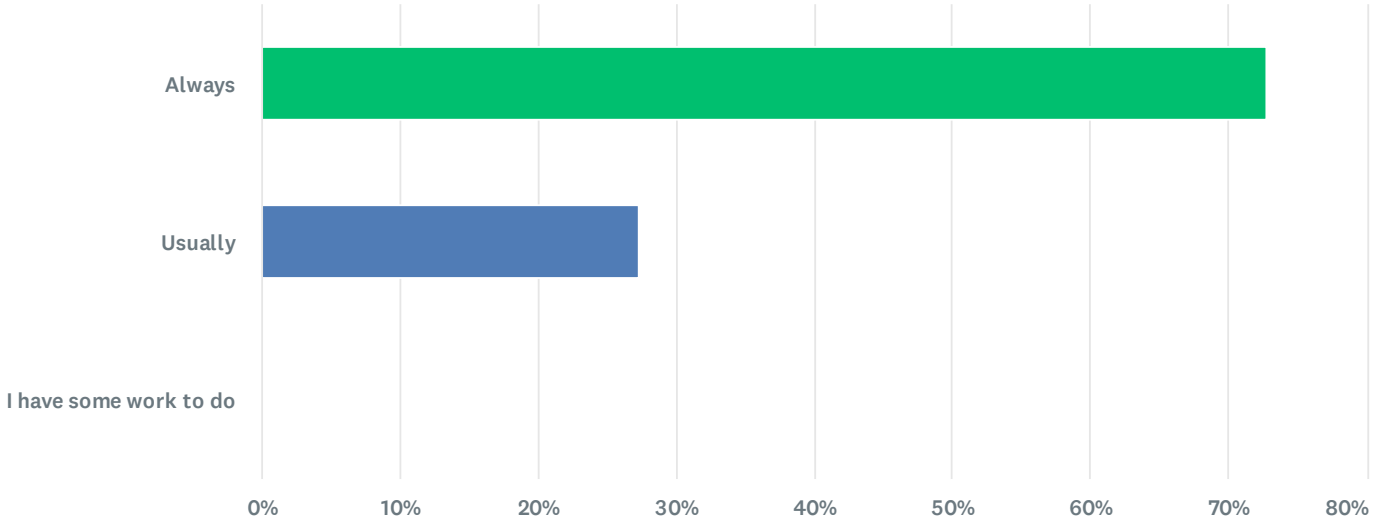
I sufficiently understand all financial reports and seek clarification when necessary.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	With my experience leading various state agencies, serving on other Boards, and training small businesses, I have a solid general understanding of financial information.	7/2/2026 10:52 AM
2	I am learning a lot in this area still and have been impressed with the information provided by staff and the amount of discussion from the board as a whole.	6/9/2026 2:49 PM

Q11 11 responses

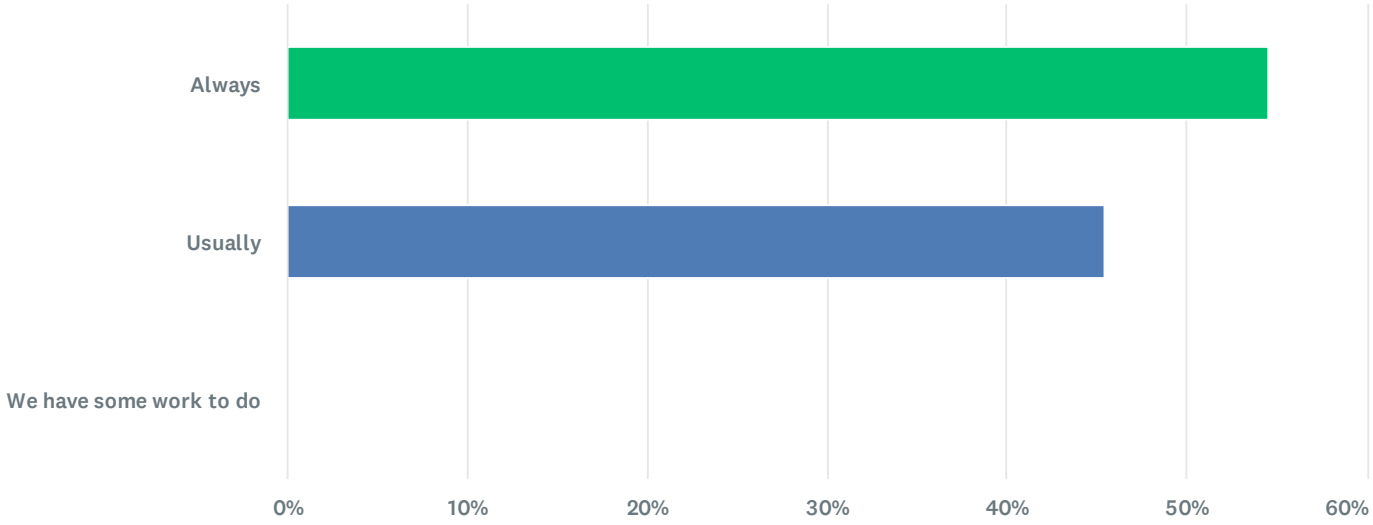
I find my participation on the Board to be stimulating and rewarding.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	This Board helps so many employees/retirees. It is a privilege to be on the Board.	7/2/2026 10:52 AM
2	I am really enjoying my time on the NDPERS board!	6/9/2026 2:49 PM

Q12 11 responses

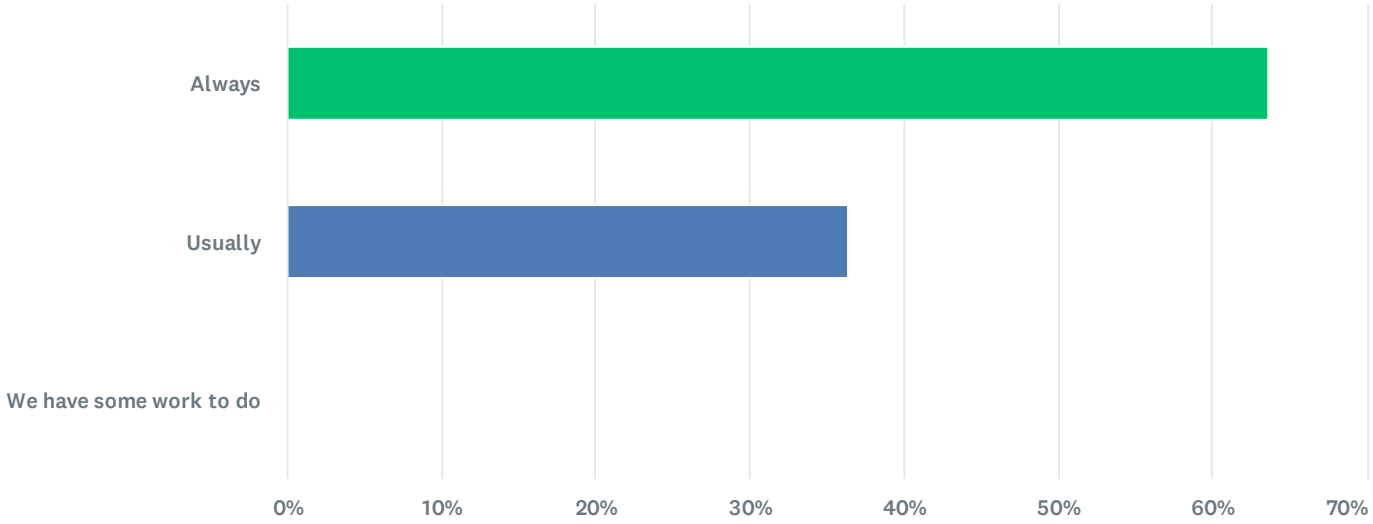
Board members are consistently prepared for meetings and remain engaged.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	This Board is really knowledgeable, participative, and fun to work with.	7/2/2026 10:54 AM
2	I believe all board members make their best effort to be prepared for each meeting. (It's difficult for me to click "Always", because in spite of my best efforts, there will be times I can't dive into every topic.)	6/15/2026 3:43 PM

Q13 11 responses

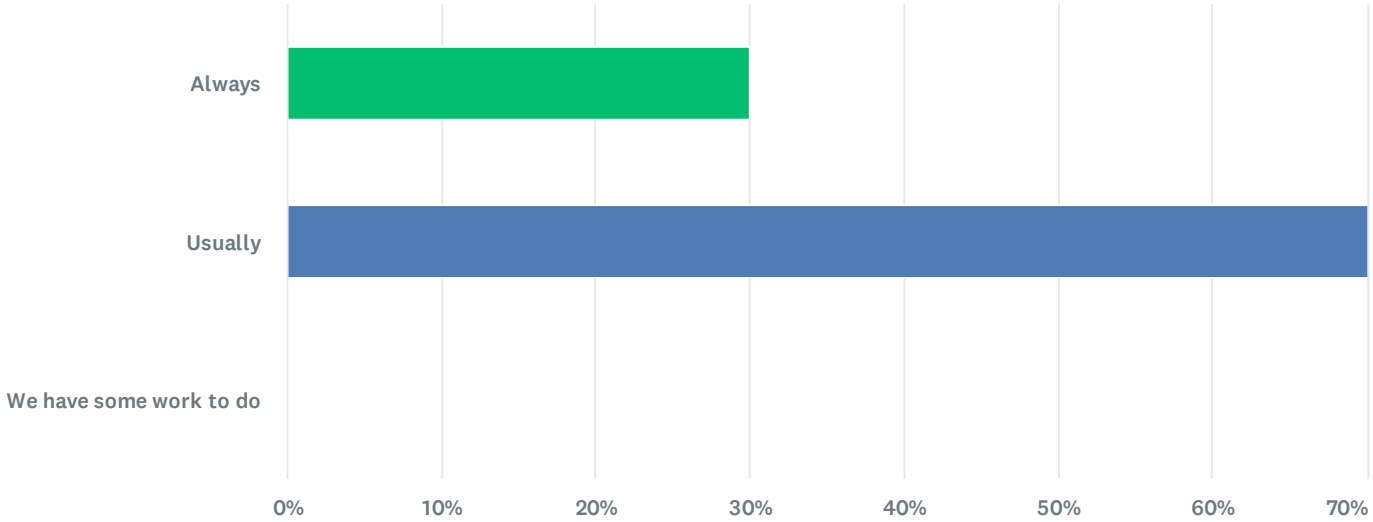
The Board is engaged and has healthy discussions on a topic before making a well-informed decision.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	Board members actively discuss topics. I was impressed with the discussion on RFP for health insurance.	7/2/2026 10:54 AM
2	I think the board is very engaged and has healthy discussions. I am impressed by the welcoming and constructive environment that exists amongst the board.	6/9/2026 2:52 PM

Q14 10 responses

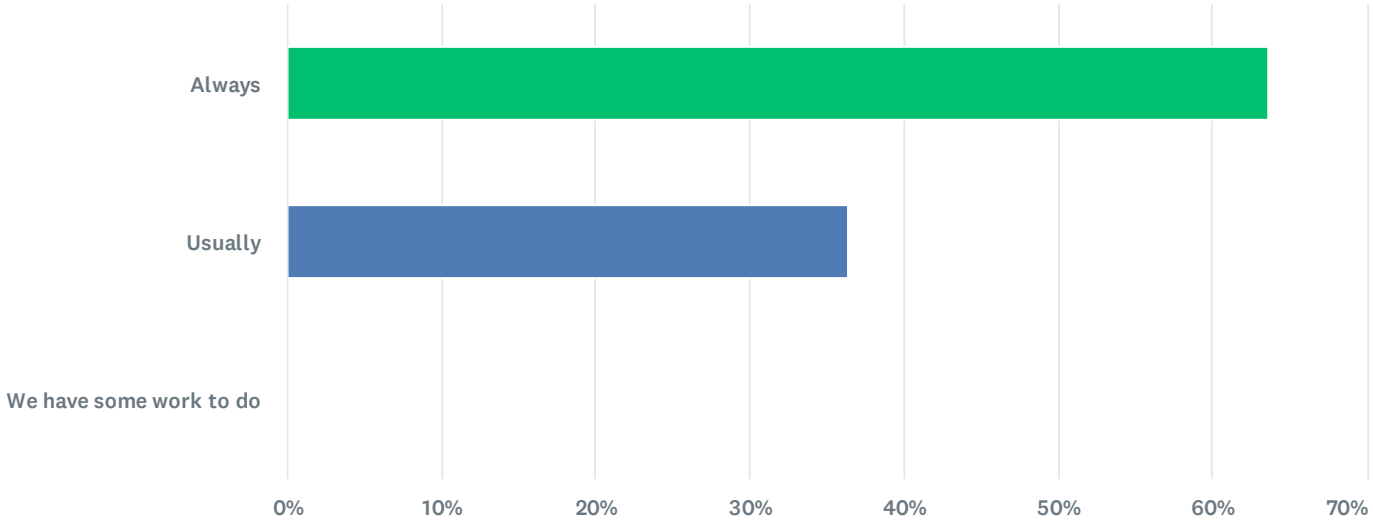
The Board recognizes the authority it has retained and what has been delegated to staff.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	I think the board recognizes its authority and seeks clarification from staff when needed.	6/9/2026 2:52 PM

Q15 11 responses

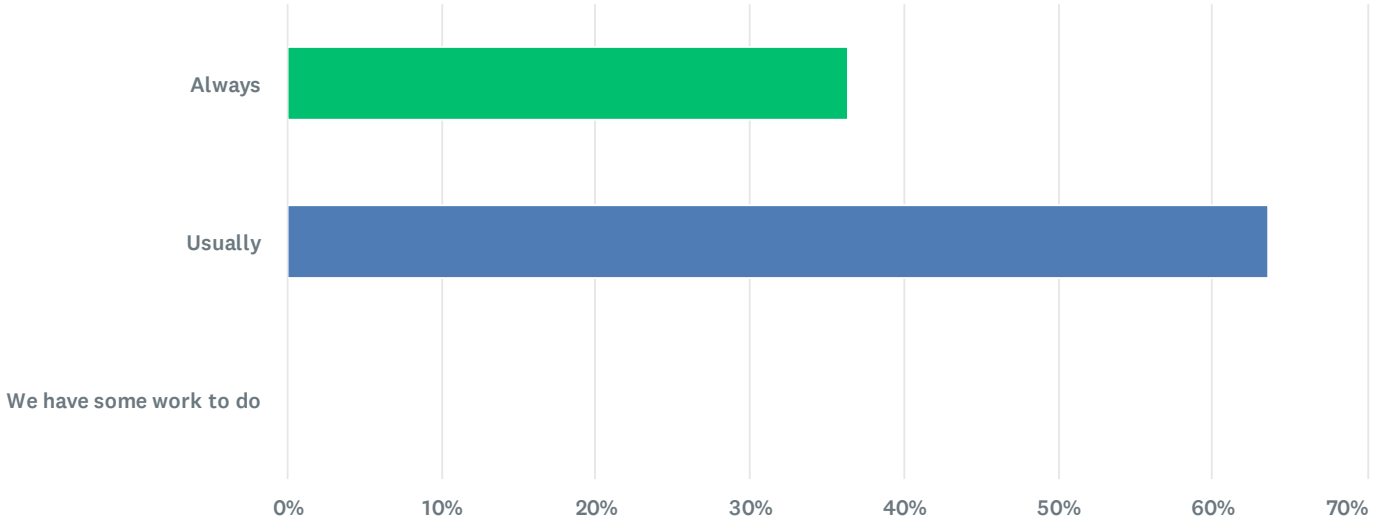
The Board is informed of issues and prepared to deal with acute situations.



#	OTHER (PLEASE SPECIFY)	DATE
1	All material is sent out well in advance for review. Each Board member seems to have an expertise in certain areas.	7/2/2026 10:54 AM

Q16 11 responses

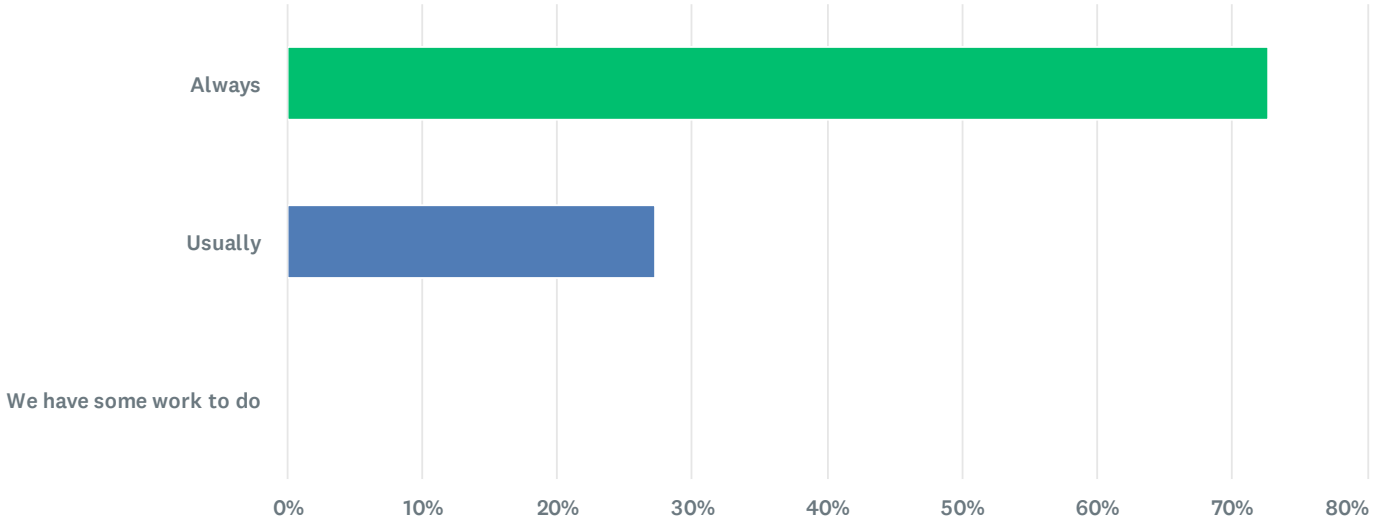
All Board members regularly attend Board and Committee meetings.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
	There are no responses.	

Q17 11 responses

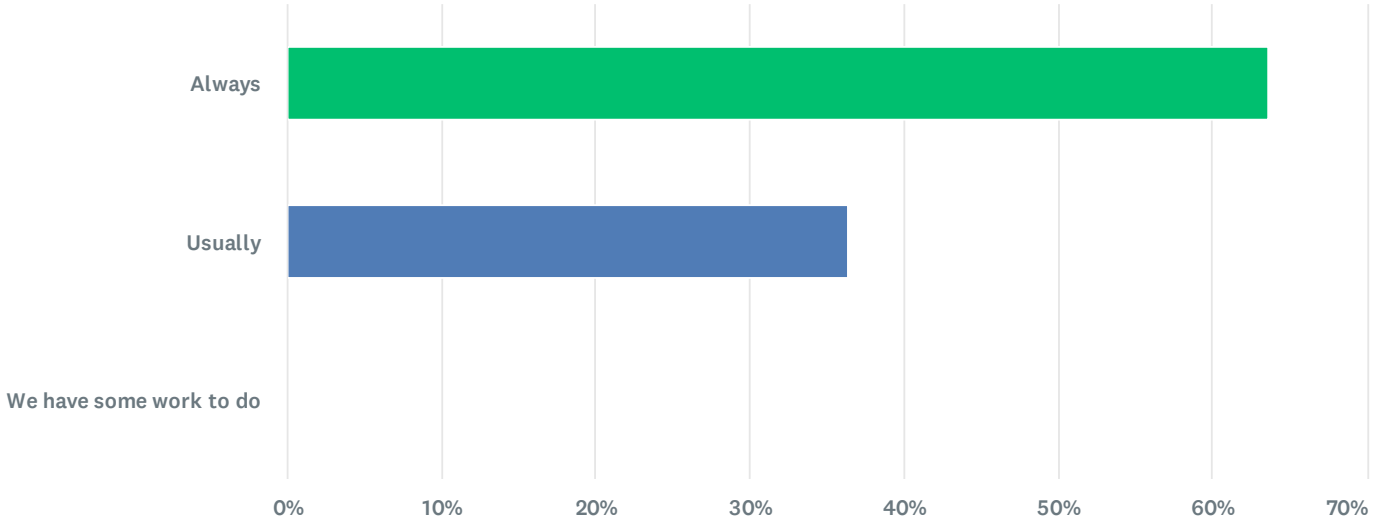
Board meetings are generally well-run and make good use of members' time.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	Mike does a wonderful job running the meetings.	7/2/2026 10:54 AM
2	I believe there is always a best effort made to well-run meetings.	6/15/2026 3:43 PM

Q18 11 responses

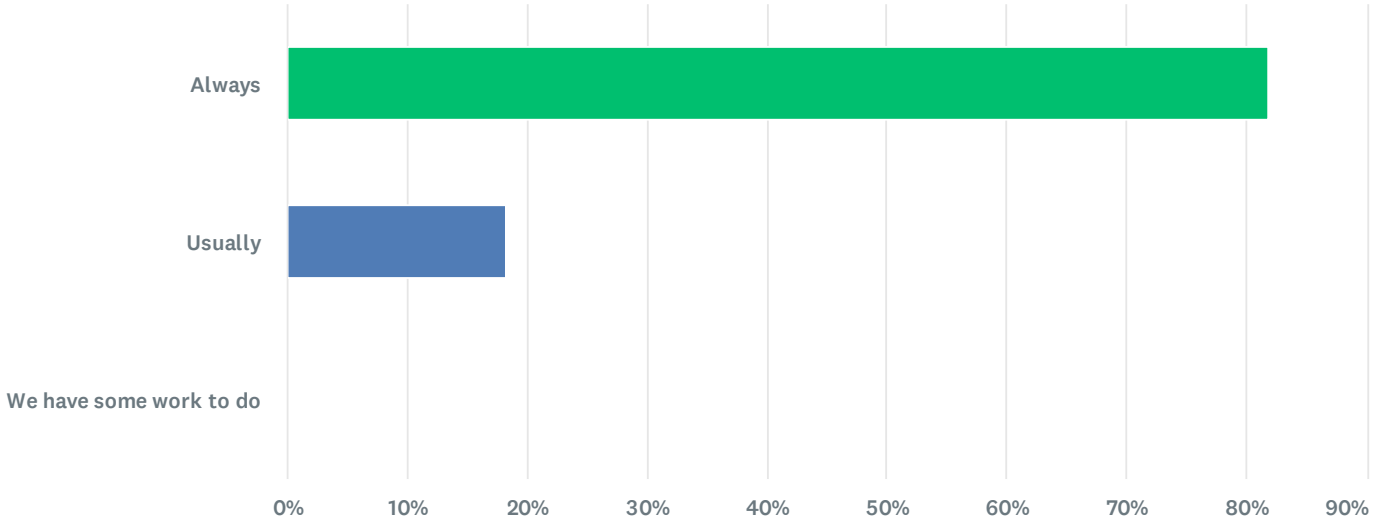
Board meetings have the right allocation of time between Board discussions and presentations.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	As I stated before, there is considerable information to discuss, and it is important to have experts explain the information to the Board.	7/2/2026 10:54 AM

Q19 11 responses

The Board receives useful information upon which it make its decisions.



#	PLEASE PROVIDE ANY SPECIFIC FEEDBACK REGARDING YOUR RATING.	DATE
1	With the Board material provided and the discussion at the meetings, we get enough information to make informed decisions.	7/2/2026 10:54 AM

Q20 Are there any critical issues that you feel the Board should address?

Answered: 4 Skipped: 7

#	RESPONSES	DATE
1	None	7/2/2026 10:54 AM
2	Prepare an ND PERS Policy Manual to include board governance.	6/30/2026 11:12 AM
3	Not at this time. I believe there is a very good mix of backgrounds on the board that lend us to valuable discussion and insight. The staff is always very good to work with and very well prepared.	6/15/2026 3:46 PM
4	no	6/9/2026 12:38 PM

Q21 Are there any areas in the Board self-evaluation that you would like to see addressed in the future?

Answered: 4 Skipped: 7

#	RESPONSES	DATE
1	None	7/2/2026 10:54 AM
2	Not at this time.	6/30/2026 11:12 AM
3	I struggle with having the term “Always” being an option. Absolutes are difficult for us to attain, even though I believe we put our best efforts into preparation and the meetings.	6/15/2026 3:46 PM
4	no	6/9/2026 12:38 PM

North Dakota
Public Employees Retirement System
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Rebecca Fricke
Executive Director
(701) 328-3900
(800) 803-7377

Fax: (701) 328-3920 Email: ndpers-info@nd.gov Website: www.ndpers.nd.gov

Code of Ethical Responsibility

TO: NDPERS Board

FROM: Rebecca

DATE: July 14, 2026

Following the annual presentation of the Fiduciary Responsibilities and Ethics presentation, the Board is asked to complete the attached Board Code of Ethical Responsibility.

We request that you sign and date the document and give it to Jan for our records.

Attachment

North Dakota Public Employees Retirement System
Board of Trustees

Code of Ethical Responsibility

1. Each NDPERS Board and subcommittee member owes a duty to conduct themself so as to inspire the confidence, respect, and trust of the NDPERS members and to strive to avoid not only professional impropriety, but also the appearance of professional impropriety.

2. **Fiduciary Duties.** NDPERS Board members owe a fiduciary duty in administering the NDPERS retirement plans for the benefit of the NDPERS members. NDPERS Board members will:

   a. Administer the retirement plans only in the interest of the NDPERS members;
   b. Administer the retirement plans in good faith and with the care of an ordinarily prudent person in a like position;
   c. Exercise reasonable caution in decision-making; and
   d. Follow all state and federal laws, rules, regulations, and policies in administering the retirement plans.

3. NDPERS Board and subcommittee members should perform the duties of their offices impartially and diligently. NDPERS Board and subcommittee members are expected to fulfill their responsibilities in accord with the intent of all applicable laws and to refrain from any form of dishonest or unethical conduct. Board members should be unswayed by partisan interest, public sentiment, or fear of criticism.

4. **Conflicts of Interest.** NDPERS Board and subcommittee members have an obligation to disclose and manage any known potential conflict of interest before making a decision or taking action in a matter. NDPERS Board and subcommittee members shall follow the applicable North Dakota Ethics Commission rule when disclosing and managing a known potential conflict of interest. The general conflict of interest rules are found in N.D. Admin. Code ch. 115-04-01. The quasi-judicial conflict rules are found in N.D. Admin. Code ch. 115-05-01. The neutral reviewer for the NDPERS Board members shall be the remaining members of the NDPERS Board present at the meeting. The neutral reviewer for any NDPERS subcommittee members shall be the remaining members of the respective NDPERS subcommittee present at the meeting of the subcommittee. The NDPERS Board has also adopted a policy to follow the procedure outlined in N.D.C.C. § 44-04-22 for undisclosed conflicts of interest.

5. NDPERS Board and subcommittee members will not unnecessarily retain employees or consultants. The hiring of employees and consultants shall be in

compliance with state law and based on merit, avoiding nepotism and favoritism. The compensation of such employees and consultants shall not exceed the fair value of services rendered and the amount allowable under law.

6. NDPERS members' retirement benefit information and health insurance data shall be confidential and shall not be transmitted to any person other than in compliance with state and federal law.

7. **Gifts.** NDPERS Board and subcommittee members shall not accept any cash or gifts, special accommodations, or favors from any person with whom such individual is performing, negotiating, or being solicited for business on behalf of NDPERS or gifts from lobbyists as prohibited by Article XIV, § 2(1) of the North Dakota Constitution and N.D. Admin. Code ch. 115-03-01.

8. NDPERS Board and subcommittee members shall perform their respective duties in a manner that satisfies their fiduciary responsibilities including:

   a. **Duty of Loyalty.** All activities and transactions performed on behalf of the retirement fund must be for the exclusive purpose of providing benefits to plan participants and defraying reasonable expenses of administering the plan.

   b. **Duty of Prudence.** Fiduciaries are required to exercise the same care, skill, prudence, and diligence that a prudent person familiar with such matter would exercise in managing similar affairs. The investments of the trust funds must be diversified so as to minimize the risk of large losses unless such diversification is clearly imprudent.

   c. **Duty of Obedience.** Fiduciaries must act in conformance with the requirements of state and federal laws, rules, regulations, and policies, including:

      i. N.D.C.C. chapter 54-52;
      ii. N.D. Admin. Code title 71;
      iii. Federal laws;
      iv. IRS regulations;
      v. NDPERS policies.

   d. **Duty of Care.** Fiduciaries must be impartial in investing, managing, and distributing the plan funds, and cannot consider one beneficiary's interests over others.

   e. **Prohibited transactions.**

      i. **Self-dealing** refers to the fiduciary's use of plan assets for personal gain, engaging transactions on behalf of parties whose interests are

adverse to the plan, or receiving personal consideration in connection with any planned transaction.

ii. **Transactions with a party in interest** are prohibited. A party-in-interest includes a fiduciary, counsel, or employee of the plan, anyone providing services to the plan, any employer, organizations whose employees or members are covered by the plan, and any of the number of other persons or entities that have a stated interest or relationship with a party-in-interest. Prohibited transactions between the plan and a party-in-interest include the sale, loan, exchange, or transfer of any plan assets.

9. Violation of this Code of Ethical Responsibility may result in an official reprimand from the NDPERS Board. No reprimand may be issued until the Board or subcommittee member has had the opportunity to be heard by the Board. In addition to an official reprimand from the NDPERS Board, a violation may be subject to enforcement action by the North Dakota Ethics Commission, if applicable.

I understand and agree to the provisions of this policy.

_____

Printed Name

_____ _____

Signature NDPERS Trustee or subcommittee member **Date**

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Contracts Under $15,000

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: July 14, 2026

Attached is a document that shows the contracts under $15,000 that have been signed since the last update. Please let me know if you have any questions on any of these contracts.

This item is informational only and does not require any action of the Board.

Attachment

Contracts Under $15,000

All Contracts Signed During 2026:

Vendor	Amount		Notes
UHY LLP	$	-	GASB Management Representation Letters
Traill County	$	-	Expanded Public Safety Plan effective 3/1/2026
United Printing	$	689.15	Member Brochures
NDIT	$	-	ADA Compliance Remediation Work Order Not to Exceed $20,000

Contracts Signed Since Last Reported:

Vendor	Amount		Notes
OMB Surplus Property	$	-	Surplus Property Designations
Interoffice	$	70.00	Adjustments to work areas

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Everbridge Emergency Notification Test

TO: NDPERS Board

FROM: Katheryne Korom

DATE: July 14, 2026

Everbridge is the State's emergency communication software which allows our office to update all necessary parties of critical events without making individual contacts. We test this process twice a year to ensure all Board members receive the critical event messages we may send.

You will receive a test message during our meeting on all phone numbers and email addresses you have listed in PeopleSoft.

No Board Action is necessary, other than letting us know if you do NOT receive the communication.

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Insurance Benefit Appeal Case #1025

TO: NDPERS Board

FROM: Lindsay Schaf

DATE: July 14, 2026

Member is appealing the denial of a health insurance application that NDPERS received after the 31-day enrollment window allowed for qualifying events as stated in N.D. Admin. Code § 71-03-03-01 *(Attachment A)*. The requested effective date is September 1, 2023 under the qualifying event of "loss of coverage" and the application would need to have been received by October 2, 2023 as the loss of coverage occurred on August 31, 2023.

NDPERS was first notified of the member's change in marital status [to divorced] on May 12, 2026; however, the divorce occurred in August 2023. The change in marital status resulted in the member's ineligibility to remain on his spouse's health plan, also employed with an NDPERS employer, as the member no longer met the definition of a dependent as outlined in the Certificate of Insurance (Section 1.4), which indicates that only a spouse under a legally existing marriage is eligible for coverage *(Attachment B)*.

NDPERS contacted the employer on May 13, 2026 regarding the change in marital status as of August 2023, which resulted in the change in coverage under the spouse's health plan. The employer was informed that the member will need to submit a late enrollment request with an application to be reviewed by NDPERS *(Attachment C)*.

NDPERS received the requested application and explanation on May 13, 2026 *(Attachment D)*. Member's explanation stated the previous direction in 2019 from HR mandated that the initial application for single coverage be 'automatically cancelled' in favor of a family plan. North Dakota Century Code 54-52.1-06(1) indicates that the state will pay the full monthly premium, and North Dakota Century Code 54-52.1-07 indicates that the state will pay for family coverage *(Attachment E)*. The member's spouse also worked for the state and policy adopted in 1989 based upon an Attorney General's Opinion indicates that the one who worked for their current employer the longest must be the carrier of the insurance for the family plan, which supports the direction the member was given in 2019.

In *Attachment F*, NDPERS contacted the employer via email, inquiring about information available to employees who experience a change in marital status. The employer confirmed that there are two ways to update a marital status – through PeopleSoft or direct contact with HR. The employer also provided additional materials that are available to employees (QLE Guide for Divorce) and sample email content (pages 12-15 of attachment) and provided to employees when HR is notified of such event. The sample emails were sent to other individuals who experienced a marital status change and had

contacted HR. The employer reported that the member did not notify HR of the marital status change in 2023, either through PeopleSoft or directly contacting them (checking the member's personnel file and shared email inboxes for HR).

Call logs and Member Self Service (MSS) activity indicate that the member had not contacted NDPERS nor submitted insurance applications around the time, or after, the change in marital status occurred *(Attachment G)*.

N.D. Admin. Code § 71-03-03-05(2) allows for the executive director to waive the thirty-one day application requirement upon showing good cause *(Attachment A)*. The executive director determined the information provided did not support "good cause" in order to make an exception and allow the late enrollment *(Attachment F, page 1)*. Therefore, NDPERS denied the request. A letter informing the member of the denial decision was sent on May 26, 2026 *(Attachment H)*.

Employer inquired on May 28, 2026 whether the request had been approved, and was informed of the denial and letter was sent to member *(Attachment I)*. Member emailed NDPERS on June 2, 2026 regarding the status of the application. Member was informed of the denial and the decision letter sent *(Attachment J).*

Member submitted Board appeal request, received by NDPERS on June 8, 2026 *(Attachment K)*.

Letter sent to member June 17, 2026 with details of Board meeting information to comply with 15 day notice requirement as outlined in N.D. Admin. Code § 71-03-05-05 referenced below *(Attachment L)*.

N.D. Admin. Code § 71-03-05-05 Appeal process. If a member's benefits have been denied in whole or in part by the board or its agent, the member will be notified in writing of the denial and the reasons. Within sixty days of the date shown on the denial notice, the member may file a petition for review. The petition must be in writing, the reasons stated for disputing the denial and be accompanied by any documentation. Should the member filing a petition for review, or should the board or its agent desire information which cannot be presented satisfactorily by correspondence, the board or its designated appeals committee may schedule a hearing. The member filing the appeal will be notified in writing at least fifteen days prior to hearing of the time, date, and place.

The board or its agent will render a decision as soon as possible, but not later than one hundred twenty days after the receipt of the petition for review. The decision will be in writing.

For this appeal, the Board must determine whether good cause exists to waive the 31-day application requirement.

"Good cause" means a "legally sufficient reason" and is a discretionary standard. In determining whether good cause exists, the Board may consider all of the relevant facts and circumstances including, but not limited to, the reason(s) for missing the application deadline, the length of the delay, the information provided/available to the member, and the potential harm to the NDPERS/the member if late enrollment is/is not allowed.

Board Action Requested

Affirm or reverse NDPERS executive director decision that good cause did not exist to waive the 31-day application requirement for member to enroll due to loss of coverage with an effective date of September 1, 2023.