



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: 114 217 138#
Date: **Tuesday, June 9, 2026**
Time: 8:30 A.M. [Join the meeting now](#)

I. MINUTES

- A. May 12, 2026

II. CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

III. PRESENTATION

- A. 2025 Medicare Part D Annual Report – Lindsay and Humana (Information)

IV. DEFERRED COMPENSATION / DEFINED CONTRIBUTION

- A. Investment Consultant Services Request for Proposal (RFP) – Katheryne (Board Action)
- B. 457(b) Companion Plan and 401(a) DC Plan 1st Quarter 2026 Report – Derrick (Information)

V. GROUP INSURANCE / FLEXCOMP

- A. Health Insurance Plan Request For Proposal (RFP) Update – Katheryne (Information)
- B. 2025 Health Insurance Plan Claims Review – Lindsay (Information)

VI. LEGISLATION / ADMINISTRATIVE RULES

- A. Proposed Legislation – Rebecca (Information)

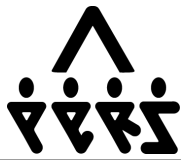
VII. OPERATIONS / ADMINISTRATIVE

- A. Audit Committee Report – Shawna (Information)
- B. Audit Committee Member Assignment – Shawna (Board Action)
- C. Budget – Derrick (Board Action)
- D. Board Self-Evaluation – Rebecca (Information)
- E. Contracts Under \$15,000 – Rebecca (Information)
- F. Next Meeting Date: July 14, 2026

VIII. MEMBER EXECUTIVE SESSION

- A. Insurance Benefit Appeal Case #1021* – Lindsay (Board Action)

*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.



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2025 Medicare Part D Annual Report

TO: NDPERS Board

FROM: Lindsay Schaf

DATE: June 9, 2026

Representatives from Humana will be attending the meeting to provide the Board with their 2025 Annual Report of the NDPERS Employer Group Waiver Plan, referred to as the Medicare Part D Plan.

The presentation is attached for your reference.



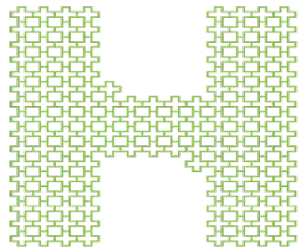
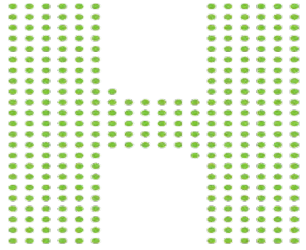
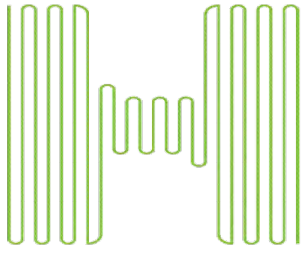
Humana.

NDPERS

Part D Prescription Drug Plan
2025 Plan Year Review

NDPERS Board meeting – June 9, 2026





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Today's discussion

Humana Updates

- IRA & Pharmacy Updates

PDP Plan Compass

- 2025 Plan Utilization

2027 Benefit Updates

- ANOC
- 100 Day Supply

Appendix

- CMS Final Notice
- CMS Bridge Program
- Generic Landscape
- Customer Service Metrics and Member outreach

Humana attendees

- Julie Bodenski, Senior Account Executive
- Mia Ajekwu Bassaragh, Clinical Pharmacy Lead



IRA & Pharmacy Updates



How the Inflation Reduction Act will impact costs for certain medications

The IRA aims, in part, to reduce prescription medication costs for some popular drugs. Some of the changes are:

2023

- Effective 1/1/2023: most covered Part D Vaccines \$0 cost share cap and insulin has a \$35 month (up to 30-day supply) cost share cap (bypass deductible).
- Effective 4/1/2023: Inflationary Rebates (aka Part B rebatable drugs) provides reduced coinsurance when Part B drugs increase faster than inflation.
- Effective 7/1/2023: Part B insulin, which is most commonly utilized in an insulin pump, capped at \$35 cost share (up to 30-day supply).

2024

- Part D **Catastrophic phase** cost share reduced to **\$0** for beneficiaries.
- More people will be eligible for financial assistance, as Medicare beneficiaries with annual incomes of up to 150% of the federal poverty limit can qualify for full benefits.

2025

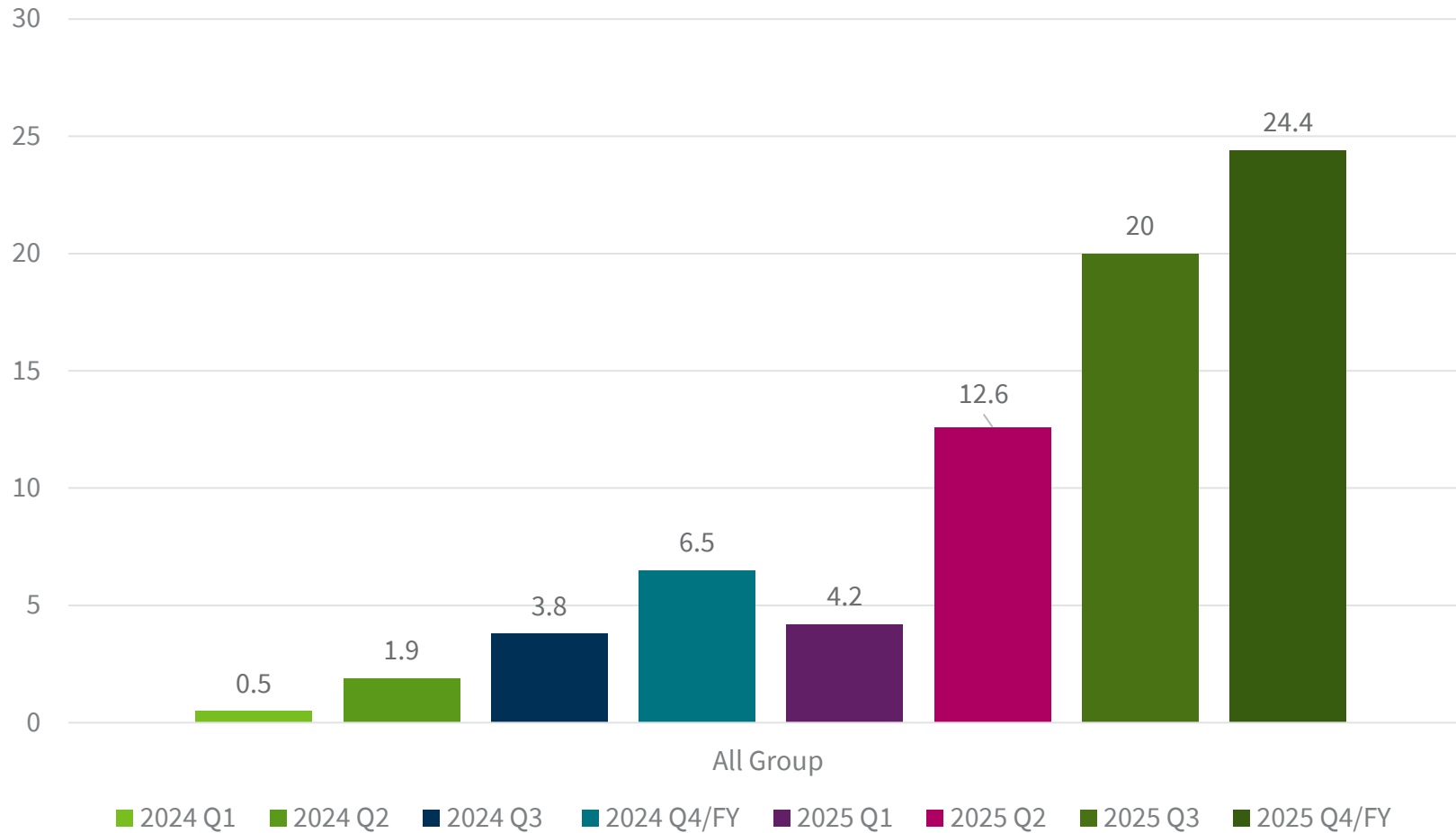
- Annual out-of-pocket Part D spending capped at \$2,000, and beneficiaries will have the option to smooth their cost-sharing payments over the year with a maximum monthly cap on cost-sharing.

2026-2029

- Annual out-of-pocket Part D spending capped at \$2,100 in 2026 and \$2,400 in 2027
- Initiation of maximum fair prices (MFPs) through Medicare Drug Price Negotiation Program
 - 2026: 10 Part D medications
 - 2027: 15 Part D medications
- Insulin co-pay cap at lesser of \$35 or 25% of MFP
- Continued legislation geared toward inflation reduction and limiting beneficiary prescription medication costs. Information will be shared as received.

2024 – 2025 IRA impact of Catastrophic Phase Entry

Percent of Members Entering the Catastrophic Phase by Quarter



All Group data includes all MAPD and PDP groups within Humana

✓ Members entering the Cat Phase had no additional Part D cost share in 2024 and 2025

✓ IRA \$2,000 MOOP is the main driver of the increase seen between 2024 and 2025

✓ Due to mechanics of the \$2,000 MOOP- richer plans tend to have lower member out-of-pocket and increased plan cost share due to members entering Cat Phase

NDPERS: % of members entering Cat Phase

- **2024: 4%**
- **2025: 17%**

Catastrophic member true out of pocket

2024 vs 2025 Average Member Spend



All Group data includes all MAPD and PDP groups within Humana

- ✓ Enhanced Group Medicare Part D benefit designs result in greater acceleration into the Cat Phase of \$0 member cost share and higher plan cost share
- ✓ Due to the enhanced Group Medicare benefit and the \$2000 MOOP, the out-of-pocket spend for members in the Cat Phase was significantly lower in 2025

Entering Catastrophic Phase results in \$0 member cost share

NDPERS - December 2024:

- 401 members (4%)
- \$3119 Out of Pocket

NDPERS - December 2025:

- 1564 members (17%)
- \$1573 Out of Pocket

Medicare drug price negotiation program

Centers for Medicare & Medicaid Services (CMS) directly negotiates with drug companies on single source drugs without generic or biosimilar competition.

- Negotiated drugs must be covered on Medicare formularies
- Negotiated prices referred to as maximum fair prices (MFPs) go into effect 1/1/2026

Negotiations include:

- For 2026: 10 Part D medications
- For 2027: 15 additional Part D medications
- For 2028: Expect Part B and Part D medications

| 2026 Negotiated Cost Medications | 2027 Negotiated Cost Medication |
|--|---------------------------------|
| Eliquis | Ozempic; Rybelsus; Wegovy |
| Jardiance | Trelegy Ellipta |
| Xarelto | Xtandi |
| Januvia | Pomalyst |
| Farxiga | Ibrance |
| Entresto | Ofev |
| Enbrel | Linzess |
| Imbruvica | Calquence |
| Stelara | Austedo; Austedo XR |
| Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill | Breo Ellipta |
| | Tradjenta |
| | Xifaxan |
| | Vraylar |
| | Janumet; Janumet XR |
| | Otezla |

Glucagon-like peptide-1 (GLP-1s) background



- Medications initially approved for treatment of diabetes. Incidental discovery of weight loss led to clinical trials and FDA approval for indication of weight loss.
- With weight loss studies, incidental finding of lowered risk of cardiac events such as stroke or heart attack in patients with cardiac risk factors (obesity combined with hypertension, dyslipidemia, and/or other cardiac risk factors)



- Same generic drugs with different FDA approved brand name (**Bold**) and indication:
 - Semaglutide (**Ozempic**[®] = diabetes; **Wegovy**[®] = weight loss, cardiac prevention, MASH)
 - Tirzepatide (**Mounjaro**[®] = diabetes; **Zepbound**[®] = weight loss, obstructive sleep apnea)



- Humana Formulary inclusion for Medicare Part D medications is driven by FDA approval AND CMS guidance:
 - CMS – Excludes GLP-1s solely for weight loss
 - CMS – Includes GLP-1s for diabetes with prior authorization
 - CMS – Includes cardiac prevention with prior authorization (Wegovy[®] only as of 3/2024)
 - CMS – Includes obstructive sleep apnea with prior authorization (Zepbound[®] only as of 12/2024)
 - CMS – Includes treatment of noncirrhotic metabolic dysfunction-associated steatohepatitis (MASH) (Wegovy[®] only as of 8/2025)



2025 PlanCompass Report

Member Demographic Summary



The Demographic Scorecard demonstrates how your group's membership is broken down.

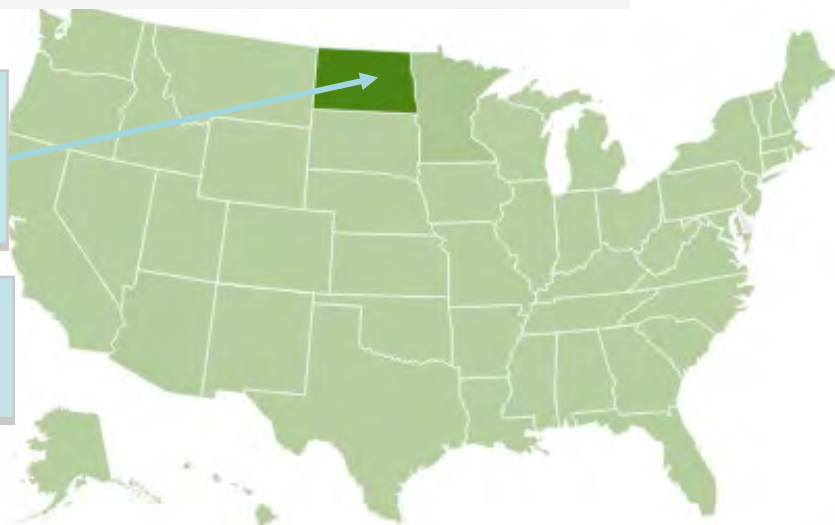


9,066 Membership:
May 4, 2025

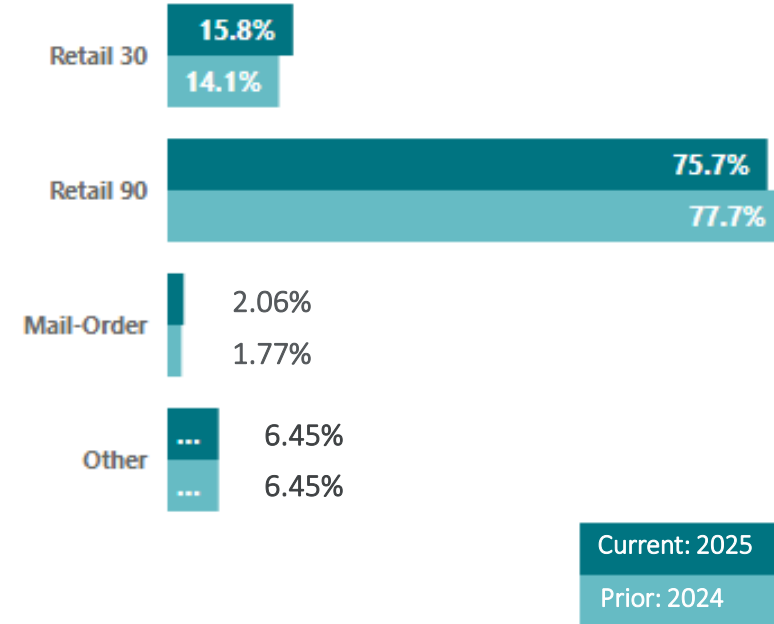
| | 2025 | 2024 | Peer |
|-------------------|-------|-------|-------|
| Average Members | 9,043 | 9,026 | --- |
| Male/Female Ratio | 42/58 | 42/58 | 52/48 |
| Average Age | 77.3 | 77.1 | 75.5 |

North Dakota
average membership
2024: 7,468
(Prior Period: 7,470)

MN: 790 (Prior: 781)
AZ: 186 (Prior: 187)
SD: 87 (Prior: 93)



Utilization Channels – Maintenance Medications



*Other - Specialty, Long Term Care, Home Infusion, and Discount Card Prescriptions

Maintenance medications are drugs that the member takes regularly to treat chronic or ongoing conditions. 90-day fills have been found to improve maintenance drug adherence.

Pharmacy Utilization and Tier Distribution

Pharmacy Utilization Summary

| | Group | | | Peer | | |
|---|--------------|--------------|--------|----------|----------|--------|
| | Current | Prior | Change | Current | Prior | Change |
| Average # of Members | 9,043 | 9,026 | 0.2% | --- | --- | --- |
| % Utilizing Members | 95.6% | 95.6% | -0.1% | --- | --- | --- |
| # of Scripts | 284,102 | 281,664 | 0.9% | --- | --- | --- |
| Total Net Paid | \$38,979,243 | \$24,988,968 | 56.0% | --- | --- | --- |
| Total Prescription PMPM | 2.62 | 2.60 | 0.7% | 2.46 | 2.47 | -0.4% |
| Average Days Supply/Script | 52.66 | 52.25 | 0.8% | 57.10 | 57.34 | -0.4% |
| Net Paid/Script | \$137.20 | \$88.72 | 54.6% | \$232.65 | \$218.21 | 6.6% |
| Net Paid/Script (30 Day Equivalent) | \$78.17 | \$50.94 | 53.4% | \$122.23 | \$114.17 | 7.1% |
| Net Paid PMPM → | \$359.19 | \$230.72 | 55.7% | \$572.83 | \$539.46 | 6.2% |
| Member Paid PMPM → | \$41.37 | \$50.84 | -18.6% | \$24.16 | \$30.67 | -21.2% |
| Plan Cost Share → | 89.7% | 81.9% | 7.7% | 96.0% | 94.6% | 1.3% |

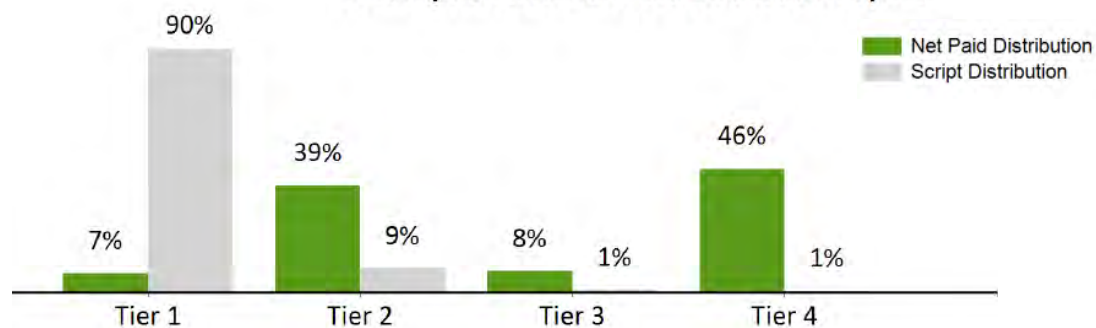
Plan Cost Share:

2023: 80.5%
2024: 81.9%
2025: 89.7%

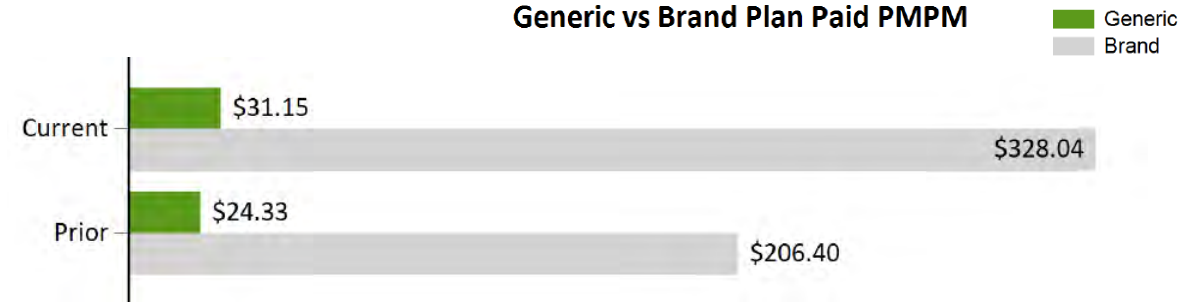
Member Cost Share:

2023: 19.5%
2024: 18.1%
2025: 10.3%



Prescription and Plan Paid Distribution by Tier






Generic vs Brand Plan Paid PMPM



Generic Drug Usage

| Generics Usage | Group | | | Peer | | |
|---|---------|---------|--------|---------|---------|--------|
| | Current | Prior | Change | Current | Prior | Change |
| Generic Dispensing Rate  | 88.9% | 89.4% | -0.5% | 86.5% | 86.9% | -0.4% |
| # of Scripts | 252,525 | 251,738 | 0.3% | --- | --- | --- |
| Average Plan Net Paid per RX (30 Day Equivalent) | \$7.42 | \$5.83 | 27.2% | \$10.48 | \$10.35 | 1.3% |
| Average Member Cost per RX (30 Day Equivalent) | \$2.71 | \$3.12 | -13.1% | \$2.79 | \$3.44 | -18.8% |
| Net Paid PMPM  | \$31.15 | \$24.33 | 28.0% | \$43.27 | \$43.27 | 0.0% |
| Substitution Rate | 97.9% | 97.8% | 0.1% | 98.1% | 98.0% | 0.1% |

Specialty & High Cost Drugs Usage

| Specialty and High Cost Drugs Usage | Group | | | Peer | | |
|---|----------|---------|--------|----------|----------|--------|
| | Current | Prior | Change | Current | Prior | Change |
| # of Scripts  | 1,715 | 766 | 123.9% | --- | --- | --- |
| % of Scripts | 0.6% | 0.3% | 0.3% | 1.7% | 1.6% | 0.1% |
| # of Scripts PMPM | .016 | .007 | 123.5% | .041 | .039 | 5.2% |
| % of Total RX Net Paid | 45.6% | 28.9% | 16.8% | 47.7% | 48.6% | -0.9% |
| Net Paid PMPM  | \$163.80 | \$66.57 | 146.1% | \$273.04 | \$262.17 | 4.1% |
| RX Plan/Member Cost Share | 98 / 2 | 96 / 4 | --- | 99 / 1 | 99 / 1 | --- |
| Net Paid/Script  | \$10,365 | \$9,413 | 10.1% | \$6,630 | \$6,695 | -1.0% |
| Total Unique Members | 220 | 125 | 76.0% | --- | --- | --- |

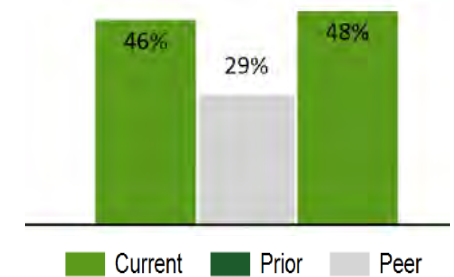
Top 20 Specialty Drugs

| Current Rank | Prior Rank | Brand Name | Drug Class | # Mbrs | | Net Paid | | # Scripts | |
|--------------|------------|-----------------|---------------------------------|---------|-------|-------------|-------------|-----------|-------|
| | | | | Current | Prior | Current | Prior | Current | Prior |
| 1 | 3 | VYNDAMAX | CARDIOLOGY | 6 | <5 | \$1,382,619 | \$359,618 | 62 | 17 |
| 2 | 1 | POMALYST | CHEMOTHERAPY - MULTIPLE MYELOMA | 6 | 6 | \$1,344,337 | \$1,331,571 | 58 | 61 |
| 3 | 14 | LENALIDOMIDE | CHEMOTHERAPY - MULTIPLE MYELOMA | 7 | <5 | \$800,474 | \$181,733 | 62 | 13 |
| 4 | --- | DUVYZAT | NEUROLOGY | <5 | <5 | \$681,005 | \$0 | 14 | 0 |
| 5 | --- | PIQRAY | CHEMOTHERAPY | <5 | <5 | \$540,878 | \$0 | 23 | 0 |
| 6 | --- | IBRANCE | CHEMOTHERAPY - CDK INHIBITORS | 5 | <5 | \$506,436 | \$0 | 33 | 0 |
| 7 | 5 | HUMIRA(CF) PEN | RHEUMATOID ARTHRITIS | 7 | <5 | \$497,525 | \$351,548 | 58 | 26 |
| 8 | --- | BOSULIF | CHEMOTHERAPY | <5 | <5 | \$467,259 | \$0 | 22 | 0 |
| 9 | 15 | XTANDI | CHEMOTHERAPY - ANTIANDROGENS | 5 | <5 | \$425,528 | \$175,474 | 34 | 25 |
| 10 | 49 | PROMACTA | CARDIOLOGY - GROWTH FACTORS | <5 | <5 | \$392,068 | \$9,742 | 15 | 1 |
| 11 | 17 | CALQUENCE | CHEMOTHERAPY | 5 | <5 | \$388,261 | \$165,018 | 27 | 17 |
| 12 | 23 | VENCLEXTA | CHEMOTHERAPY | 9 | 6 | \$383,420 | \$115,341 | 41 | 21 |
| 13 | 24 | DUPIXENT PEN | DERMATOLOGY | 14 | <5 | \$375,411 | \$84,213 | 99 | 23 |
| 14 | 8 | STELARA | DERMATOLOGY - PSORIASIS AGENTS | <5 | <5 | \$360,903 | \$220,804 | 15 | 9 |
| 15 | --- | ZEJULA | CHEMOTHERAPY - PARP INHIBITORS | <5 | <5 | \$346,409 | \$0 | 19 | 0 |
| 16 | 7 | OFEV | RESPIRATORY - IPF AGENTS | <5 | <5 | \$327,214 | \$223,761 | 25 | 23 |
| 17 | 6 | UPTRAVI | RESPIRATORY - PAH AGENTS | <5 | <5 | \$318,366 | \$293,939 | 13 | 10 |
| 18 | --- | WINREVAIR (2 PA | CARDIOLOGY | <5 | <5 | \$303,879 | \$0 | 10 | 0 |
| 19 | 13 | IMBRUVICA | CHEMOTHERAPY | <5 | <5 | \$297,075 | \$191,236 | 16 | 11 |
| 20 | 9 | KISQALI | CHEMOTHERAPY - CDK INHIBITORS | <5 | <5 | \$286,065 | \$217,537 | 20 | 19 |

Most specialty drugs have no generic or multisource brand alternative. These drugs may be prescribed for rare diseases, as well as newer forms of biologic treatment.

For 2025 the specialty tier cost threshold is \$950 per 30-day supply (\$950 in 2024)

RX % of Specialty Net Paid



Top 5 Pharmacies for Specialty Drugs

| Pharmacy | Utilization |
|------------------------------------|-------------|
| SANFORD PHARMACY BROADWAY | 21.8% |
| CENTERWELL PHARMACY INC. | 13.9% |
| SANFORD BISMARCK RETAIL PHARMACY | 9.5% |
| ALTRU HOSPITAL OUTPATIENT PHARMACY | 5.7% |
| ONCO360 | 5.4% |

| Current Rank | Prior Rank | Peer Rank | Drug Class | % of RX Spend | % Change of RX Spend | % GDR |
|---------------------------------|------------|-----------|--|---------------|----------------------|-------|
| 1 | 1 | 1 | DIABETES | 19.5% | 38% | 40% |
| 2 | 2 | 2 | CARDIOLOGY - BLOOD THINNERS | 13.1% | 24% | 21% |
| 3 | 4 | 3 | CHEMOTHERAPY | 10.4% | 174% | 77% |
| 4 | 3 | 9 | CHEMOTHERAPY - MULTIPLE MYELOMA AGENTS | 10.4% | 13% | 27% |
| 5 | 7 | 7 | CARDIOLOGY | 6.5% | 369% | 95% |
| 6 | 5 | 8 | RESPIRATORY - COPD | 3.5% | 8% | 34% |
| 7 | 16 | 4 | DERMATOLOGY - PSORIASIS AGENTS | 3.0% | 273% | 13% |
| 8 | 19 | 27 | NEUROLOGY | 2.6% | 248% | 56% |
| 9 | 9 | 5 | RHEUMATOID ARTHRITIS | 2.5% | 94% | 50% |
| 10 | 14 | 6 | CHEMOTHERAPY - ANTIANDROGENS | 2.1% | 127% | 74% |
| 11 | 23 | 16 | CHEMOTHERAPY - CDK INHIBITORS | 2.1% | 271% | --- |
| 12 | 17 | 10 | DERMATOLOGY | 2.0% | 153% | 96% |
| 13 | 10 | 20 | RESPIRATORY - PAH AGENTS | 1.7% | 52% | 48% |
| 14 | 26 | 55 | CHEMOTHERAPY - PARP INHIBITORS | 1.5% | 281% | --- |
| 15 | 12 | 12 | GENITOURINARY | 1.2% | 24% | 92% |
| 16 | 18 | 14 | CARDIOLOGY - HEART FAILURE | 1.2% | 57% | 53% |
| 17 | 6 | 13 | ANTI-INFECTIVES | 1.1% | -22% | 99% |
| 18 | 61 | 37 | CARDIOLOGY - GROWTH FACTORS | 1.0% | 3,925% | --- |
| 19 | 20 | 18 | CHOLESTEROL - PCSK9 INHIBITORS | 1.0% | 58% | --- |
| 20 | 31 | 23 | NEUROLOGY - MULTIPLE SCLEROSIS | 0.9% | 238% | 47% |
| 21 | 13 | 26 | CARDIOLOGY - HYPERTENSION AGENTS | 0.9% | -3% | 100% |
| 22 | 21 | 15 | RESPIRATORY - IPF AGENTS | 0.9% | 47% | 31% |
| 23 | 8 | 35 | VACCINES | 0.8% | -43% | --- |
| 24 | 15 | 30 | OPHTHALMOLOGY - GLAUCOMA AGENTS | 0.8% | -8% | 86% |
| 25 | 22 | 62 | STEROIDS | 0.7% | 18% | 100% |
| Subtotal of Top 25 Drug Classes | | | | 91% | | |

Top 25 Represents \$327.48 of RX Net Paid PMPM

Drug Class Trend

This report shows the top 25 drug classes by cost and compares their relative cost and growth rate over time.

The table allows comparison of the rank of each drug class, how that rank has changed from the prior period, and the respective rank for your peer.

Drug Class Trend (all) – Top 3

- 26.5% of spend is Chemotherapy (Prior year: 22.6%)
- 22.7% of spend is Cardiology (all) (Prior year: 21.2%)
- 19.5% of spend is Diabetes (Prior year: 22.0%)



2027 Benefit Updates

Preferences for Annual Notice of Change (ANOC)

- **Beginning with 2027 ANOC's**, members who have opted into receiving ANOC's electronically & have a valid e-mail address on file with Humana will receive an e-mail when 2027 ANOC's are generated directing them to MyHumana.com to view their ANOC digitally. Members who have not opted in or have opted in but do not have a valid e-mail address on file will continue to receive ANOC via mail.
- **Members can manage their Preferences** via MyHumana.com or by contacting Customer Service. There is a specific ANOC preference & a global preference called "Go Paperless" which if turned "On" would also set ANOC to digital.

Communication Preferences on MyHumana.com

Set communication preferences

Go Paperless

Many plan documents are available digitally. Choose "On" to get all the documents below electronically or select each document you want to access digitally.

Go paperless: OFF

| | |
|------------------------------------|--------|
| Annual Notice of Change | Select |
| Drug List | Select |
| Evidence of Coverage | Select |
| Medication information & resources | Select |
| Notice of privacy practices | Select |
| Provider Directory | Select |
| SmartSummary | Select |

ANOC Email

Humana Sign in to MyHumana →

Your [2026] Humana plan benefits are here

View my benefits →

Hi [First Name],

Your Annual Notice of Change (ANOC) is now available. Your ANOC will include information about your plan's benefit coverage and cost.

It's easy to access your ANOC

Simply sign in to MyHumana today to review your plan benefits.

View my benefits →

Here's to another year of good health

We look forward to continuing to support your health. If you have questions or need assistance, feel free to call the number on the back of your Humana member ID card, or log into your MyHumana account.

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Louisville, Kentucky 40202
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* IT deliverables targeted to turn to PROD no later than Q3 2026

100 Day Supply Benefit Overview



100 Day Supply Benefit:

- Applies to Part D medications with the ability to be filled as 90-day supplies (excludes Specialty Tier and high-cost medications)
- May be limited due to package size or unbreakable packaging of the medication
- Supports 3x Weighted STARS Adherence measures



Member benefits:

- Reduced pharmacy trips
- Minimized late-to-refill gaps
- Potential cost savings by obtaining a larger day supply, depending upon the pharmacy benefit
- Improved health through better medication adherence

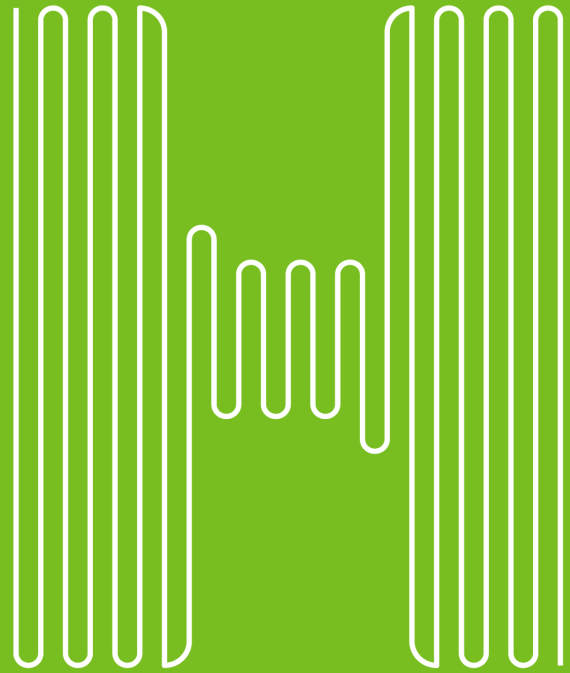


Provider benefits:

- Reduce patient's adverse health events and hospitalizations through increased medication adherence¹
- Reduce burden of following up on nonadherent patients
 - When compared to 30-day supplies, Humana claims data from 2024 showed²:
 - 90-day supply had a 15% higher medication adherence rate
 - 100-day supply have up to 17% higher medication adherence rate

1. DiMatteo MR. Variations in patients' adherence to medical recommendations: a quantitative review of 50 years of research. *Med Care* 2004; 42:200–9.

2. Humana claims data for 01/01/24 to 12/31/24 ; Weekly Deep Dive Dashboard by claims type, accessed 04/03/2025



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Thank you

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Appendix



Final Notice Update



CMS Rate Announcement

Final rate notice published Monday, April 6, 2026.



According to Centers for Medicare & Medicaid Services (CMS), the 2027 Medicare Advantage and Part D Rate Notice includes several important updates:

- +2.48% payment increase to Medicare Advantage plan for 2027; this was a positive shift from the advance notice proposed increase of +0.09%.
- Implementation of the new CMS-HCC risk model overhaul is paused; the current risk adjustment framework with phased V28 updates will remain in use.
- Part D changes include planned IRA changes, an increased out-of-pocket cap of \$2,400, and model calibration differences for MA Prescription drug plans (MAPD) and Standalone prescription drug plans (PDP).
- CMS finalized regulatory changes excluding diagnoses from unlinked chart reviews in risk scoring for both medical and Part D.
- The Stars rating system will remove 11 administrative measures, shifting the focus toward clinical outcomes away from administrative compliance.



Impacts for EGWPs

- Pausing the new proposed risk model makes 2027 a manageable transition year but cost pressures exist due to funding not keeping up with claims trends.
- Part D changes result in higher plan liability, less federal reinsurance, leading to a higher cost curve.

| Part D Parameters | 2026 | 2027 |
|--------------------------------|---------------------------|-------------------------------|
| Deductible | \$615 | \$700 |
| Out-of-pocket threshold | \$2,100 (required by IRA) | \$2,400 (required by the IRA) |



Additional Pharmacy Updates



Pharmacy | Medicare GLP-1 Bridge* Model

| | Medicare GLP-1 Bridge |
|--------------------|--|
| Description | A CMS-led pilot program providing Medicare Part D beneficiaries with early access to GLP-1 obesity medications at a flat, reduced cost serving as a short-term “bridge” to the BALANCE Model |
| Timing | Launches 7/1/26; Ends on 12/31/27 |
| Participation | Operates outside of Medicare Part D benefit’s coverage and payment flow meaning Part D sponsors are not directly involved in the Bridge and will not carry any risk |
| Eligibility | All Part D beneficiaries who meet the clinical criteria under the pilot that do not qualify for Part D indication of the covered medications |
| Coverage | Drugs will process through a central processor at a \$50 per month flat copay TrOOP accumulation and MOOP do not apply |
| Eligible Products | All formulations of Wegovy KwikPen formulation of Zepbound and if approved by FDA, the tablet formulation of Orforglipron |
| EGWP Participation | Part D beneficiaries in employer/union group waiver plans (EGWPs) are eligible to participate |

*BALANCE Model did not meet 80% carrier participation threshold is postponed until 2028

2026-2027 generic landscape

| Medication | Selected for 2027 Maximum Fair Price (MFP) Program | Indication | Projected Launch Date [§] |
|--|--|-------------------------|------------------------------------|
| Briviact | | Epilepsy | 2/21/2026 |
| Pomalyst | ✓ | Oncologic Disorder | 3/2026 |
| Ofev | ✓ | Pulmonary | 4/2/2026 |
| Januvia | ✓ | Endocrine Disorder | 5/2026 |
| Janumet | ✓ | Endocrine Disorder | 5/2026 |
| Janumet XR | ✓ | Endocrine Disorder | 7/2026 |
| Xeljanz XR | | Inflammatory Disorder | 5/2026 |
| Bosulif | | Oncologic Disorder | 6/2026 |
| Opsumit | | Pulmonary Hypertension | 6/2026 |
| Tradjenta | ✓ | Endocrine Disorder | 6/2026 |
| Nuedexta | | Neurologic Disorder | 7/30/2026 |
| Adempas | | Pulmonary Hypertension | 12/4/2026 |
| Trintellix | | Mental Health Disorder | 12/17/2026 |
| Xarelto* (10 mg, 15 mg, 20 mg) | | Cardiovascular Disorder | 2Q 2027 |
| Uptravi | | Pulmonary Hypertension | 5/2027 |
| Lumigan (0.01%) | | Ophthalmology | 6/13/2027 |
| Ibrance | ✓ | Oncology Disorder | 3Q 2027 |

[§]Actual/expected generic launch date. Expected launch date is subject to change

*Brand removed from MFP list for PY 2027



Customer Service



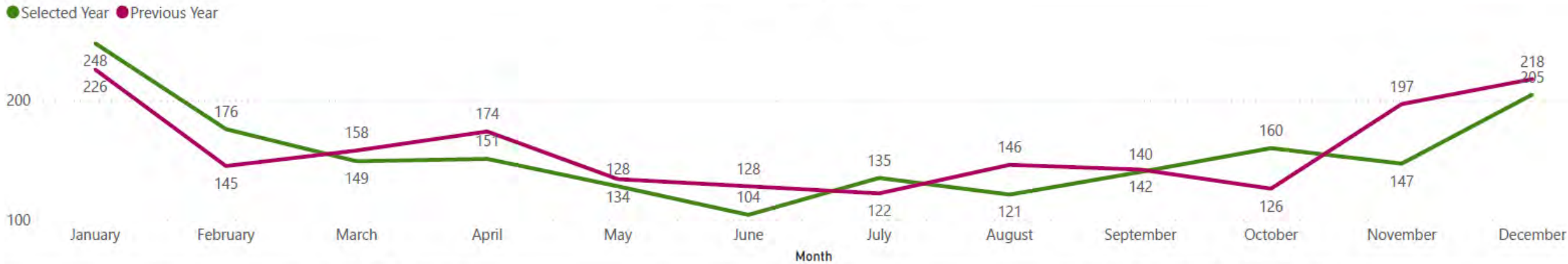
Customer Service – Annual Call Center and Concierge Report 2025

| Call Metrics | | | | | | | |
|--------------|---------|--------|------|-------|-----|------|-------|
| Year | Offered | Answer | ABA% | ASA | AHT | Hold | Busy% |
| 2025 | 1864 | 1845 | 0.32 | 12.51 | 476 | 140 | 0 |

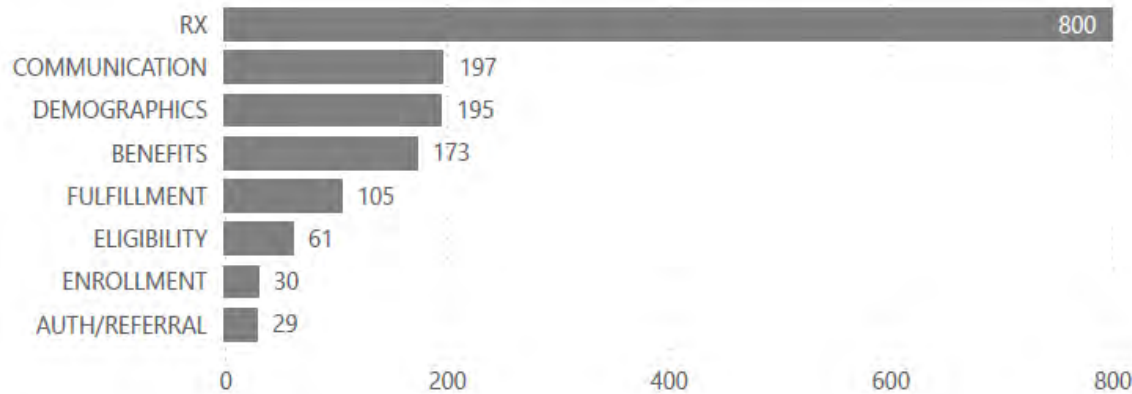
Call Metrics
 2024: 1,932
 2023: 1,974
 2022: 2,819

ABA: Average Abandonment
 ASA: Average Speed to Answer
 AHT: Average Handle Time

Call Volume by Month



Top Call Drivers



ACS Volume by Classification



Concierge
 2025: 14
 2024: 31
 2023: 36
 2022: 73

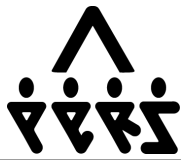
Member Engagement

Humana member messaging and outreach continues to include:

- ❖ **Medication Therapy Management**
Compliance-based campaign for eligible members to complete a Comprehensive Medication Review with a pharmacist. (Annual, throughout year)
- ❖ **Additional member messaging** (not all inclusive)
 - Pharmacy utilization messaging (PA, ST, QL)
 - Medication adherence campaigns
 - Patient Safety
 - Medication alternatives
 - Operational messaging (ex; refill reminders)
 - Monthly SmartSummary Statement
 - Value Added Items and Services (discount programs, post-enrollment)
 - Annual documents: Annual Notice of Change Letter, Evidence of Coverage
 - **CMS Program:** Medication Prescription Payment Plan (member letters, monthly statement, etc.)
- ❖ **Humana Welcome Kit**
Mailed to Age-In members post-enrollment

Not all inclusive of member messaging





Investment Consultant Services Request for Proposal (RFP)

TO: NDPERS Board
FROM: Katheryne Korom
DATE: June 9, 2026

We have included for your review the Investment Consultant Services for 457(B) Deferred Compensation Plan and 401(A) Defined Contribution Plan RFP. The document has been reviewed by staff and NDPERS' legal counsel. All updates are included in the document.

Following are key dates for the proposal process:

| <u>Date</u> | <u>Activity</u> |
|-----------------------|--|
| 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. |

The proposed review team will consist of the following employees:

| | |
|-----------------|---|
| Katheryne Korom | Research & Project Manager (will score the cost analysis) |
| Derrick Hohbein | Chief Operating & Financial Officer |
| Lindsay Schaf | Chief Benefits Officer |

Rebecca Fricke
Marcy Aldinger

Executive Director
Defined Contribution Plans Manager

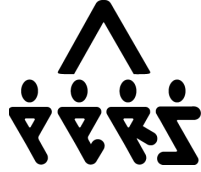
The Investment Subcommittee reviewed the proposal at the May 26, 2026, meeting and is recommending approval of the RFP.

Board Action Requested

Consider approval of the Investment Consultant Services for 457(B) Deferred Compensation Plan and 401(A) Defined Contribution Plan Request for Proposal, the review team, and the timeline.

Attachment

Attachment



North Dakota Public Employees Retirement System

Request for Proposal

Investment Consultant Services for 457(B) Deferred Compensation Plan and 401(A) Defined Contribution Plan

RFP Issue Date: June 10, 2026

Proposal Due Date: July 31, 2026

Proposed Effective Date: January 1, 2027

1600 East Century Avenue, Suite 2

PO Box 1657

Bismarck, ND 58502-1657

1-800-803-7377

www.ndpers.nd.gov

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Section 1 – Introduction

The state of North Dakota, acting through its North Dakota Public Employees Retirement System (NDPERS) on behalf of the Public Employees Retirement Board is soliciting proposals from qualified firms to provide consultant services for the NDPERS 457(b) Deferred Compensation Plan (referred to as the Companion Plan), and 401(a) Defined Contribution Plan. The contract period shall be for a twenty-four-month period (January 1, 2027, through December 31, 2028). NDPERS may renew the contract with the successful consultant for two subsequent two-year periods if an acceptable agreement can be reached.

1.1 RFP Proposed Timetable

The timeline below is provided for informational purposes. NDPERS reserves the right to change the dates. Every effort will be made to notify Consultants of changes to the proposed timeline.

| 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). |
| 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. |

1.2 Assistance to Individuals with a Disability

Contact Kathy Korom at ndpersbids@nd.gov, as soon as possible, if an individual with a disability needs assistance with the RFP, including any events in the RFP, so reasonable accommodations can be made.

1.3 Attempt to Influence Prohibited

Offerors must not give or offer to give anything to a state employee or official that might influence or appear to influence procurement decisions. Suspected attempts to influence will be handled in accordance with [N.D.A.C. § 4-12-04-05](#).

1.4 Collusion Prohibited

Offerors must prepare proposals independently, without collusion. Suspected collusion will be handled in accordance with [N.D.A.C § 4-12-04-06](#).

Section 2 – Background

2.1 The Agency

The North Dakota Public Employees Retirement System is responsible for the administration of the State's retirement; vision, health, life, and dental insurances; deferred compensation; FlexComp; retiree health insurance credit; and Employee Assistance Program (EAP) programs. This Request for Proposal is to provide consultant services for the NDPERS 457(b) Companion Plan and 401(a) Defined Contribution Plan.

Pursuant to N.D.C.C. 54-52-03, <https://ndlegis.gov/cencode/t54c52.pdf>, NDPERS is managed by a Board of Trustees.

NDPERS is a separate agency created under North Dakota state statute and, while subject to state budgetary controls and procedures as are all state agencies, is not a state agency subject to direct executive control.

The NDPERS Investment Subcommittee meets quarterly (February, May, August, November) to review plan performance, fund performance, and conduct other business delegated by the NDPERS Board. Special meetings may also be held as needed.

2.2 Defined Contribution Programs Administered by NDPERS

NDPERS IRC Section 457(b) Deferred Compensation Plan

Link to NDPERS 457(b) Deferred Compensation for Active Members webpage:

<https://www.ndpers.nd.gov/active-members/retirement-plans-active-members/457-deferred-compensation-active-members>

The administration of the Deferred Compensation Plan for public employees was given to the NDPERS Board on July 1, 1987. All state employees are eligible to participate, as well as political subdivision employees, if the governing authority of the political subdivision elects to offer the state plan.

Approximately 16,000 employees have accounts with thirteen investment providers and four active providers. Assets are approximately \$440 million. The NDPERS Board has developed a plan and contracts with investment providers (mainly insurance companies) to invest the contributions of employees. NDPERS does not select or monitor the investment products offered by these providers, and does not act as a trustee for their products. The NDPERS Board

is currently not allowing new vendors to enroll as an eligible provider for offering services. In addition, the NDPERS Board has made it a long term goal to limit future elections to a single provider.

The Deferred Compensation Plan is found in Chapter 54-52.2, <https://ndlegis.gov/cencode/t54c52.pdf>, of the North Dakota Century Code (N.D.C.C.).

In 1998, the NDPERS Board decided to add a product: 1) selected by the Board based upon a competitive RFP process, 2) for which the Board would act as trustee, 3) with investments it would select and monitor, and 4) comprising mutual funds. This product is called the NDPERS Companion Plan. The Board developed a Statement of Investment Policies for this plan. This policy may be viewed on our website at:

<https://www.ndpers.nd.gov/sites/www/files/documents/about/investments/investment-policy-companion-plan.pdf>. The Board also monitors the investment products for this plan. This report can also be found on the NDPERS web site at:

<https://www.ndpers.nd.gov/sites/www/files/documents/about/investments/companion-plan-quarterly-report.pdf>

The Companion Plan has over \$267.0 million in assets with over \$1.9 million in monthly contributions from over 10,000 member accounts. Empower is the present provider for these services, and it is a future goal of the Board to direct all new enrollees to the Companion Plan.

NDPERS 401(a) Defined Contribution Plan

Link to Defined Contribution for Active Members webpage: <https://www.ndpers.nd.gov/active-members/retirement-plans-active-members/defined-contribution-active-members>

The state of North Dakota approved the Defined Contribution Plan for certain state employees effective January 1, 2000. This plan was offered as an alternative option to the state's Defined Benefit Plan For those hired and enrolled prior to January 1, 2020, monthly contributions in the amount of 14.12% of salary are added to the plan for each month. New hires enrolled between January 1, 2020 and December 31, 2024 have contributions into the plan equal to 15.26% of salary.

After January 1, 2025, all eligible new hires of participating state and political subdivision employers must participate in the Defined Contribution Plan. The new hires receive a one-time irrevocable election to increase their contributions from the statutorily required 4% contribution by an additional 1%, 2%, or 3% (up to a maximum total of 7%) employee contribution. If the employee elects contributions in excess of 4%, the employer will match with pre-tax contributions the additional contributions being made by the employee. If an employee does

not maximize their contribution in the 401(a) Defined Contribution Plan at the onset of employment, the additional contributions and employer pre-tax match are eligible as a benefit in the Deferred Compensation Plan and is not exclusive to Companion Plan selection.

Similar to the Deferred Compensation Plan, the 401(a) Statement of Investment Policy is on the NDPERS web site at:

<https://www.ndpers.nd.gov/sites/www/files/documents/about/investments/investment-policy-defined-contribution-plan.pdf>. The 401(a) Quarterly Report is on the NDPERS web site at: <https://www.ndpers.nd.gov/sites/www/files/documents/about/investments/defined-contribution-quarterly-report.pdf>. Empower is the present provider for these services.

Section 3 – Scope of Services

This Section outlines the scope of services to be provided to NDPERS.

3.1 Scope of Services

The North Dakota Public Employees Retirement System is seeking technical assistance relating to its two Defined Contribution Plans discussed in Section 2.2 of the proposal. The Board is seeking technical assistance in three areas:

3.1.1 Quarterly analysis of NDPERS core investment funds.

Quarterly Fund Analysis

NDPERS is seeking technical assistance to quarterly analyze its core investment funds for its 457(b) Companion Plan and 401(a) Defined Contribution Plan. Funds should be compared to benchmarks, peer funds, and reviewed for other factors such as management changes, fee changes, distributions, style change, etc. in a quarterly report. Prepare report for NDPERS Investment Subcommittee and web site for two DC Plans no later than six weeks after quarter end. View examples of current reports at: <https://www.ndpers.nd.gov/about/investments>. Attend quarterly NDPERS Investment Subcommittee meetings to review analysis.

3.2.1 Guidance of investment fund offerings and investment policies.

Recommend Fund Changes and Review Investment Policies

NDPERS is seeking technical assistance to place funds on formal fund review, close funds, and find replacements (providing documentation of all investment decisions necessary to fulfill fiduciary responsibilities), annually perform 'gap' analysis of core investment options and advise on investment actions, and at least annually review investment policies for its 457(b) Companion Plan and 401(a) Defined Contribution Plan and advise on policy changes.

3.3.1 As needed, develop an RFP to solicit vendors for recordkeeping and investment management services. NDPERS seeks a bundles provider who will review submitted proposals and assist with implementation. NDPERS expects to issue an RFP for the two DC Plans in 2032, or sooner if vendor performance and/or pricing is unsatisfactory.

Develop Request for Proposal

NDPERS seeks technical assistance to prepare a request for proposal for recordkeeping/investment services for its 457(b) Companion Plan and 401(a) Defined Contribution Plan. The Consultant is expected:

- To draft the RFP for the NDPERS staff and Board review.
- To develop and suggest a proposed list of vendors to solicit directly. The goal would be to issue the RFP in early December with responses due by January.
- All requests for proposals will be distributed by the Consultant.
- The Consultant will be listed as the point of contact for questions.
- The Consultant will prepare a list of all questions asked and the answers and distribute it to all firms getting a copy of the RFP.

The Consultant is asked to bid this portion of the work effort on a fixed fee basis. No on-site meetings with staff or Board are anticipated during this phase.

Analysis of Proposals

NDPERS is seeking a consultant to analyze the proposals received in response to the RFP. This analysis will be in two phases. The first phase is a general assessment of all proposals received and to recommend finalist responses to the Board that would be reviewed in detail. The Consultant should be prepared to make this recommendation at an NDPERS Board meeting. The second phase would be to conduct a detailed review of the final proposals selected by the Board and to provide a recommendation to the Board on which proposal to accept. The detailed evaluation should be presented to the Board. If necessary, the Board may elect to interview one or more of the finalists. Such an interview would be conducted at a special meeting. The Consultant is asked to bid this portion of the work effort on a fixed fee basis. The Consultant should include in the fixed fee one on-site meeting with the NDPERS Board to review the results and lead the interview of finalists.

Implementation Assistance

The NDPERS Board seeks assistance with implementation of the Recordkeeper contracts. This will include assistance with reviewing the proposed contract(s), assistance with changing Recordkeeper (if that is what is decided by the Board), and any other implementation issues. Since efforts relating to implementation will be defined later (or not needed), the Consultant will be reimbursed for efforts relating to this phase at an hourly rate.

3.4.1 Additional Consulting Services.

Additional Consulting Services on an hourly basis may be requested including, but not limited to:

- Comprehensive glide path studies
- Active vs. passive studies
- Member investment education and financial wellness services and support, as requested
- Technical assistance for legislative proposals and plan design changes

Section 4 – Information Requests

The proposal must contain in a separate section your organization's response to the following requested information. Please respond by restating the information requested with the response following.

4.1 Technical Proposal – This shall be labeled “Technical Proposal” and bound separately from the Price Proposal.

The proposal shall be formatted as identified in this section and contain specific responses to the information requested.

4.1.1 Management Summary. This section should include a brief synopsis of the Consultant's understanding of the Board's needs and services. It should also describe the resources that will be used to fulfill the requirements of this RFP and how it is projected that those resources will be consistently available to the Board.

4.2.1 Technical Approach – Proposed Services. This Section should present a detailed description of the Consultant's services. The sequence should follow the order described in Section 3. This Section must clearly indicate whether the Consultant's proposal satisfies each specification of the RFP. The Consultant's refusal or inability to accept all the terms and conditions of this RFP and meet each requirement must be clearly noted and explained. Consultants are advised, however, that any such exception may result in its proposal being deemed unacceptable.

The Consultant shall identify in this Section each task that will be performed in response to this RFP and a timeline for each. The detailing of the scope of work by the Consultant is critical in demonstrating an understanding of the effort.

4.3.1 Copy of previous similar work. In this Section the Consultant shall provide a copy of a similar project that NDPERS can view to determine the type of report it will receive pursuant to the RFP.

4.4.1 Personnel. This Section should include resumes for the personnel assigned to the project, if the Consultant is awarded the contract, and indicate each individual's proposed project role. The Consultant shall include a table at the beginning of this Section that provides the number of hours each individual is assigned to the project. The project team should include staff with experience in developing RFPs of the type requested herein, evaluating responses, and assisting with implementation. The team should also include investment professionals that can evaluate the proposed products being offered.

4.5.1 Organization. This Section must document the overall structure of the Consultant's organization, including any parent companies, affiliates, and subsidiaries. Description and reported resolution of any potential/apparent conflict of interest must be presented here.

4.6.1 Additional information. This Section, which is optional, should include any additional information the Consultant deems relevant to this procurement and the satisfaction of the Board's objectives.

4.7.1 Company Literature (if applicable). If company literature or other material is intended to respond to any RFP requirement, it must be included in this section. The Consultant's responses in previous sections of the proposal must include reference to the document by name and page citation.

4.2 Financial Proposal – This shall be labeled "Price Proposal" and bound separately from the Technical Proposal.

It must contain the Pricing Proposal of the work efforts identified under Section 3.

Section 5 – Cost Proposal (Fees/Hours)

This section shall contain information on the pricing for the work efforts in Section 3.

5.1 Pricing

We are requesting that you price this project on a fixed-fee basis for certain efforts and on an hourly rate for other efforts as identified below. The bid shall be on a not to exceed basis with actual hours charged to the project as incurred, up to the maximum of the fixed fee. The Consultant shall use the following format for presenting pricing information.

NDPERS is under no obligation to reimburse the Consultant if no approval was given.

THE COST PROPOSAL SHALL BE UNDER SEPARATE COVER AND NOT PART OF THE RESPONSES TO THE OTHER INFORMATION REQUESTS. PLEASE PROVIDE AN ELECTRONIC COPY OF THE COST PROPOSAL.

Quarterly Fund Analysis (3.1.1)

Fixed Fee: \$ _____

| Staff Assigned | Estimated Hours | Rate |
|----------------|-----------------|------|
| | | |
| | | |

Guidance of Investment Fund Offerings and Investment Policies (3.2.1)

Investment fund replacement search per hour: \$ _____

Fixed Fee: \$ _____

| Staff Assigned | Estimated Hours | Rate |
|----------------|-----------------|------|
| | | |
| | | |

Development of RFP and Evaluation of Responses (3.3.1)

Fixed Fee: \$ _____

| Staff Assigned | Estimated Hours | Rate |
|----------------|-----------------|------|
| | | |
| | | |

Total Package Pricing (3.1.1, 3.2.1, 3.3.1): \$_____

Additional Work/Implementation (3.4.1) The Consultant shall identify the hourly rates that will be used for services pursuant to this Section and any supplemental work needed associated with this contract.

| Staff Assigned | Rate |
|----------------|------|
| | |
| | |

Section 6 – Submission of Proposal

Proposals should be prepared in a straightforward manner to satisfy the requirements of this RFP. Emphasis should be on completeness and clarity of content. Costs for developing proposals are entirely the responsibility of the proposer and shall not be chargeable to NDPERS.

6.1 Inquiries Regarding Specifications

Consultant will have until 5:00 p.m. (Central Time) on June 30, 2026, to submit questions in writing regarding this RFP. All questions shall cite the specific RFP section and paragraph number(s) to which the question refers. Any questions received by NDPERS prior to the date and time above will be answered in a question-and-answer document issued by NDPERS. Only answers provided in writing by NDPERS will be considered official.

All query submissions must include the identity of the sender, the sender's title, firm name, mailing address, telephone number, and e-mail address.

Questions must be submitted by email to ndpersbids@nd.gov. NDPERS is not responsible for questions received after the submittal deadline.

Answers to questions will be made available on the NDPERS website at <https://www.ndpers.nd.gov/about/bid-opportunities> by July 14, 2026, at 5:00 p.m. (Central Time).

Only information in the materials constituting this RFP, including its attachments, exhibits, and forms, the question and answer document, and any RFP addendum shall be binding on NDPERS.

All inquiries regarding these specifications must be in writing and submitted by email to ndpersbids@nd.gov.

6.2 Minimum Qualifications

Consultant of services sought will have substantial experience in performing said services in the public and private environment for large pension plans, preferably contributory plans. Substantial experience will be defined and evaluated with regards to the type of plan [457(b), 401(k), 401(a) and 403(b)], size of the plan [assets and number of participants in the plan], and public or private plan experience. Consultants are required to provide a listing of such engagements over the past five years which includes data on plan type, size, number of participants covered, and other pertinent data such as number of investment options, number of participants on payout, and frequency of asset transfers permitted. The Consultant shall also

offer a multi-disciplinary team with experience in development of RFPs, analysis of offers, and review investment products. Consultants shall not have any conflicts of interests.

The minimum mandatory experience required of consultants shall consist of comparable assignments with at least two plans of the types indicated above.

| Plan Name | Plan Type | Plan Assets | Participants | Investment Options | # Payees |
|-----------|-----------|-------------|--------------|--------------------|----------|
| | | | | | |
| | | | | | |

6.3 Selection Criteria (also see Section 7)

Responses to this RFP will be evaluated based upon the following factors as presented in the Consultant’s response to this RFP:

- The ability of the organization to meet the terms of the RFP and the technical approach.
- Qualifications of the staff assigned to the NDPERS account. NDPERS may require that the appropriate individuals be interviewed.
- Ability to meet the minimum qualifications.
- Fees and other compensation.

Fees and compensation will be an important factor in the evaluation process. NDPERS, however, is not required to select the lowest cost consultant.

6.4 Rules and Regulations

Any Consultant submitting a proposal must be able to meet and comply with all applicable state and federal statutes and regulations.

6.5 Confidentiality of Trade Secret, Proprietary, Commercial, and Financial Information (N.D.C.C. Section 44-04-18.4(6))

All materials submitted in response to this RFP will become the property of NDPERS and upon receipt by NDPERS are subject to the North Dakota Open Records law.

PLEASE NOTE that proposals should follow the Confidential/Proprietary Information instructions in Section 8. Any provisions of the Consultant’s proposal that are desired to be

confidential must be identified specifically on each page of the proposal and included in the table provided in Section 8.

6.6 Addenda, Amendments, Clarifications to the RFP

NDPERS may issue any addenda, amendments, and clarifications regarding this RFP that NDPERS determines are necessary. All such addenda, amendments, and clarifications issued by NDPERS become part of the RFP. All addenda, amendments, and clarifications to the RFP will be issued in writing and added to the posting at <https://www.ndpers.nd.gov/about/bid-opportunities>. It shall be **the responsibility of the Consultant** to recheck the RFP posting at <https://www.ndpers.nd.gov/about/bid-opportunities> for any possible addenda prior to submitting a proposal. The Consultant must acknowledge all addenda, amendments, or clarifications by either signing and returning such document(s) or indicating receipt on the Signature Page of the proposal. Only written addenda, amendments, and clarifications signed or sent by authorized NDPERS personnel shall be binding. All oral and other interpretations or clarifications have no legal effect.

6.7 Order of Responses

Responses must be made in the same order as provided in the specifications. Unless a variation from the specifications of the RFP is specifically noted in a response, the Consultant is agreeing to meet all requirements, including the required contract provisions, stated in this RFP (See Section 10). No proposed variation is binding on NDPERS unless and until accepted by NDPERS.

6.8 Submission of Proposals

To be considered for award, six (6) printed and bound copies of the technical proposal, one (1) unbound copy of the Consultant's technical and price proposal, one (1) electronic, PDF redacted copy of the proposal on a separate USB flash drive labeled "REDACTED", and one (1) electronic, editable, PDF original copy of the proposal on a separate USB flash drive labeled "ORIGINAL" (note that the electronic redacted and original copies may not be a picture) must be received by NDPERS on or before 5:00 p.m. (Central Time), July 31, 2026. The Request for Redaction chart in Section 8 MUST be completed and submitted with the proposal. The unbound copy shall bear original signatures and shall be marked as the "Master Copy". The unbound Master Copy shall contain no divider sheets or tabs, and shall be printed on one side only of 8-1/2 in. x 11 in. white paper to enable copying if needed. Colors must reproduce in a legible manner on a black-and-white copier. The unbound original, one (1) copy of the "REDACTED" proposal on a USB flash

drive, and one (1) copy of the "ORIGINAL" proposal on a USB flash drive shall be provided in separate sealed envelopes.

Consultant acknowledges that NDPERS is subject to the North Dakota Open Records laws, and the documents submitted pursuant to this RFP may be subject to an open records request. Consultant is also put on notice that, except for the information that is determined by NDPERS to be confidential or otherwise exempt from the North Dakota Open Records law, NDPERS must disclose to the public upon request any records it receives from Consultant. If NDPERS receives a request for information that Consultant has requested be kept confidential, NDPERS will review the information submitted by Consultant and may also contact Consultant for additional input regarding the nature of those records, but NDPERS will be solely responsible for making the ultimate determination of whether the materials submitted are open or exempt. All information that has not been clearly identified by Consultant as being confidential and which NDPERS has determined constitutes confidential or exempt information under the North Dakota Open Records law will be disclosed as an open record. If, as a result of the position taken by Consultant regarding the confidentiality of the information, NDPERS is assessed any damages or fees, Consultant shall indemnify NDPERS for such damages or fees. If no documents or materials are identified and marked by Consultant as confidential, Consultant will be deemed to have consented to the release of the document or material and to have waived any cause of action against NDPERS resulting from the release of the documents or materials. NDPERS will not consider the prices submitted by the Consultant to be confidential.

Copies of the proposal shall be delivered to:

**Katheryne Korom
Research and Project Manager
NDPERS
1600 East Century Avenue, Suite 2
PO Box 1657
Bismarck, ND 58502-1657**

- The base contract will be for a two-year period of January 1, 2027, through December 31, 2028. All rates and fees must be firm, fixed, and valid for the duration of the base period. Additionally, NDPERS is seeking two, two-year option periods for a potential total contract period of six years.
- Proposals and any other information submitted by organizations in response to this RFP shall become the property of NDPERS and will not be returned.

- NDPERS will not provide compensation to Consultants for any expenses that they incur as part of the proposal process, including but not limited to expenses incurred for preparing proposals, making demonstrations, responding to inquiries, and attending meetings, and negotiations. Consultants submit proposals at their own risk and expense.
- The materials submitted must be enclosed in a sealed envelope, box, or container; the outside of the package must show clearly the submittal deadline, the organization name, and the return address of the organization. The package the proposal is delivered in must also be plainly marked "PROPOSAL TO PROVIDE INVESTMENT CONSULTANT SERVICES".
- A proposal shall be considered late if received at any time after the exact time specified for the return of proposals. Late proposals may be returned to the organization unopened at the organization's expense. Late proposals will not be considered unless the NDPERS Board determines otherwise.
- Proposals submitted via email or fax will not be accepted.
- Any award is contingent upon a contract acceptable to NDPERS being executed.

6.9 Conflicts of Interest List

Consultants must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this request for proposals. The Conflicts of Interest List in Section 9 MUST be completed and submitted with the proposal. This list should indicate the name of the entity, the relationship, and a discussion on the conflict.

6.10 Performance Standards and Guarantees

At a minimum, the criterion outlined in Attachment A services as a benchmark for performance measurements. Actual performance metrics and liquidated damages will be finalized during contract negotiations between NDPERS and the selected consultant.

The Consultant shall complete the table in Attachment A by indicating either “Agree” or “Disagree.” For each requirement the consultant selects “Disagree,” an explanation must be provided.

6.11 Acceptance of Proposals

NDPERS retains the right to reject all proposals submitted. NDPERS is not required to select the proposal with the lowest fees, but will take into consideration statutory guidelines and any factors it considers relevant. It is the intent of NDPERS at this time to enter into a contract effective upon execution with services beginning January 1, 2027, through December 31, 2028. The Board at its discretion may extend the contract for up to two additional two-year periods. The Consultant whose proposal is selected will be chosen with the goal of developing a long-term relationship.

6.12 Non-Responsive Proposals

NDPERS is not required to accept for consideration any proposal that does not comply with the criteria set forth herein.

6.13 References

Each Consultant must provide at least three references from other current and three references from other former public entities of similar size or larger. NDPERS or its designated representative may ask these clients to provide information regarding the Consultant’s overall record of service in providing services for their participants. Providing references in its proposal constitutes the Consultant’s permission for NDPERS to contact these entities.

6.14 Waiver

By submitting a proposal, the Consultant submitting the proposal agrees to waive any claim it has or may have against NDPERS, NDPERS employees, NDPERS agents, and NDPERS attorneys, arising out of or in connection with (1) the administration, evaluation, or recommendation of any proposal; (2) waiver of any requirement under this RFP; (3) acceptance or rejection of any proposal; and (4) award of the contract.

6.15 Additional Information from Responding Organizations

NDPERS reserves the right to request additional documentation from responding organizations, and such information may vary by Consultant.

6.16 Interview with Responding Organizations

The NDPERS Board may request representatives of your organization to appear for interviewing purposes. Travel expenses and costs related to the interview will be the responsibility of the Consultant.

6.17 Modification

No proposal may be changed after the deadline for submissions of proposals unless language within the proposal is needing clarification at NDPERS' request.

6.18 Solicitation

The selected Consultant shall not use lists of covered employees and other data for any purpose except to provide services to participants. Neither the selected Consultant nor its employees may disclose such information to any other party unless specifically authorized in writing in advance by NDPERS.

6.19 News Release

Written approval by NDPERS will be required for any news releases or other communications regarding a contract awarded to a Consultant.

6.20 Change Required by Statute, Regulations, Court Orders, or Program Appropriations

NDPERS recognizes that there are factors that could cause a change of condition with regard to NDPERS benefits and administration that are beyond the control of NDPERS or the Consultant submitting a proposal. Those factors that may affect the program include, but are not limited to:

- Federal and state statutes, regulations, court decisions, and administrative rulings
- Funding appropriated by the North Dakota Legislature
- Opinions of the Attorney General of the State of North Dakota

NDPERS expects a good faith effort on the part of the Consultant that is selected to comply with additional responsibilities imposed by federal or state law without requiring mid-year fee increases. NDPERS reserves the right to negotiate with the Consultant as needed to comply with any changes required by statute, regulation, court order, administrative order, or official interpretation.

6.21 Acceptance of Proposal Interpretations and Agreements

The contents of this RFP and the proposal will become contractual obligations. Please note NDPERS has provided a proposed contract in Section 10 – Contract. Please return a signed version or a redline version clearly identifying any proposed language changes. Failure of the successful Consultant to accept these obligations may result in cancellation of the award.

NDPERS further reserves the right to interview the key personnel assigned by the successful Consultant to this project and to recommend reassignment of personnel deemed appropriate by NDPERS.

6.22 Contract Award

The policy of the NDPERS Board is to solicit proposals with a bona fide intention to award a contract. This policy will not affect the right of the NDPERS Board to reject any, or all, proposals.

In evaluating the proposals, price will not be the sole factor. The Board may consider any factors it deems necessary and proper, including but not limited to: price; quality of service; response to this request; experience; staffing; and, general reputation.

The failure to meet all procurement policy requirements shall not automatically invalidate a proposal or procurement. The final decision rests with the Board.

6.23 Accounting Records

The Consultant will be required to maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting. Financial and accounting records, including individual account balance records and information concerning the State's plan, shall be made available, upon request, to NDPERS, its designees, or the State Auditor at any time during the contract period and any extension thereof, and for three (3) years from expiration date and final payment on the contract or extension thereof.

6.24 Confidentiality

The Consultant shall instruct its employees, and the employees of any subcontractor, to keep confidential all information concerning the State's employees as well as any other information which may be specifically classified as confidential by the State. Please refer to NDPERS statutes under N.D.C.C. 54-52 and please note that violations of this statute are a felony under North Dakota law.

All copies of information developed by the Consultant in connection with the contract are the property of the State. The Consultant will not reveal or disclose either information or findings concerning this contract with anyone who does not have a substantial need-to-know and who has not been expressly authorized in writing by the State to receive the information/findings. Consultants must ensure that all safeguards and proper procedures are implemented to protect confidential information.

Section 7 – Review Process

Proposals will be evaluated in a three-step approach. The first step will be done by a review team composed of NDPERS staff and will be an initial screening of each proposal to determine if it is sufficiently responsive to the RFP to permit a valid comparison and meets the minimum qualifications of having completed past projects similar to the efforts requested herein. The qualifying factor will be on a Yes/No basis. The proposal will be dropped from consideration if a majority of reviewers respond "No".

The proposals that pass the initial screening will then be reviewed by the same review team. Each individual will review the proposal for all areas but price. Every proposal will be awarded points for specified areas by the reviewers. Points for price are awarded automatically.

Following is the weighting factor for each area:

- | | |
|----------------------------|-----------|
| • Technical Approach | 25 points |
| • Prior Experience | 10 points |
| • Staffing | 15 points |
| • Sample product | 15 points |
| • Organization | 5 points |
| • Pricing & Contract Terms | 30 points |

The purpose of this review is to assess the consultant's understanding of the work requirements, capabilities, and resources. It is important that proposals relate to the Consultant's understanding in order to be rated. A statement that the Consultant will comply with the RFP is not sufficient, nor is repeating the RFP requirements. The findings will be reported to the NDPERS Board. This will be the third step of the review. The Board at its discretion may require consultant interviews. The Board retains the option to make the final selection based upon not only the above review but all other factors it deems applicable to determining which firm is awarded the contract.

Section 8 – Confidential/Proprietary Information

Request for Redaction Chart

The Consultant submitting a proposal to the attached RFP is required to complete the following. Consultants are instructed not to mark their entire proposal as “confidential”.

Any provisions of the company’s proposal that are desired to be confidential must be identified specifically on each page of the proposal and in a table format as provided below.

Information not identified in the table will be considered an open record by NDPERS, regardless of whether the information is marked confidential in the body of the proposal.

In response to the Request for Proposals entitled **Investment Consultant Services** (please check one):

___ Consultant asserts that the information noted in the table below constitutes proprietary, trade secret, commercial, or financial information as defined by North Dakota Century Code section 44-04-18.4, and desires that the information noted in the table below not be disclosed if requested pursuant to the North Dakota Open Records law. Consultant has submitted a redacted copy of the proposal on a USB flash drive labeled “REDACTED” that accurately and completely redacts the information noted in the table below.

___ Consultant makes NO assertion that any information in its Proposal, in whole or in part, should be protected from disclosure under the North Dakota Open Records law.

Technical Proposal: Please insert rows in table as necessary.

| Specific wording that Consultant desires to protect | Page Number, Section Number | Specific reason Consultant believes the language should not be disclosed | North Dakota Century Code provision that allows NDPERS to withhold the information if requested | Has this information ever been publicly disclosed? (Yes/No) |
|---|-----------------------------|--|---|---|
| | | | | |

Cost Proposal: Please insert rows in table as necessary.

| Specific wording that Consultant desires to protect | Page Number, Section Number | Specific reason Consultant believes the language should not be disclosed | North Dakota Century Code provision that allows NDPERS to withhold the information if requested | Has this information ever been publicly disclosed? (Yes/No) |
|---|-----------------------------|--|---|---|
| | | | | |

The above information has been reviewed by Consultant’s legal counsel and is attested to by _____ (insert name of Consultant representative who is authorized to contractually bind Consultant), on this ____ day of _____, 2026.

_____ (Signature) _____(Consultant)

Section 9 – Conflicts of Interest List

Consultants must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this request for proposals. This list should indicate the name of the entity, the relationship, and a discussion of the conflict.

Section 10 – CONTRACT

OFFEROR INSTRUCTIONS

Offeror shall review the STATE’s Contract.

The proposal must indicate whether or not the offeror accepts the terms and conditions in the STATE’s Contract.

An offeror may state that they accept the STATE’s Contract as written.

An offeror may state any objections or propose changes or additions to the STATE’s Contract. An Offeror proposing changes to STATE’s Contract must return a redline version clearly identifying any proposed changes. Offerors are not to submit their own contract or standard terms and conditions with their proposals. Offeror should address the specific language in the attached contract and submit any proposed changes.

No changes to the terms and conditions will be permitted without prior written approval from the STATE.

1. PARTIES

The parties to this contract (Contract) are the state of North Dakota, acting through its North Dakota Public Employees Retirement System (STATE), and ***Name of Business, a type of business (e.g. Delaware corporation or privately held company)*** having its principal place of business at ***principal business address*** (CONTRACTOR).

2. SCOPE OF WORK

CONTRACTOR, in exchange for the compensation paid by STATE under this Contract, shall provide the following:

A. Technical assistance relating to the NDPERS’ 457(b) Companion Plan and 401(a) Defined Contribution Plan in the following three areas:

1. Quarterly analysis of NDPERS core investment funds.

CONTRACTOR shall analyze core investment funds for NDPERS’ 457(b) Companion Plan and 401(a) Defined Contribution Plan on a quarterly basis. Funds shall be compared to

benchmarks, peer funds, and reviewed for other factors such as management changes, fee changes, distributions, style change, etc. in quarterly meeting materials.

- a. CONTRACTOR shall prepare quarterly meeting materials related to the NDPERS' 457(b) Companion Plan and 401(a) Defined Contribution Plan for the NDPERS Investment Subcommittee and NDPERS website.
 - i. CONTRACTOR shall provide STATE the quarterly meeting materials no later than two weeks prior to each NDPERS Investment Subcommittee meeting date.
 - ii. The meeting materials shall conform to 28 CFR § 35.200 federal Requirements for Web and Mobile Accessibility (currently WCAG 2.1 Level AA).
- b. CONTRACTOR shall attend quarterly NDPERS Investment Subcommittee meetings to review analysis.

2. Guidance on investment fund offerings and investment policies.

CONTRACTOR shall provide technical assistance to place funds on formal fund review, close funds, and find replacement funds, including providing documentation of all investment decisions necessary to fulfill fiduciary responsibilities.

- a. CONTRACTOR shall perform 'gap' analysis of core investment options and advise on investment actions on an annual basis.
- b. CONTRACTOR shall, at least annually, review investment policies for the 457(b) Companion Plan and 401(a) Defined Contribution Plan and advise on policy changes.

3. RFP Development, Proposal Analysis, and Implementation Assistance

CONTRACTOR shall, upon NDPERS request:

- a. CONTRACTOR shall prepare a request for proposal for recordkeeping and investment management services for NDPERS 457(b) Companion Plan and 401(a) Defined Contribution Plan. CONTRACTOR shall:
 - Confirm RFP timeline with NDPERS.
 - Draft the RFP for review by NDPERS staff and Board of Trustees.
 - Develop and suggest a proposed list of consultants to solicit directly.
 - Distribute all requests for proposals.
 - Be listed as the point of contact for questions.
 - Prepare a list of all questions asked and the answers and distribute it to all firms receiving a copy of the RFP.

- b. CONTRACTOR shall analyze proposals received for recordkeeping and investment management services for NDPERS 457(b) Companion Plan and 401(a) Defined Contribution Plan. CONTRACTOR shall analyze proposals in two phases.
 - The first phase shall include a general assessment of the proposals received and a recommendation to the Board of Trustees on selected finalists at an NDPERS Board meeting.
 - The second phase shall include a detailed review of the final proposals selected by the NDPERS Board of Trustees and a recommendation to the Board on which proposals to accept. The detailed evaluation of proposals shall be presented to the Board. If necessary, CONTRACTOR shall attend a special meeting to interview finalists.
- c. CONTRACTOR shall assist NDPERS Board implementation of the recordkeeping and investment management services contract(s). This shall include assistance with reviewing the proposed contract(s), assistance with changing consultants (if decided by the Board), and any additional implementation issues.

B. Additional consulting services shall include, but are not limited:

1. Comprehensive glide path studies
2. Active vs. passive studies
3. Member investment education and financial wellness services and support, as requested
4. Technical assistance for legislative proposals and plan design changes

3. COMPENSATION – PAYMENTS

a. Contractual Amount

STATE shall pay for the accepted services provided by CONTRACTOR under this Contract an amount not to exceed **[Amount]** (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: *[Insert FEIN]*

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. TERM OF CONTRACT

This Contract term (Term or Initial Term) begins on January 1, 2027, and ends on December 31, 2028.

a. No Automatic Renewal

This Contract will not automatically renew.

b. Renewal Option

STATE may renew this Contract upon satisfactory completion of the Initial Term. STATE may execute up to 2 (two) options to renew this Contract under the same terms and conditions for a period of 24 (twenty-four) months each (Renewal Term).

If, during the initial Term, any renewal, or extension, STATE determines a realignment of the Term is needed (e.g. to align with STATE'S fiscal biennium), the parties may agree, in writing, to a new Term with a termination date not to exceed the total available length of Contract including its initial Term, renewals, and extensions.

6. TERMINATION

a. Termination for Convenience or by Agreement

STATE may terminate this Contract upon thirty (30) days' written notice to CONTRACTOR. This Contract may be terminated by consent of both Parties executed in writing.

b. Early Termination in the Public Interest

STATE is entering into this Contract to carry out the public policy of the State of North Dakota, as determined by its Governor, Legislative Assembly, Agencies and Courts. If this Contract ceases to further the public policy of the State of North Dakota, STATE, in its sole discretion, by written notice to CONTRACTOR, may terminate this Contract in whole or in part.

c. Termination for Lack of Funding or Authority

STATE by written notice to CONTRACTOR, may terminate the whole or any part of this Contract under any of the following conditions:

- 1) If funding from federal, state, or other sources is not obtained or continued at levels sufficient to allow for purchase of the services or goods under this Contract in the indicated quantities or term.
- 2) If federal or state laws or rules are modified or interpreted in a way that the services or goods are no longer allowable or appropriate for purchase under this Contract or are no longer eligible for the funding proposed for payments authorized by this Contract.
- 3) If any CONTRACTOR license, permit, or certificate required by law or rule, or by the terms of this Contract, is for any reason denied, revoked, suspended, or not renewed.

Termination of this Contract under this subsection is without prejudice to any obligations or liabilities of either Party already accrued prior to termination.

d. Termination for Cause.

STATE may terminate this Contract effective upon delivery of written notice to CONTRACTOR, or any later date stated in the notice:

- 1) If CONTRACTOR fails to provide services or goods required by this Contract within the time specified or any extension agreed to in writing by STATE; **or**
- 2) If CONTRACTOR fails to perform any provisions of this Contract or fails to pursue the work so as to endanger performance of this Contract in accordance with its terms.

The rights and remedies of STATE provided in this subsection are not exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

7. FORCE MAJEURE

Neither Party will be held responsible for delay or default caused by fire, riot, terrorism, pandemic, acts of God, or war if the event was not foreseeable through the exercise of

reasonable diligence by the affected Party, the event is beyond the Party's reasonable control, and the affected Party gives notice to the other Party promptly upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default. If CONTRACTOR is the affected Party and does not resume performance within fifteen (15) days or another period agreed between the Parties, STATE may seek all available remedies, up to and including termination of this Contract pursuant to its Termination Section, and STATE is entitled to a pro-rata refund of any amounts paid for which the full value has not been realized, including amounts paid toward software subscriptions, maintenance, or licenses.

8. RIGHT TO REMEDIES AND CUMULATION OF RIGHTS

No remedy conferred by any of the specific provisions of this Contract is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Contract, now or in the future existing at law or in equity or by statute or otherwise.

9. NON-WAIVER

Either party's failure to exercise any of its rights under this Contract, its delay in enforcing any right, or its waiver of its rights on any occasion, shall not constitute a waiver of such rights on any other occasion. No course of dealing by either party in exercising any of its rights shall constitute a waiver thereof. No waiver of any provision of this Contract shall be effective unless it is in writing and signed by the party against whom the waiver is sought to be enforced.

10. INDEMNIFICATION

CONTRACTOR agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers, and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. This obligation to defend, indemnify, and hold harmless does not extend to professional liability claims arising from professional errors and omissions. The legal defense provided by CONTRACTOR to the State under this provision must be free of

any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08. CONTRACTOR also agrees to reimburse the State for all costs, expenses and attorneys' fees incurred if the State prevails in an action against CONTRACTOR in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this Contract.

11. INSURANCE

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) 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 contact 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.

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.
- 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 on a primary and noncontributory basis, 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) CONTRACTOR shall provide a certificate of insurance prior to commencement of this agreement and any required endorsements as soon as practicable electronically to:

North Dakota Public Employees Retirement System
Executive Director Rebecca Fricke
rfricke@nd.gov
- 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. An updated, current certificate of insurance shall be provided in the event of any change to a policy.

12. WORKS FOR HIRE

All work(s) under this Contract is "work(s) for hire" within the meaning of the United States Copyright Act (Title 17 United States Code) and CONTRACTOR assigns to STATE all rights and interests CONTRACTOR may have in the work(s) it prepares under this Contract, including any right to derivative use of the work(s). All software and related materials developed by CONTRACTOR in performance of this Contract for STATE are the sole property of STATE, and CONTRACTOR assigns and transfers all its right, title, and interest in the software and related materials to STATE. CONTRACTOR shall execute all necessary documents to enable STATE to protect STATE's intellectual property rights under this section.

13. WORK PRODUCT

All work product, equipment or materials created for STATE or purchased by STATE under this Contract belong to STATE and must be immediately delivered to STATE at STATE's request upon termination of this Contract.

14. NOTICE

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:

| STATE | CONTRACTOR |
|---|-------------------|
| Name: Rebecca Fricke | Name |
| Title: Executive Director | Title |
| Address: PO Box 1657 | Address |
| City, State, Zip: Bismarck, ND 58502-1657 | City, State, Zip |
| STATE | CONTRACTOR |

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.

15. CONFIDENTIALITY

CONTRACTOR may 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 except as necessary to carry out the purposes of this Contract or that STATE has authorized in advance. STATE may 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.

16. COMPLIANCE WITH PUBLIC RECORDS LAWS

Under the North Dakota public records law certain records may be open to the public upon request.

Public records may include: (a) records STATE receives from CONTRACTOR under this Contract, (b) records obtained by either Party under this Contract, and (c) records generated by either Party under this Contract.

CONTRACTOR shall contact STATE immediately upon receiving a request for information under the public records law and shall comply with STATE's instructions on how to respond to that request.

17. INDEPENDENT ENTITY

CONTRACTOR is an independent entity under this Contract and is not a STATE employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act.

CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out CONTRACTOR's activities and responsibilities under this Contract, except to the extent specified in this Contract.

18. ASSIGNMENT AND SUBCONTRACTS

CONTRACTOR may not assign or otherwise transfer or delegate any right or duty without STATE's express written consent, provided, however, that CONTRACTOR may assign its rights and obligations under this Contract if there is a change of control or sale of all or substantially all of CONTRACTOR's assets related to this Contract, whether by merger, reorganization, operation of law, or otherwise. If Assignee is a business or entity with whom STATE is prohibited from conducting business, STATE may terminate this Contract in accordance with the Termination for Cause section of this Contract.

CONTRACTOR may enter subcontracts provided that any subcontract acknowledges the binding nature of this Contract and incorporates this Contract, including any attachments. CONTRACTOR is solely responsible for the performance of any subcontractor with whom CONTRACTOR contracts. CONTRACTOR may not contract for or incur obligations on behalf of STATE.

19. SPOILIATION – PRESERVATION OF EVIDENCE

CONTRACTOR shall notify STATE promptly of all potential claims that arise or result from this Contract. CONTRACTOR also shall take all reasonable steps to preserve all physical evidence and information that may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and grants to STATE the opportunity to review and inspect such evidence, including the scene of an accident.

20. MERGER AND MODIFICATION, CONFLICT IN DOCUMENTS

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, if there is 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 Solicitation Amendment(s) to Request for Proposal for Investment Consultant Services for 457(B) Deferred Compensation Plan and 401(A) Defined Contribution Plan ("RFP")(If applicable);
- c. STATE's Request for Proposal for Investment Consultant Services for 457(B) Deferred Compensation Plan and 401(A) Defined Contribution Plan ("RFP"), dated June 10, 2026;
- d. CONTRACTOR's proposal dated ***[Insert Date]*** in response to Request for Proposal for Investment Consultant Services for 457(B) Deferred Compensation Plan and 401(A) Defined Contribution Plan.

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.

21. UNANTICIPATED AMENDMENTS

If additional work is required within the scope of this Contract due to a legitimate unforeseen circumstance, STATE shall provide CONTRACTOR a written description of the additional work and request CONTRACTOR to submit a proposal for accomplishing the scope of work. CONTRACTOR will not commence additional work until all Parties agree in writing.

22. SEVERABILITY

If any term of this Contract is declared to be illegal or unenforceable by a court having competent jurisdiction, the validity of the remaining terms is unaffected and, if possible, the rights and obligations of the Parties are to be construed and enforced as if this Contract did not contain the illegal or unenforceable term.

23. APPLICABLE LAW AND VENUE

This Contract is governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this Contract must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota. Each Party consents to the exclusive jurisdiction of the state District Court located in Burleigh County, North Dakota and waives any claim of lack of jurisdiction or *forum non conveniens*.

24. ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL

By entering this Contract, STATE does not agree to binding arbitration, mediation, or any other form of mandatory Alternative Dispute Resolution. The Parties may enforce the rights and remedies in judicial proceedings. STATE does not waive any right to a jury trial.

25. ATTORNEY FEES

If a lawsuit is initiated by STATE to obtain performance due under this Contract, and STATE is the prevailing Party, CONTRACTOR shall pay STATE's reasonable attorney fees and costs in connection with the lawsuit, except when prohibited by N.D.C.C. § 28-26-04.

26. AMERICANS WITH DISABILITIES ACT (ADA) – NONDISCRIMINATION AND COMPLIANCE WITH LAWS

- 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 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.

26. STATE AUDIT

Pursuant to N.D.C.C. § 54-10-19, all records, regardless of physical form, and the accounting practices and procedures of CONTRACTOR relevant to this Contract are subject to examination by the North Dakota State Auditor, the Auditor's designee, or Federal auditors, if required. CONTRACTOR shall maintain these records for at least three (3) years following completion of this Contract and be able to provide them upon reasonable notice. STATE, State Auditor, or Auditor's designee shall provide reasonable notice to CONTRACTOR prior to conducting examination.

27. LIQUIDATED DAMAGES

The Parties agree that STATE may suffer damages due to a failure by CONTRACTOR to meet performance guarantees. Because it is difficult to fix the actual damages sustained in the event of failure to meet performance guarantees, STATE and CONTRACTOR agree the amount of damages will be the amounts agreed upon in the [Performance Guarantee Exhibit].

In the event of any failure to meet performance guarantees, CONTRACTOR shall pay the agreed upon amount as liquidated damages and not as a penalty. Amounts due to STATE as liquidated damages may be deducted by STATE from any amounts payable to CONTRACTOR, and CONTRACTOR shall promptly pay STATE any amount outstanding over and above the amounts deducted from the invoice.

Delays due to causes of Force Majeure or due to STATE's responsibility extend the time for performance on a day-for-day basis. STATE may not assess liquidated damages against CONTRACTOR when the delay in delivery or performance is beyond control and without the fault or negligence of CONTRACTOR.

28. USE OF ARTIFICIAL INTELLIGENCE (AI) AND MACHINE LEARNING (ML)

CONTRACTOR may wish to use Artificial Intelligence (AI) and Machine Learning (ML) (together AI/ML) to complete CONTRACTOR's obligations under this Contract. CONTRACTOR's use of AI/ML is subject to prior, written approval by STATE. CONTRACTOR shall provide STATE detailed information, in writing, on the use of AI/ML in completing 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. STATE may terminate the Contract for cause if CONTRACTOR uses AI/ML in a manner that STATE has not approved. Use of STATE Data for training, fine-tuning, or improving AI models is strictly prohibited unless expressly authorized in writing by STATE. CONTRACTOR may not share STATE data, in any form, with a third party without express written approval by STATE.

29. COUNTERPARTS

This Contract may be executed in multiple, identical counterparts, each of which is be deemed an original, and all of which taken together constitute one and the same contract.

30 . EFFECTIVENESS OF CONTRACT

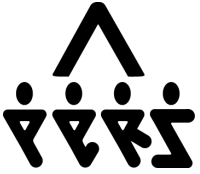
This Contract is not effective until fully executed by both Parties. If no start date is specified in the Term of Contract, the most recent date of the signatures of the Parties is the Effective Date.

| CONTRACTOR | STATE OF NORTH DAKOTA |
|-------------------------------|---|
| <i>[Insert Business Name]</i> | Acting through its <i>North Dakota Public Employees Retirement System</i> |
| BY: <i>[Signature]</i> | BY: <i>[Signature]</i> |
| <i>[Printed Name]</i> | <i>Rebecca Fricke</i> |
| <i>[Title]</i> | <i>NDPERS Executive Director</i> |
| Date: | Date: |

Appendix A – Performance Standards and Guarantees

This section identifies the NDPERS performance standards and guarantees requested. Please confirm compliance with each guarantee. Some performance guarantees may not be applicable based on the services proposed. If the performance guarantee is not applicable, please note “N/A”.

| # | Performance Guarantee | Requirement | Measurement | Performance guarantee reporting period (Monthly, Quarterly, Annual) & liquidated damages (in U.S. dollars) | Vendor Response: (Agree, Does Not Agree, N/A) | Requested Modification |
|----|---|---|---|--|---|------------------------|
| 1. | Investment Subcommittee Meeting Attendance | Contractor shall attend (virtual is acceptable) quarterly investment subcommittee meetings. | Compliance to be monitored and assessed by NDPERS | Quarterly \$1,000 for each meeting missed | | |
| 2. | NDPERS Board Meetings | Contractor shall participate (virtual is acceptable) as requested in NDPERS Board meetings. | Compliance to be monitored and assessed by NDPERS | As needed and agreed upon with staff \$1,000 for each meeting missed | | |
| 3. | Meeting Materials | Contractor shall provide meeting materials a minimum of two weeks prior to each quarterly investment subcommittee meeting. | Compliance to be monitored and assessed by NDPERS | Quarterly \$500 for each quarter missed | | |
| 4. | Meeting Materials | All meeting materials shall comply with shall conform to 28 CFR § 35.200 federal Requirements for Web and Mobile Accessibility (currently WCAG 2.1 Level AA). | Compliance to be monitored and assessed by NDPERS | Quarterly \$500 for each quarter missed | | |



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
1-800-803-7377

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

Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: June 9, 2026

SUBJECT: 457 Companion Plan & 401(a) Plan 1st Quarter 2026 Report

The attached 1st Quarter 2026 investment report for the 401(a) & 457 Companion Plans was recently reviewed by the Investment Subcommittee. The reports are available separately on the NDPERS website. The two plans have 15,409 (14,485 in Q4) participants with \$307.4 million (\$293.5 million in Q4) in assets.

Assets in the 401(a) plan increased to \$44.5 million (\$40.0 million in Q4) as of March 31, 2026. The number of active participants also increased and is now at 4,420 (3,643 in Q4). The Target Date funds have 67.9% of the plan assets.

Assets in the 457 Companion Plan decreased to \$262.9 million (\$266.1 in Q4) as of March 31, 2026. The number of active participants increased and is now at 10,989 (10,842 in Q4). The Target Date funds have 65.5% of the plan assets.

Benchmarks:

Fund returns for the quarter were negative for the funds in the core lineup. 17 of the 23 core funds had negative returns for the quarter, while only six were positive. Core fund performance was mixed when compared to benchmarks.

Fund / Investment News:

The Retirement & Investment Office provided an overview of the returns of the Pension Funds as well as educational opportunities to prepare for investment related Board topics. The NDPERS Investment Subcommittee reviewed the 1st Quarter 2026 plan review and field activity report with Empower. Callan gave a market overview and investment performance report. Empower provided information on participant engagement and educational efforts for the members in our plans. Finally, SEI provided an overview of recommendations for asset allocations on the Job Service and RHIC Plans (with no changes proposed).

There was actionable items related to the Investment Consultant Services Request for Proposal, which is a separate agenda items for your consideration today.

Statistics on enrollments as of March 31, 2026 in the Defined Contribution 2025 plan are as follows:

| Date | Hires | 0% | 1% | 2% | 3% | 4% | 5% | 6% | DC Election Total | Def Comp Election Total | DC 2025 + Def Comp Election Total | No election | Forfeited election | Still eligible |
|-----------|-------|-----|-----|-----|------|----|----|----|-------------------|-------------------------|-----------------------------------|-------------|--------------------|----------------|
| 1/16/2026 | 3267 | 287 | 140 | 171 | 1698 | | 3 | 4 | 2303 | 130 | 2433 | 964 | 778 | 186 |
| 2/6/2026 | 3406 | 300 | 145 | 171 | 1774 | | 3 | 4 | 2397 | 397 | 2794 | 1009 | 841 | 168 |
| 3/5/2026 | 3551 | 310 | 149 | 178 | 1865 | | 3 | 4 | 2509 | 409 | 2918 | 1042 | 890 | 152 |
| 4/1/2026 | 3647 | 319 | 149 | 180 | 1931 | 1 | 2 | 3 | 2585 | 159 | 2744 | 1062 | 943 | 120 |

As of March 31, 2026, there were \$62,858 of ROTH contributions made:

Contribution activity

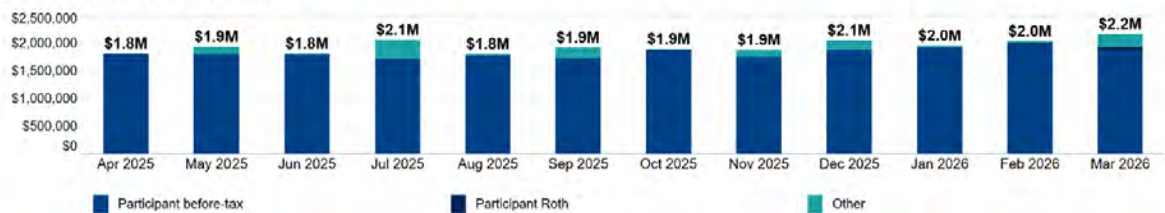
As of 3/31/2026

The contribution activity details show the total of all contributions into participant accounts, excluding loan payments. Participant payroll contributions are categorized by their money type. Any employer contributions and any non-payroll contributions are separated into their own categories. Non-payroll contributions are reflected in the *Other* category and include rollovers, transfers, and other miscellaneous contributions.

Total contributions at-a-glance¹

| | Participant before-tax | Participant Roth | Other | Total |
|---------------------|------------------------|------------------|-------------|--------------|
| ➤ Year to date | \$5,802,698 | \$62,858 | \$296,449 | \$6,162,005 |
| ➤ Rolling 12 months | \$21,946,861 | \$62,858 | \$1,344,794 | \$23,354,513 |

Total contribution amounts by month



¹The year-to-date and rolling 12 month periods begin when the plan is loaded onto the recordkeeping system. Therefore, the periods may be less than indicated for plans that were recently added.

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100455-01 The North Dakota Public Employees Retirement System Deferred Compensation - 457(b) Companion Plan

From January 1, 2026 – March 31, 2026 there have been 13 submitted 457 self-certification hardships with 11 of them being verified as eligible per criteria established by Board for distribution.

Attachment #1

NDPERS Quarterly Investment Report 1st Quarter 01/01/2026 – 3/31/2026



North Dakota Public Employees Retirement System
1600 East Century Ave, Suite 2
Box 1657
Bismarck, ND 58502

New Investment Structure With In-Plan Annuity Options

| Tier I: Asset Allocation | Tier II: Passive Core | Tier II: Active Core | Tier III: Specialty |
|---|--|---|---|
| Target Date Funds Nuveen Lifecycle Retirement | | Capital Preservation Galliard Stable Value Vanguard Treasury MM Empower IFAS VI New York Life Anchor | |
| | Core Fixed Income Vanguard Total Bond Index | Core Plus Fixed Income Baird Core Plus Bond | |
| | U.S. Large-Cap Equity Vanguard Institutional Index | | |
| | Broad Non-U.S. Equity Vanguard Total Intn'l Index | Broad Non-U.S. Equity MFS International Diversification | |
| | | U.S. Small/Mid-Cap Equity JP Morgan US SMID Core | |
| | | | Real Estate Cohen & Steers Realty |
| | | | Brokerage Window |

Plan Performance Monitoring

As of March 31, 2026

| | Last Quarter | Last Year | Last 3 Years | Last 5 Years | Last 7 Years |
|---------------------------------|--------------|-----------|--------------|--------------|--------------|
| Asset Allocation Funds | | | | | |
| Nuveen Lifecycle Ret. Inc | (1.08%) | 9.63% | 8.31% | 4.12% | 5.78% |
| LifeCycle Ret Income Cust Bnchm | (0.98%) | 10.64% | 8.90% | 4.52% | 6.41% |
| Callan Tgt Dt Idx 2010 | (0.60%) | 9.47% | 8.16% | 4.14% | 5.67% |
| Nuveen Lifecycle 2010 Fund | (0.87%) | 9.45% | 8.31% | 4.12% | 5.79% |
| LifeCycle 2010 Cust Bnchm | (0.81%) | 9.84% | 8.47% | 4.25% | 6.04% |
| Callan Tgt Dt Idx 2010 | (0.60%) | 9.47% | 8.16% | 4.14% | 5.67% |
| Nuveen Lifecycle 2015 Fund | (0.95%) | 9.77% | 8.50% | 4.21% | 6.05% |
| LifeCycle 2015 Cust Bnchm | (0.98%) | 10.67% | 9.09% | 4.62% | 6.51% |
| CAI Tgt Dt Idx 2015 | (0.66%) | 9.84% | 8.44% | 4.33% | 5.94% |
| Nuveen Lifecycle 2020 Fund | (1.11%) | 10.46% | 9.02% | 4.50% | 6.43% |
| LifeCycle 2020 Cust Bnchm | (1.11%) | 11.50% | 9.72% | 5.01% | 7.01% |
| CAI Tgt Dt Idx 2020 | (0.74%) | 10.45% | 8.91% | 4.65% | 6.38% |
| Nuveen Lifecycle 2025 Fund | (1.25%) | 11.25% | 9.68% | 4.87% | 7.04% |
| LifeCycle 2025 Cust Bnchm | (1.26%) | 12.34% | 10.43% | 5.47% | 7.62% |
| CAI Tgt Dt Idx 2025 | (0.88%) | 11.39% | 9.73% | 5.21% | 7.13% |
| Nuveen Lifecycle 2030 Fund | (1.56%) | 12.51% | 10.63% | 5.45% | 7.78% |
| LifeCycle 2030 Cust Bnchm | (1.49%) | 13.68% | 11.46% | 6.13% | 8.40% |
| CAI Tgt Dt Idx 2030 | (1.23%) | 13.04% | 10.96% | 6.03% | 8.07% |
| Nuveen Lifecycle 2035 Fund | (1.84%) | 13.71% | 11.68% | 6.10% | 8.56% |
| LifeCycle 2035 Cust Bnchm | (1.72%) | 15.03% | 12.60% | 6.89% | 9.25% |
| CAI Tgt Dt Idx 2035 | (1.49%) | 14.87% | 12.31% | 6.95% | 9.05% |
| Nuveen Lifecycle 2040 Fund | (2.28%) | 15.62% | 13.00% | 6.95% | 9.49% |
| LifeCycle 2040 Cust Bnchm | (2.05%) | 17.06% | 14.06% | 7.87% | 10.25% |
| CAI Tgt Dt Idx 2040 | (1.77%) | 16.50% | 13.50% | 7.73% | 9.85% |
| Nuveen Lifecycle 2045 Fund | (2.47%) | 16.97% | 13.90% | 7.48% | 10.18% |
| LifeCycle 2045 Cust Bnchm | (2.30%) | 18.38% | 15.01% | 8.46% | 10.99% |
| CAI Tgt Dt Idx 2045 | (1.96%) | 17.73% | 14.36% | 8.29% | 10.41% |
| Nuveen Lifecycle 2050 Fund | (2.67%) | 17.59% | 14.33% | 7.71% | 10.41% |
| LifeCycle 2050 Cust Bnchm | (2.43%) | 19.05% | 15.46% | 8.74% | 11.25% |
| CAI Tgt Dt Idx 2050 | (2.11%) | 18.44% | 14.87% | 8.61% | 10.71% |
| Nuveen Lifecycle 2055 Fund | (2.70%) | 17.79% | 14.46% | 7.79% | 10.51% |
| LifeCycle 2055 Cust Bnchm | (2.47%) | 19.25% | 15.63% | 8.86% | 11.37% |
| CAI Tgt Dt Idx 2055 | (2.15%) | 18.81% | 15.12% | 8.76% | 10.84% |
| Nuveen Lifecycle 2060 Fund | (2.71%) | 17.97% | 14.61% | 7.89% | 10.63% |
| LifeCycle 2060 Cust Bnchm | (2.51%) | 19.46% | 15.80% | 8.97% | 11.50% |
| Callan Tgt Dt Idx 2060 | (2.18%) | 18.97% | 15.22% | 8.82% | 10.90% |
| Nuveen Lifecycle 2065 Fund | (2.74%) | 18.09% | 14.69% | 8.01% | - |
| LifeCycle 2065 Cust Bnchm | (2.54%) | 19.88% | 15.96% | 9.09% | - |
| Callan Tgt Dt Idx 2065 | (2.19%) | 19.04% | 15.25% | 8.84% | 10.91% |






Plan Performance Monitoring (continued)

As of March 31, 2026

| | Last Quarter | Last Year | Last 3 Years | Last 5 Years | Last 7 Years |
|--|-----------------|--------------|--------------------|--------------------|--------------------|
| Large Cap U.S. Equity | | | | | |
| Vanguard Institutional Index | (4.34%) | 17.76% | 18.27% | 12.02% | 14.41% |
| S&P 500 Index | (4.33%) | 17.80% | 18.32% | 12.06% | 14.44% |
| Small/Mid Cap U.S. Equity | | | | | |
| JPMorgan SMID Cap Equity R6 | (2.20%) | 0.27% | 5.31% | 2.39% | 5.73% |
| Russell 2500 Index | 2.04% | 23.45% | 13.25% | 5.48% | 9.75% |
| Non-U.S. Equity | | | | | |
| MFS International Diversification R6 | (0.18%) | 20.65% | 13.11% | 6.46% | 8.84% |
| MSCI ACWI xUS (Net) | (0.71%) | 24.91% | 14.49% | 7.02% | 8.50% |
| Vanguard Total Intl Stock Adm | 1.75% | 27.46% | 15.27% | 7.47% | 9.00% |
| FTSE GI All Cap exUS Idx | (0.59%) | 25.47% | 14.63% | 7.11% | 8.75% |
| Fixed Income | | | | | |
| Vanguard Total Bond Index Adm | 0.05% | 4.32% | 3.61% | 0.33% | 1.56% |
| Blmbg Aggregate Flt Adj | (0.07%) | 4.26% | 3.63% | 0.34% | 1.59% |
| Baird Core Plus Bond Instl | (0.16%) | 4.57% | 4.50% | 0.92% | 2.29% |
| Blmbg Universal | (0.15%) | 4.64% | 4.18% | 0.65% | 1.88% |
| Capital Preservation | | | | | |
| Galliard Stable Value C | 0.77% | 3.12% | 2.96% | 2.54% | 2.42% |
| 3-month Treasury Bill | 0.85% | 4.00% | 4.74% | 3.34% | 2.72% |
| New York Life Ins. Co. Anchor Acct. IV | 0.96% | 3.84% | 3.60% | 3.10% | 2.88% |
| 3-month Treasury Bill | 0.85% | 4.00% | 4.74% | 3.34% | 2.72% |
| Vanguard Treasury MM Inv | 0.90% | 4.07% | 4.78% | 3.37% | 2.69% |
| 3-month Treasury Bill | 0.85% | 4.00% | 4.74% | 3.34% | 2.72% |
| Sector Funds | | | | | |
| Cohen & Steers Realty Shares | 3.52% | 3.17% | 7.66% | 4.71% | 6.02% |
| FTSE NAREIT All Eq Index | 3.76% | 3.28% | 6.81% | 3.95% | 4.60% |

Active Manager Monitoring Summary

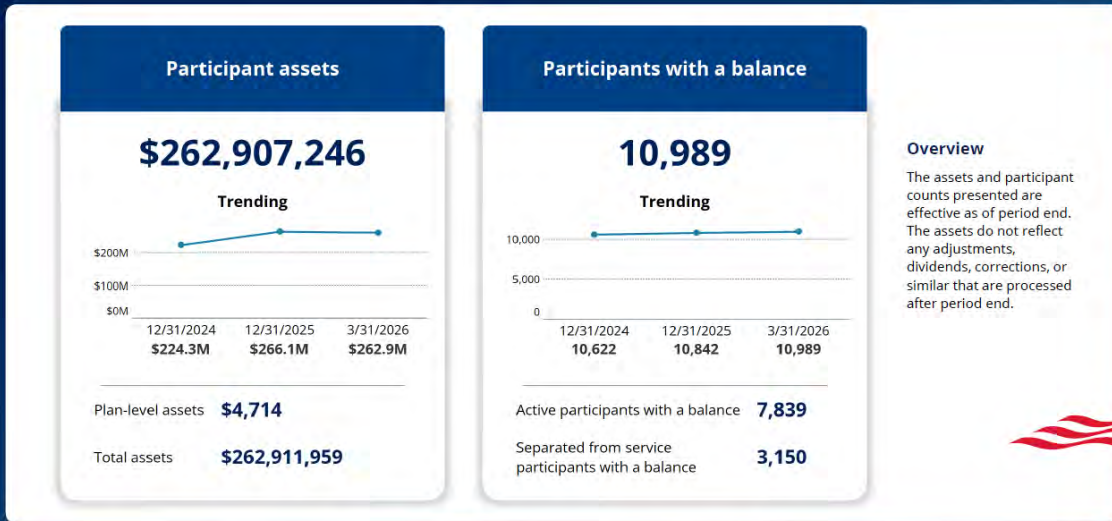
As of March 31, 2026

| Manager | Below Benchmark | Above Benchmark | | Above Peer Median | | Qualitative Assessment | | | | | Overall Eval. |
|-----------------------------------|---|--|---------------|-------------------|---------------|------------------------|------|---------|-------|---------|---------------|
| | 8 Straight Quarters | 3-Year Period | 5-Year Period | 3-Year Period | 5-Year Period | Firm | Team | Process | Perf. | Product | |
| Small/Mid Cap Equity | | | | | | | | | | | |
| JPMorgan SMID Cap Equity | No | No | No | No | No | | | | | | Cautionary |
| International Equity | | | | | | | | | | | |
| MFS International Diversification | No | No | No | No | No | | | | | | Stable |
| Fixed Income | | | | | | | | | | | |
| Baird Core Plus Bond | No | Yes | Yes | Yes | Yes | | | | | | Stable |
| Stable Value | | | | | | | | | | | |
| Galliard Stable Value | Yes | No | No | Yes | Yes | | | | | | Stable |
| Sector Fund | | | | | | | | | | | |
| Cohen & Steers Realty Shares | No | Yes | Yes | Yes | Yes | | | | | | Stable |
| Overall Evaluation | | | | | | | | | | | |
| Stable |  | Firm, Team, Strategy are performing as expected | | | | | | | | | |
| Noteworthy |  | Manager has a qualitative or quantitative factor worth highlighting | | | | | | | | | |
| In Review |  | Callan is proposing that the fund be added to the watchlist | | | | | | | | | |
| Cautionary |  | Staff is reviewing strategy with consultant and scheduling an update meeting with manager | | | | | | | | | |
| Terminating |  | Following staff review and consultant recommendation, manager will be terminated following a successful replacement search | | | | | | | | | |

- JPMorgan SMID had another challenging quarter due to positioning and lags across all trailing periods
- A tough 2025 caused MFS International to now trail over the 1-, 3-, and 5-year periods, but it outpaced during the quarter and remains ahead over 7 years
- The unique nature of stable value and the wrap guarantees has caused Galliard to continue to trail the 3-month T-Bill

Assets and participants

As of 3/31/2026

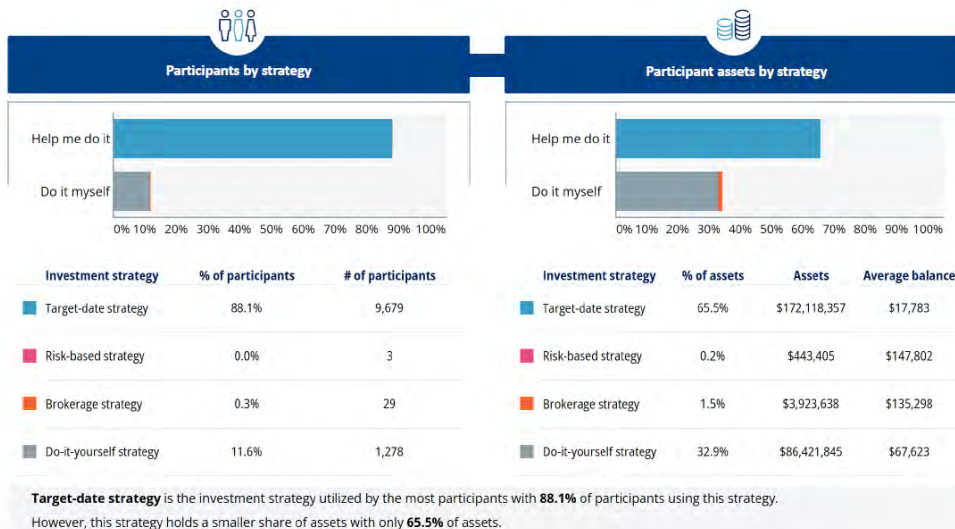


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100455-01 The North Dakota Public Employees Retirement System Deferred Compensation 457(b) Companion Plan

Investment strategy utilization

As of 3/31/2026



Overview

The investment strategy utilization is based on all participants that have a balance greater than \$0. Each participant is assigned a single investment strategy to provide insights on how investment options, features, and services are being utilized.

When a participant is assigned a strategy, 100% of their balance is grouped within that strategy even if they have a diverse investment mix. Additionally, each participants' strategy is reevaluated and assigned every month so a participant may move in and out of the different strategies from month to month.

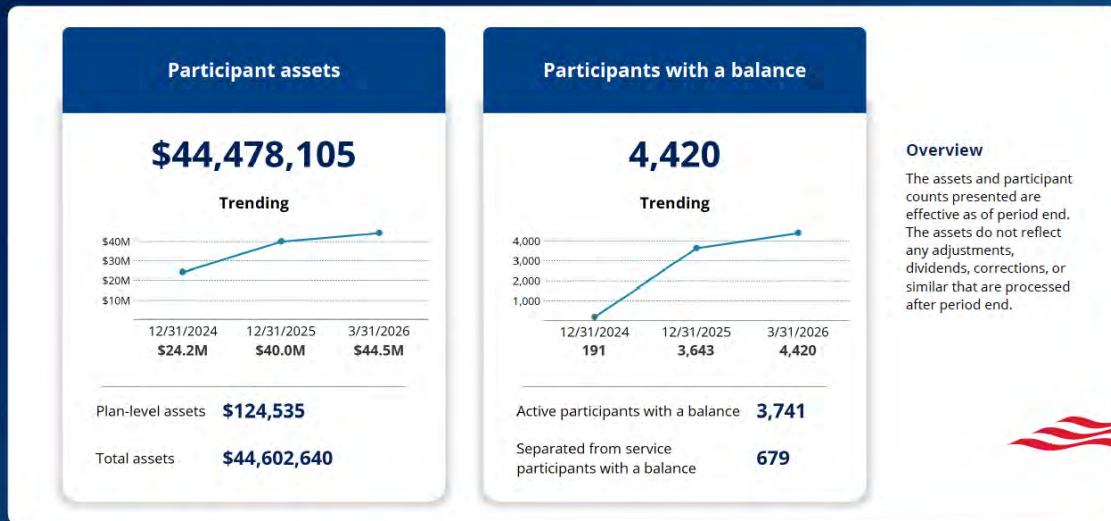
For the full list of investment strategies and their definitions, please refer to the glossary.

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100455-01 The North Dakota Public Employees Retirement System Deferred Compensation 457(b) Companion Plan

Assets and participants

As of 3/31/2026

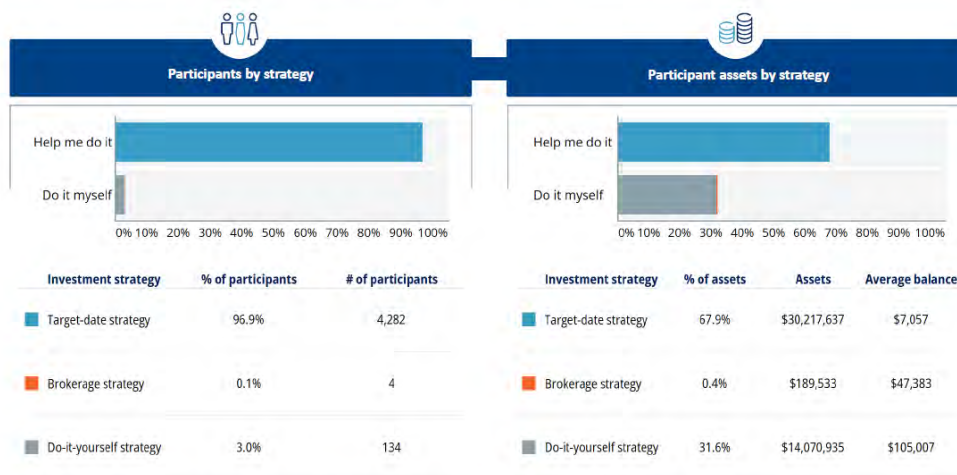


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100456-01 The North Dakota Public Employees Retirement System Defined Contribution 401(a) Plan

Investment strategy utilization

As of 3/31/2026



Target-date strategy is the investment strategy utilized by the most participants with **96.9%** of participants using this strategy. However, this strategy holds a smaller share of assets with only **67.9%** of assets.

Overview

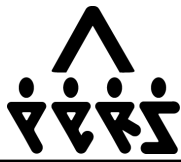
The investment strategy utilization is based on all participants that have a balance greater than \$0. Each participant is assigned a single investment strategy to provide insights on how investment options, features, and services are being utilized.

When a participant is assigned a strategy, 100% of their balance is grouped within that strategy even if they have a diverse investment mix. Additionally, each participants' strategy is reevaluated and assigned every month so a participant may move in and out of the different strategies from month to month.

For the full list of investment strategies and their definitions, please refer to the glossary.

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100456-01 The North Dakota Public Employees Retirement System Defined Contribution 401(a) Plan



Health Insurance Plan Request for Proposal (RFP)

TO: NDPERS Board

FROM: Katheryne Korom

DATE: June 9, 2026

The Health Insurance Plan RFP was issued on June 1, 2026.

Following are the key dates in the proposal process:

| Activity | Date/Time |
|--|-------------------------------------|
| NDPERS publishes Request for Proposal (RFP) | June 1, 2026 |
| Vendor provides notice of intent to propose | June 5, 2026 |
| Virtual Vendor Conference | June 18, 2026 (3:30 pm CST) |
| Vendor questions (in writing) due to Deloitte | June 22, 2026 (5 pm CST) |
| Proposals due | Wednesday, July 15, 2026 (5 pm CST) |
| Finalist presentations (if requested) | September 2026 |
| NDPERS notifies finalist of intent to negotiate | October 2026 |
| Vendor and NDPERS begin implementation | December 2026 |
| Vendor begins providing services | July 1, 2027 |

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



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

2025 Health Insurance Plan Claims Review

TO: NDPERS Board

FROM: Lindsay Schaf

DATE: June 9, 2026

Each year, NDPERS performs a review of a sample of the Sanford Health Plan medical and pharmacy claims, as well as claims for the Humana Medicare Part D plan. This review is conducted by the NDPERS Internal Audit Division, led by Shawna Piatz as Chief Audit Officer.

Attached are the results of this audit for calendar year 2025, referred to as observations. In addition, the attached provides both responses from NDPERS management and Sanford Health Plan to the observations, along with a list of the types of claims that were reviewed through the audit. The audit report has been shared with the Audit Committee at their May 2026 meeting. Any outstanding issues are being tracked by both Internal Audit and management to ensure resolution.

This item is informational only. Shawna and I will be available at the meeting should the Board have any questions.



PURPOSE: Each year NDPERS Internal Audit conducts an audit to verify the accuracy of the health plan claims processing to the current Certificate of Insurance (COI) documents.

PROCEDURES: In March 2026, the Internal Auditors met virtually with Sanford Health Plan (SHP) and Humana staff to review a sample of NDPERS health and pharmacy claims. A list of the claim specifications reviewed is provided in Attachment A. Internal Audit requested to review 132 claims and made a few adjustments as necessary during the review. A random sample of claims from 2025 within each of the categories noted was reviewed from the pre-built queries Sanford had for each of the categories. The queries were run during the virtual meetings and NDPERS Internal Audit selected the random claim sample from the query population.

RESULTS:

Claims Findings:

Observation #1: Professional Psych Claims – One claim was found in which coinsurance was not applied even though the co-insurance maximum had not been met. Prior to this claim, there was a point where the coinsurance maximum had been met but there were negative adjustments about a month prior to this claim processing that left a remaining balance to be applied and it is unknown why that amount did not apply to this claim. The remaining balance was eventually applied to a later claim.

Recommendation: NDPERS management should direct SHP to review system programming to see if they can determine why the balance was not applied at the time of this claim.

Management Response:

NDPERS Management agrees with the recommendation and will direct SHP to review system programming.

Sanford Health Plan Response: Upon further review there were not any system configuration errors identified in processing of professional psych claims. Due to timing of the claim adjustment, appropriate cost share balances were reserved & applied to following claims.

Sanford Action: *Sanford's analysis did not identify any required claim adjustment or system configuration changes. No additional action is needed.*

Management Response:

Observation #2: Out of Country Care – During the 2023 claims audit, Internal Audit recommended that NDPERS management should consider revising the language under Section 5.5 to address the lack of cost shares being applied when the appropriate medical coding is not provided. Suggested language was provided as follows:

“Deductible and 20% co-insurance up to the Plan maximums will apply for medically necessary emergency and urgent care services received in a foreign country ~~are covered at the In-Network level.~~ There is no coverage for elective or preventative Health Care Services if a Member or their dependents travels to another country for the purpose of seeking medical treatment outside the United States.

An email chain later updated the suggested language to be “Deductible and coinsurance up to the plan maximums will apply....”



During the review of 2025 claims, a claim was reviewed which had an office visit and additional services all lumped together under an office visit even though most of the claim was for services other than the office visit. A \$35 co-pay was applied but no other cost shares due to there not being any claim codes provided.

Upon review of the updated contract language, Section 5.5 reads, "Deductible and applicable cost-share will apply for Medically Necessary emergency and urgent care services received in a foreign country. There is no coverage for elective or preventive Health Care Services if a Member or their dependent(s) travels to another country for the purpose of seeking medical treatment outside the United States. There is no coverage for any non-emergent Health Care Services if a Member or their dependent(s) resides in another country."

Due to the way this was written, "Deductible and applicable cost-share..." copays, co-insurance and deductibles were applied at the in-network levels, similar to what was happening prior to the contract verbiage update.

SHP indicated that if NDPERS were to send in a letter of clarification, they would be able to process claims as intended during the previous contract renewal discussions.

Recommendation: NDPERS management should provide SHP with a letter of clarification stating that deductible and co-insurance up to the plan maximums will apply to all out of country care claims regardless of claim type and that co-pays would not be applicable.

Management Response:

NDPERS Management will discuss the clarification with SHP to determine why language updated in COI reflects applicable cost-share and based upon discussions, determine if a letter of clarification from NDPERS will be provided.

Sanford Health Plan Response: Sanford Health Plan will work with NDPERS management to clarify verbiage change in COIs and applicable timing of implementation.

Sanford Action: *Sanford Health Plan will take appropriate actions as a result of the discussion with NDPERS.*

Management Response: Upon further discussion with SHP, it was determined that the additional language modification needs to be incorporated into the next COI update, which will be for July 1, 2027 (subject to RFP process). In the meantime, SHP is going to add a second review on all foreign claims by their coding department who will help review claims for better interpretation. Specific to the specific claim that resulted in this finding, SHP has reviewed and determined it was paid incorrectly with the plan overpaying approximately \$110.

Internal Process Finding:

Observation #3: Claims from members who switched from PPO to HDHP, or vice versa, mid-year – The member reviewed moved from the PPO plan to the HDHP plan on 6/2025 due to a change in employment and then moved from HDHP to PPO again in 11/2025 and dropped their spouse at that same time. The member is still listed as married in PERSLink and there is nothing to indicate a divorce or other Qualifying Event.

It appears that this was a result of the member choosing the wrong wizard during their annual enrollment and there is also an application in the system for an annual enrollment change to PPO/Basic. Both of the applications auto posted, so NDPERS staff would not have been aware of the change or been able to intercept them.

Recommendation: The changes made in 11/2025 should be reviewed to determine if the member was eligible for the changes. There should also be a review of the wizards to determine if there is a way to restrict members from picking options they are not eligible for.

Management Response:

NDPERS Management agrees that additional controls are needed on MSS to ensure plan participation cannot be changed when removing dependents as this is not a qualifying event for a plan change. PIR 28003 has been logged to update the business system.



Attachment A

NDPERS Audit of 2025 Sanford Health Plan Claims

1. Institutional COB (2 claims)
2. Institutional COB (2 with Medicare Member age 65+)
3. Institutional COB (2 with Medicare Member age <65)
4. Institutional COB (3 with Workers Compensation)
5. Professional COB (2 claims Other Insurance Plan)
6. Professional COB (2 with Medicare)
7. Professional COB (2 with Workers Compensation)
8. Institutional Psych (3 claims)
9. Professional Psych (3 claims)
10. Institutional Chemical Dependency (3 claims)
11. Professional Chemical Dependency (2 claims)
12. Professional Dilated Eye Exam for diabetes related diagnosis (5 claims) (No COB)
13. Professional Mammograms (6 claims: 2 under age 35, 2 age 35 – 39, & 2 age 40+) (No COB)
14. Professional A1C Screening (2 claims) (No COB)
15. Adult Routine Diagnosis Physical Office Visit with Screenings (2 claims)
16. Prosthetic limb (2 claims) – [No claims to review](#)
17. Skilled nursing care (3 claims)
18. Outpatient Sterilization (4 claims) – 2 vasectomies and 2 tubal ligations
19. Tobacco Cessation Services (2 claims) – [Only 1 claim to review](#)
20. Lasik eye surgery (2 claim) – [No claims to review](#)
21. Well Child visits (2 PPO & 2 HDHP)
22. Institutional 'Denied Experimental' (2 claims)
23. Paid Experimental (2 claims)
24. Hearing aids (3 claims) – [No claims to review](#)
25. Durable Medical Equipment (2 claims)
26. Professional from HDHP member (3 claims)
27. Institutional from HDHP member (3 claims)
28. Institutional Delivery Claim on Healthy Pregnancy Program (2 claims)
29. Infertility Benefits (3 claims – review the member and the spouse)
30. Emergency room visit with admittance into inpatient stay (3 claims gf or ngf only)
31. Claims from members who have switched from PPO to HDHP or vice versa mid-year (3 claims)
32. Out-Of-State Out-Of-Network Professional Claims (4 claims)
33. Out of country care (3 claims)
34. In Country claims paid directly to subscriber (2 in state and 2 out of state)
35. Prescription Drug Diabetic supplies (3 gf and 2 HDHP) – [Actually reviewed 6](#)
36. Prescription Drug Formulary (3 claims)
37. Prescription Drug Non-Formulary (3 claims)
38. Prescription Drug Contraception (2 claims PPO & 3 claims HDHP)
39. Prescription Drug for Flu Vaccine (2 claims) (No COB)
40. Prescription Drug for COVID-19 Vaccine (3 claims) (No COB)
41. Prescription Drug for Diabetic medications (3 gf and 2 HDHP)
42. Prescription Drug 2024 history for HDHP member (2 members)



43. Prescription Drug Medicare Part-D claims (9 claims) - Humana

- Two claims from each Tier and three additional claims from Tier 4 – [Actually reviewed 12](#)

Total 123 Claims from Sanford

Total 9 Claims from Humana

DRAFT



Proposed Legislation

TO: NDPRS Board

FROM: Rebecca

DATE: June 9, 2026

The Employee Benefits Programs Committee met on May 7, 2026. The Committee took jurisdiction of 4 of the 5 draft bills submitted by the NDPRS Board that were approved at the March Board meeting. In addition, the Committee took jurisdiction over the following additional thirteen draft bills submitted by other sponsors:

Jurisdiction Draft Bills (Non-NDPRS Sponsored)

| Draft Bill # | Summary/Description of Bill | Sponsor | Link to View Draft Bill |
|--------------|--|--------------------------|--|
| 33 | Automatic renewal of pretax benefit elections | Senator Boehm | Interim Committee Bill Draft - LC Number 27.0033.01000 |
| 43 | Volunteer first responder retirement plan | Representative Grueneich | Interim Committee Bill Draft - LC Number 27.0043.02000 |
| 56 | Relating to diagnostic breast examination and supplemental screening breast examination cost-sharing restricts | Representative Karls | Interim Committee Bill Draft - LC Number 27.0056.02000 |
| 64 | Relating to retirement benefits for public safety plan members | Senator Cleary | Interim Committee Bill Draft - LC Number 27.0064.02000 |
| 66 | Relating to orthotic and prosthetic devices benefits coverage under the Uniform Group Insurance Program | Senator Mathern | Interim Committee Bill Draft - LC Number 27.0066.01000 |
| 85 | Relating to retirement benefits for public safety plan members | Senator Cleary | Interim Committee Bill Draft - LC Number 27.0085.02000 |
| 87 | Relating to health insurance benefits coverage provided by the Uniform Group Insurance Program | Senator Davison | Interim Committee Bill Draft - LC Number 27.0087.01000 |
| 104 | Relating to membership in the public safety retirement plan | Representative Porter | Interim Committee Bill Draft - LC Number 27.0104.01000 |
| 113 | Relating to Uniform Group Insurance Program benefits for retired peace officers | Representative Hauck | Interim Committee Bill Draft - LC Number 27.0113.01000 |

| | | | |
|-----|---|----------------------------|--|
| 117 | Relating to health insurance benefits coverage provided by the Uniform Group Insurance Program and state employee contributions for enhanced coverage | Representative Schauer | Interim Committee Bill Draft - LC Number 27.0117.01000 |
| 120 | Relating to public employee fertility health benefits | Representative Brandenburg | Interim Committee Bill Draft - LC Number 27.0120.01000 |
| 121 | Relating to public employee fertility preservation health benefits | Representative Brandenburg | Interim Committee Bill Draft - LC Number 27.0121.01000 |
| 130 | Relating to political subdivision participation in the Uniform Group Insurance Program | Representative Louser | Interim Committee Bill Draft - LC Number 27.0130.01000 |

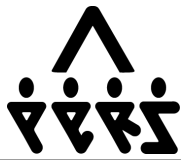
Declined Jurisdiction Draft Bill

The Committee declined to take jurisdiction over Draft Bill 108 related to the NDPERS Deferred Compensation provider restriction for new enrollees as it determined it would not fiscally impact the NDPERS retirement, health insurance or retiree health insurance benefits.

Analysis Requested

Staff have forwarded the draft bills to our various consultants and requested that they prepare technical and cost analysis of the bills. Ice Miller has also been provided a copy of each bill to analyze for compliance with federal tax law. At this time, the next Employee Benefits Programs Committee has not been scheduled. However, at upcoming meetings, staff will provide the Committee with analysis information from the consultant and Ice Miller.

This item is informational and does not require Board action.



Fax: (701) 328-3920

Email: ndpers-info@nd.gov

Website: www.ndpers.nd.gov

Audit Committee Report

TO: NDPRS Board

FROM: Shawna Piatz

DATE: June 9, 2026

Attached is the agenda from the meeting on May 11, 2026. Below are a few of the items which were discussed at the meeting.

- SHP Claims Audit Report – Each year, NDPRS performs a review of a sample of medical and pharmacy claims from the Sanford Health Plan and the Humana Medicare Part-D prescription drug plan. A sample of 132 claims from 2025 were selected for review. Internal Audit met virtually in March with Sanford and Humana staff to review the selections. There were three observations noted.
- Retirement Benefit Payment Status Report – Information was provided to the Audit Committee, which summarizes the accuracy percentages of the new monthly retirement benefit and refund payments.

As of May 1, 2026, 350 of the 984 new retirees or \$1,763,448 of the \$4,492,063 total gross benefits issued have been audited.

| Internal Calculation Accuracy Rate | Compliance / Other Accuracy Rate | Overall Accuracy Rate |
|------------------------------------|----------------------------------|-----------------------|
| 98.00% | 96.57% | 94.57% |

As of May 1, 2026, 170 of the 1,381 or \$4,924,109 of the \$20,738,144 total gross refunds issued for FY 2026 were audited.

| Internal Calculation Accuracy Rate | Compliance / Other Accuracy Rate | Overall Accuracy Rate |
|------------------------------------|----------------------------------|-----------------------|
| 97.06% | 98.24% | 95.29% |

- Outstanding Issues Status Report – The Outstanding Issues Status report reflects new and outstanding issues as of April, 2026. Updates were provided on the 8 new recommendations that were added to the report. All previous recommendations have been closed.

- Administrative – Various administrative items including those noted below were reviewed and discussed.
 - Audit Subcommittee Position Vacancy – The Audit Committee discussed the vacant position and provided guidance on the candidate selection process which will be provided to the Board at the June meeting.
 - CAO Annual Performance Evaluation 2025 – The Audit Committee reviewed and approved the compilation of scores on the Chief Audit Officer Performance Evaluation.

The approved minutes from the February 9, 2026 Audit Committee meeting may be viewed on the NDPERS website at www.ndpers.nd.gov.

The next regular audit committee meeting is scheduled virtually and in person for August 17, 2026 at 3:00 pm. This is for your information.

Attachment



Audit Committee Agenda

Location: NDPERS Conference Room, 1600 East Century Avenue, Bismarck ND
By phone: 701.328.0950 Conference ID: 105 655 332#
Date: **Monday May 11, 2026**
Time: 3:00 P.M. [Join the meeting now](#)

I. CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

- A. Conflict of Interest Disclosure Consideration

II. AUDIT COMMITTEE MINUTES

- A. February 09, 2026 Audit Committee Minutes (**Committee Action**)

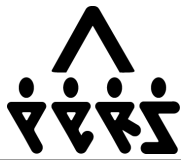
III. INTERNAL AUDIT REPORTS

- A. Quarterly Audit Plan Status Report
- B. SHP Claims Audit Report
- C. Retirement Benefit Payment Status Report
- D. Benefit / Premium Adjustments Report
- E. Outstanding Issues Status Report

IV. ADMINISTRATIVE

- A. Audit Subcommittee position vacancy (**Committee Action**)
- B. External Audit Update
- C. Audit Committee Charter Matrix
- D. Internal Audit Charter Matrix
- E. CAO Annual Performance Evaluation 2025 (**Committee Action**)
- F. Report on Consultant Fees
- G. Travel Expenditures
- H. CPE, Training and Webinars

*Next Audit Committee meeting: August 17th, 2026



**North Dakota
Public Employees Retirement System**

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Website: www.ndpers.nd.gov

Audit Committee Member Assignment

TO: NDPERS Board

FROM: Shawna Piatz

DATE: April 14, 2026

The Audit Committee is a five member subcommittee. Per the Audit Committee Charter, "the Committee will consist of two to five members with the majority of the members selected from the Board of Trustees, and one may be selected from outside the agency. The Board will appoint Committee members and the Committee chair. The Board should attempt to appoint Committee members who are knowledgeable and experienced in financial matters, including the review of financial statements."

The external member has recently submitted her resignation leaving an open position and the Board recommended filling that position with another external member. Two candidates were referred to the Chief Audit Officer and both have submitted letters of interest which are attached.

Board Action Requested

Appoint a member to fill the Audit Committee vacancy.

Micole Kvas, CIA, CRMA, CWCP
317 Duchess Drive
Bismarck, ND 58501
701-328-3824
mkvas@nd.gov

May 14, 2026

Shawna Piatz
Chief Audit Officer
North Dakota Public Employees Retirement System

Subject: Letter of Interest – Audit Committee Position

Dear Board of Trustees,

I am writing to express my interest in serving on the Audit Committee for the North Dakota Public Employees Retirement System. With over 21 years of experience in the internal auditing field, I am eager to contribute my skills and background to your committee.

In my current role as the Internal Audit Director at Workforce Safety & Insurance (WSI), I have successfully developed positive rapport with staff based on trust and integrity to help improve processes and procedures within the agency. I am highly collaborative, accustomed to working closely with executive leadership, external auditors, and WSI's audit committee. I have a proven track record of conducting thorough and accurate audits, identifying areas for improvement, and making recommendations for effective risk management.

I possess a deep understanding of the Institute of Internal Auditors (IIAs) standards and code of ethics. I am a Certified Internal Auditor (CIA) and have my Certification in Risk Management Assurance (CRMA) through the IIA. The CRMA is a premier designation for professionals providing risk management and governance assurance.

Throughout the years I have been an active member of the IIA local chapter holding different officer positions and being part of their Board of Directors. I was a member of the American Association of State Compensation Insurance Funds (AASCIF) Audit & Statistics Committee and held the title of chair and advisor.

I am drawn to the critical role the Audit Committee plays in safeguarding an organization's assets, ensuring transparency, and mitigating financial risks. I am confident that my background and passion for public service make me an ideal candidate for this position.

Thank you for your time and consideration. I look forward to the possibility of contributing to your committee.

Sincerely,



Micole Kvas

Megan Pederson
2028 N Bell Street
Bismarck, ND 58501
megankkelly1@gmail.com
(701) 206-0186

6/2/2026

NDPERS Board of Trustees
North Dakota Public Employees Retirement System

Dear Members of the NDPERS Board of Trustees,

I am writing to express my interest in serving on the NDPERS Audit Subcommittee.

As a CPA and accounting professional, I have experience in financial reporting, internal controls, compliance, and risk management. I understand the importance of strong governance and fiduciary oversight and would welcome the opportunity to contribute my financial experience to support the Board's responsibilities.

I am committed to thoughtful decision-making, accountability, and safeguarding public resources. I would be honored to serve on the Audit Subcommittee and assist the Board in carrying out its mission and responsibilities.

Thank you for your consideration.

Sincerely,

Megan Pederson, CPA

Megan Pederson

2028 N Bell St. • Bismarck, ND 58501

(701) 206-0186 • ✉ megankkelly1@gmail.com

EDUCATION

Bachelor of Science in Accounting | University of North Dakota, Grand Forks, ND

Graduated December 2013

EXPERIENCE

Staff Accountant | Fronteer Professional Services – Bismarck, ND

October 2025- Present

- Process accounts payable and accounts receivable, track expenses and deposits
- Run financial reports, prepare and file sales tax, and reconcile bank accounts on a monthly basis
- Process payroll

Seasonal Tax Associate | Eide Bailly – Bismarck, ND

January – April 2024, 2025

- Prepared individual and entity tax returns for clients across diverse industries
- Created trial balances, income statements, and balance sheets from varying client records

Accounting Specialist | Bismarck Parks and Recreation District – Bismarck, ND

March 2016 – September 2020

- Completed month-end reconciliations, including journal entries, deposit reconciliations, and bank reconciliations
- Prepared and filed monthly, quarterly, and year-end payroll and tax reports
- Managed deposit reconciliation for multiple facilities (fitness centers, golf courses, pools, campgrounds, and recreation programs)
- Oversaw accounts receivable processes, including billing review and payment posting

- Maintained fixed asset listings, reconciled capital projects, and prepared depreciation schedules

Accounting Specialist | Harlow's Bus Service – Bismarck, ND

November 2015 – March 2016

- Reconciled expense and liability accounts on a monthly basis
- Prepared and filed quarterly and year-end payroll reports
- Processed payroll for 500+ employees across multiple entities
- Maintained personnel records and administered employee benefits (medical, dental, vision, life, retirement)

Senior Audit Associate | Eide Bailly – Bismarck, ND

January 2014 – November 2015

- Conducted financial audits, federal compliance audits, and agreed-upon procedures
- Performed internal control and substantive testing, plus analytical procedures to identify financial anomalies
- Compiled consolidated and unconsolidated financial statements
- Led audit planning meetings, supervised audit staff, and presented findings to management
- Proposed adjusting journal entries and prepared fixed asset listings with depreciation schedules

Audit Intern | Eide Bailly – Bismarck, ND

January 2013 – May 2013

- Assisted in financial audits and compiled supporting financial statements
- Prepared individual tax returns

SKILLS

- Certified Public Accountant
- Proficient in QuickBooks, Microsoft Excel, Outlook, PowerPoint, and Word
- Experienced with various accounting software platforms
- Strong communication and client service skills
- Able to work independently and collaboratively in team environments
- Excellent time management and organizational abilities



Budget

TO: NDPER Board

FROM: Derrick Hohbein

DATE: June 9, 2026

As reported at the May board meeting, Governor Armstrong emphasized a commitment to developing a budget that narrows the gap between general fund revenues and expenditures. As part of this effort, all special-fund agencies, including PERS, have been directed to prepare a hold-even budget for the upcoming biennium.

Current Base Budget

The calculation of our base budget requirement is as follows:

| Category | Current Biennium Authority | Remove One-Time Funding | Cost to Continue | 2027-2029 Base Budget Limit |
|--------------------|----------------------------|-------------------------|------------------|-----------------------------|
| Salaries & Wages | \$ 10,529,999 | \$ - | \$ 260,231 | \$ 10,790,230 |
| Operating Expenses | 3,274,163 | (539,595) | - | 2,734,568 |
| Contingency | 250,000 | - | - | 250,000 |
| Total | 14,054,162 | (539,959) | 260,231 | 13,774,798 |

Optional Change Package Considerations

Staff is bringing the following optional packages forward for cost approval. At the July board meeting, a final budget will be presented and approved, with these optional packages being submitted as potential additions to our budget. In addition, we are asking the Board to place a “priority” on each change package so staff can begin the process of entering information into the budgeting software.

1) Operational inflationary increases

As was discussed during the Board planning meeting, technology expenses are the biggest budgetary challenge our agency faces. This is an industry that historically faces 8-12% inflation per year, and unfortunately can have negative perceptions attached to it despite the efficiencies that are gained from the utilization.

Staff is projecting our NDIT costs to go up 8%, or roughly \$64,668 next biennium. This includes NDIT providing telephone services, hosting services, desktop support, and data storage/maintenance.

Sagitec, who owns and develops our internal operating system is proposing a modest 3% year over year increase to their licensing fee as well as their onshore resources, and a 5% year over year increase for their offshore development team. To utilize the software, and continue our core development team (which includes one Business Analyst and three Developers), inflationary increases total \$80,032. Sagitec's projected hourly development rate is \$101.34, as compared to NDIT's projected base development rate of \$120.75 - \$145 an hour.

WSI has notified us that rent will be going up \$1 per square foot next biennium, or \$16,542.

Travel expenses are a category we have not increased despite the additional Board travel to and from Fargo on a monthly basis, as well as the expansion of our management team from the 2023 Legislative Session. If the Board is interested in having the flexibility to continue having the opportunity to attend conferences for educational purposes, staff is recommending that we increase the budget by \$20,000, and is a category we have not increased in at least twelve years despite inflationary increases year over year in our budget.

In total we are looking to increase our operating budget by \$181,242 to maintain our day-to-day operations (6.63% for a two year period).

2) Funding to continue our development team

At the Board planning meeting, discussion was had on trying to make the current development team our "core" development team for the future. Through discussions with Sagitec, in addition to the additional developers they are recommending adding a full time business analyst to our team as well as a project manager that would be dedicated to our team 25% of the time. Sagitec has structurally changed their organizational structure and have developed project managers that help oversee multiple large scale projects at once. This helps clients understand what other entities are doing, and offers efficiencies when projects impact multiple clients at once (i.e. the IRS is changing the file format of how they are to receive 1099 information from taxpayers).

If the Board is comfortable moving forward with Sagitec's recommended core team, that would require an additional appropriation of \$656,271.

3) Funding to give all-staff Microsoft Co-Pilot

NDIT offers State agencies the ability to subscribe to Microsoft Co-Pilot – the State's preferred Artificial Intelligence platform. This version of Co-Pilot syncs directly with the Microsoft products (Outlook, Word, Excel, Teams, PowerPoint) and would allow staff to automate a number of activities within the agency.

The cost for Co-Pilot is \$49.80 per user per month, or \$53,784 for the biennium.

4) Self-funded staffing

If the PERS Health Insurance Plan and/or pharmacy benefits were to be awarded on a self-funded basis, the administrative efforts would substantially increase in addition to PERS' accountability for the plan. Today, most of the administrative and financial/operational risk resides with Sanford Health Plan. However, on a self-funded basis that would become the Board's responsibility.

Last session staff proposed adding an Accountant, a Member Services Representative, a Benefits Manager, and a Registered Nurse onto the team to accommodate this transition. Cost information for each of these positions is as follows:

Accountant (Fiscal Services V)

| | |
|---------------------|------------|
| Salaries & Benefits | \$ 257,370 |
| Operating Expenses | \$ 5,862 |

Member Services (Admin Services III)

| | |
|---------------------|------------|
| Salaries & Benefits | \$ 196,844 |
| Operating Expenses | \$ 5,862 |

Benefits Manager (Manager III)

| | |
|---------------------|------------|
| Salaries & Benefits | \$ 329,916 |
| Operating Expenses | \$ 5,862 |

Registered Nurse (Medical Services IV)

| | |
|---------------------|------------|
| Salaries & Benefits | \$ 257,408 |
| Operating Expenses | \$ 5,862 |

Included in operating expenses is the cost to add another user to NDIT's desktop support services and telephone.

If we also carve out the PBM benefit and we end up with a bid that is self-insured/transparent on the pharmacy side we also feel like we'll need to add a Pharmacist or Pharmacist Technician to our team as well.

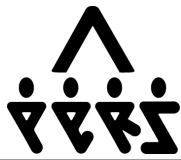
Pharmacist (Medical Services VII)

| | |
|---------------------|------------|
| Salaries & Benefits | \$ 408,506 |
| Operating Expenses | \$ 5,862 |

Included in operating expenses is the cost to add another user to NDIT's desktop support services and telephone.

Board Action Requested

Staff is seeking cost approval and a priority assigned to Initiatives #1-4 from the memo. Based on that guidance, we will develop a specific budget proposal for your final approval at the July Board meeting.



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

Board Self-Evaluation

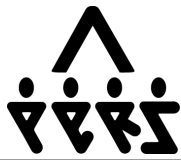
TO: NDPERS Board

FROM: Rebecca

DATE: June 9, 2026

This agenda topic is just to let you know that we will be sending out a Board Self-Evaluation survey through Survey Monkey in the near future. The results of the survey will be shared at a future Board meeting.

This item is informational and does not require Board action.



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Contracts Under \$15,000

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: June 9, 2026

There have not been any contracts under \$15,000 signed since the last reporting at the May 2026 Board meeting.

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



Insurance Benefit Appeal Case #1021

TO: NDPERS Board

FROM: Lindsay Schaf

DATE: June 9, 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 January 1, 2026 under the qualifying event of “birth” and the application would need to have been received by March 2, 2026 as the child was born on January 29, 2026.

NDPERS received the member’s application and explanation on April 7, 2026. The application requested to add the newborn and the member’s spouse as it was discovered recently the spouse did not have insurance. Members are able to add other eligible dependents under the qualifying event of birth. Member’s explanation also stated that contacts made with the clinic at subsequent appointments indicated that the facility had the insurance card/information on file (*Attachment B*).

Upon review of health application history, the member did complete a health insurance application during annual enrollment, received on November 7, 2025, which would have revealed that the spouse was not insured (*Attachment C*) and could have been added for an effective date of January 1, 2026.

NDPERS contacted the employer to inquire whether any notification is provided to members as part of the leave of absence and/or Family and Medical Leave Act (FMLA) discussion, depending on the member’s situation. The employer confirmed that an email notification was sent to the member in October 2025 alerting her to the 31 day eligibility window to add the newborn to her health insurance plan (*Attachment D*).

Call logs indicate that the member had not contacted NDPERS regarding the requested insurance change until March 30, 2026. Member had been given direction on how to submit the late enrollment request. Subsequent outreach on May 7, 2026 regarding the insurance request advised the member on the Board appeal process (*Attachment E*).

The Certificate of Insurance (Section 1.8, C, a) for the health insurance plan states that for members with single coverage, newborns are covered under a single coverage plan through the date of mother’s discharge from the hospital. For coverage to extend after the mother’s hospital discharge, the member must submit application to NDPERS within thirty-one (31) days of the newborn’s date of birth. (*Attachment F*). Sanford Health Plan confirmed the newborn was covered from the child’s birthdate through 1/31/26 as provided in the COI (*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 H*). Therefore, NDPERS denied the request. A letter informing the member of the denial decision was sent on April 8, 2026 (*Attachment I*).

Member submitted a Board appeal request by email on May 13, 2026 (*Attachment J*).

Letter sent to member May 18, 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 K*).

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 add dependent and spouse with an effective date of January 1, 2026.