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: 852 301 016#
Date: **Tuesday, March 10, 2026**
Time: 8:30 A.M. **Join the meeting now**

I. MINUTES
A. February 10, 2026

II. CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

III. INVESTMENT POLICY STATEMENTS
A. Investment Policy Statements – Derrick (Board Action)
1. Job Service
2. Retiree Health Insurance Credit
3. Group Insurance

IV. PRESENTATIONS
A. Retiree Health Insurance Credit (RHIC) Overview – MaryJo

V. DEFERRED COMPENSATION / DEFINED CONTRIBUTION
A. 457 Companion Plan & 401(a) Plan 4th Quarter 2025 Report – Derrick (Information)

VI. GROUP INSURANCE / FLEXCOMP
A. Dental Insurance Plan Renewal – Katheryne (Board Action)
B. Employee Assistance Program Utilization Report – Katheryne (Information)
C. Sanford Health Plan 2026 Member Experience Survey – Lindsay (Information)
D. Health Insurance Plan Request For Proposal (RFP) Review -- Rebecca (Board Action)

VII. LEGISLATION / ADMINISTRATIVE RULES
A. Proposed Legislation - Rebecca (Board Action)

VIII. OPERATIONS / ADMINISTRATIVE
A. Audit Committee Report – Shawna (Information)
B. Board Election Update - Aime (Information)
C. National Employee Benefits Day – Rebecca (Information)
D. Executive Director Performance Review and Compensation Committee -- Rebecca (Information)
E. Contracts under $15,000 – Rebecca (Information)
F. Revised Board Material Format Due to ADA Compliance – Mandy (Information)
G. Next Meeting Date: Tuesday, April 14, 2026 at 8:30 a.m.

North Dakota
Public Employees Retirement System
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Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: March 10, 2026

SUBJECT: Investment Policy Statements

Staff, in coordination with the Retirement & Investment Office (RIO), are presenting updated Investment Policy Statements (IPS) for the following three funds:

- Retirement Plan for Employees of Job Service North Dakota (Job Service)
- Retiree Health Insurance Credit Fund (RHIC)
- NDPERS Group Insurance Account (Insurance)

Purpose of Updates:

- **Job Service:** This update incorporates the new asset allocation previously approved by both the NDPERS Board and the State Investment Board (SIB) and transitions the policy to RIO's updated IPS template.

- **RHIC and Insurance:** These updates transition the existing IPS documents to RIO's new template. No changes to asset allocation are proposed. The new template was developed by RIO to improve clarity, enhance consistency across client policies, and modernize policy structure and language.

Although the redlined versions reflect a significant number of edits, most changes relate to formatting, organization, and structural improvements associated with the new template rather than substantive policy modifications.

For each fund, both a clean and redlined version of the IPS are included for review. The Investment Subcommittee reviewed these materials at its February 24, 2026 meeting and recommends that the full Board approve the updated IPS documents.

Board Action Requested

Review the proposed updates to the IPS and consider authorizing the Executive Director to execute the agreements with RIO.

Attachment 1

~~RETIREMENT PLAN FOR EMPLOYEES OF JOB SERVICE NORTH DAKOTA~~

INVESTMENT POLICY STATEMENT

~~1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS~~

Retirement Plan for Employees of Job Service North Dakota

I. Plan and Fund Overview

The Retirement Plan for the Employees of Job Service North Dakota (Plan) is a defined benefit retirement plan for the eligible employees hired before October 1, 1980. There have been no new entrants to the plan since October 1, 1980. The plan provides retirement benefits, disability benefits and survivor benefits consistent with the written Plan document. Until October 1, 1993, annuities were purchased from the Travelers for retirees, since that date retiree benefits are paid from Plan assets. Annual cost of living adjustments for all Plan pensioners including annuitants with the Travelers are paid from Plan assets. The North Dakota Public Employees Retirement System Board (NDPERS Board ~~(the Board~~) is the Plan Administrator and administers the Plan in accord with ~~Chapter 52-11 of the~~ North Dakota Century Code (NDCC) § 52-11.

Job Service North Dakota, as the employer, contributes 4.0% of the active participant's salary as a contribution ~~'on~~on behalf of the ~~employee'~~employee, and the active participants pay 3.0% of their salary into Plan assets.

Each year the Plan has an actuarial valuation performed. The current actuarial assumed rate of return on assets is 3.~~75%.~~0%.

~~2. RESPONSIBILITIES AND DISCRETION OF THE STATE INVESTMENT BOARD (SIB)~~

~~Aggregate plan contributions plus earnings, minus allowable expenses constitute the Fund. The Board is charged by NDCC chapters 54-52, 21-10-01, and 39-03.1 to establish policies for the investment goals and asset allocation of the Fund. The State Investment Board (SIB) is charged with implementing the asset allocation as promptly and prudently as possible in accordance with the Board's policies by investing the assets of the Fund in the manner provided in the prudent investor rule, which provides:~~

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

~~The SIB may delegate investment responsibility of the Fund or any portion of the Fund to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy is supervisory not advisory.~~

~~The SIB may at its discretion, pool the assets of the Fund with another fund or funds having similar investment objectives and time horizons in order to maximize returns and minimize costs. In pooling fund assets the SIB will establish asset class pools it deems necessary to achieve the specific quality, diversification, restrictions, and performance objectives subject to the prudent investor rule and the objectives of the funds participating in the pools.~~

~~The SIB is responsible for establishing the selection criteria, determining the performance measures, and retaining all fund money managers. SIB is also responsible for the selection and retention of any investment consultants that may be employed in the investment of the Fund assets.~~

~~3. DELEGATION OF AUTHORITY~~

~~Management responsibility for NDPERS funds not assigned to the North Dakota State Investment Board (SIB) in Chapter 21-10 of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, which must establish written policies and procedures for the operation of the NDPERS funds, consistent with this investment policy.~~

~~Such procedures must provide for:~~

~~1. The definition and assignment of duties and responsibilities to advisory services and persons employed by the SIB pursuant to NDCC 21-10-02.1(1) (a).~~

~~2. Investment diversification, investment quality, qualification of money managers, and amounts to be invested by money managers pursuant to NDCC 21-10-02.1(1)(e). In developing these policies it is understood:~~

~~a. Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.~~
~~b. The use of derivatives will be monitored to ensure that undue risks are not taken by the money managers.~~
~~c. All assets must be held in custody by the SIB's master custodian or such other custodians as are selected by the SIB.~~

~~3. Guidelines for the selection and redemption of investments will be in accordance with NDCC 21-10-02.1(1) (d).~~

~~4. The criteria for making decisions with respect to hiring, retention, and termination of money managers will be clearly defined. This also includes selecting performance measurement standards, consultants, report formats, and frequency of meetings with money managers.~~

~~All participants in the investment process must seek to act responsibly as custodians of the public trust.~~

~~4. INVESTMENT GOALS~~

Client Investment Objectives

The investment objectives of the Plan have been established by the Plan's Administrator upon consideration of its strategic objectives and a comprehensive review of current and projected financial requirements.

1. ~~Objective #1:~~ To maintain a level of surplus sufficient to eliminate the need for future contributions~~;~~

2. ~~Objective #2:~~ To achieve a rate of return which exceeds the rate of inflation, as measured by the Consumer Price index ~~(CPI),~~, by ~~3~~2.0 or more percentage points per year (based on current actuarial assumptions of 3.~~75~~0% return and ~~2.5~~3.0% inflation), over a complete market cycle ~~; and~~

3. ~~Objective #3:~~ As a secondary objective, to maximize the Plan's surplus to increase future benefit payments.

~~5. INVESTMENT PERFORMANCE OBJECTIVE~~

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under NDCC § 21-10. The NDPERS Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The NDPERS Board is responsible for establishing policies on investment goals and asset allocation of the fund. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The NDPERS Board will seek to make investments that generate sufficient return to meet the goals outlined in this policy. The objectives established in this section are in accordance with the fiduciary requirement in federal and state law.

It is in the best interest of NDPERS and its beneficiaries that performance objectives be established for the total Fund. It is clearly understood these objectives are to be viewed over the long term and have been established after full consideration of all factors set forth in this Statement of Investment Goals, Objectives, and Policies.

- The annual standard deviation of total returns for the Fund should not materially exceed 5.~~7~~3%.
- Over 5-year and longer periods the fund should match or exceed the expected rate of return projected in the most recent asset/liability study and the standard deviation of returns should not materially exceed 5.~~7~~3%
- The standard deviation of portfolio returns compared to the policy benchmark or tracking error should not materially exceed 1.~~25~~0%.

~~6. ASSET ALLOCATION~~

IV. Asset Allocation

The NDPERS Board ~~as plan Administrator~~ establishes the Fund's asset allocation ~~of the Fund~~, with input from consultants and ~~SIB staff.~~/or the Retirement and Investment Office (RIO). The ~~current asset~~ following allocation ~~is based upon the asset/liability study completed by SEI Consultants in 2017. That study provided an~~

~~appraisal of current cash flow projections and estimates of the investment returns likely to be achieved by the various asset classes.~~

~~In recognition of the Plan's objectives, projected financial status, and capital market expectations, the following~~ was established. The asset allocation ~~options were deemed~~will be reviewed periodically and updated when appropriate ~~for the Fund:~~.

~~US Low Beta Equities - 2%~~
~~Global Low Beta Equites 18%~~
~~U.S. High Yield Bonds - 3%~~
~~Emerging Markets Debt - 3%~~
~~Core Fixed Income - 38%~~
~~Limited Duration Fixed Income - 16% Diversified~~
~~Short Term Fixed Income - 5% Short Term~~
~~Corporate Fixed Income - 15%~~

~~Rebalancing of the Fund to this target allocation will be done in accordance with the SIB's rebalancing policy, but not less than annually.~~

~~7. RESTRICTIONS~~

	Target Allocation	**Minimum Allocation**	**Maximum Allocation**
Global Low Beta Equites	13%	3%	23%
Core Fixed Income	56%	46%	66%
Limited Duration Fixed Income	19%	9%	29%
Short Term Corporate Fixed Income	12%	2%	22%

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place. RIO and its delegated managers adhere to this rebalance policy.

V. General Restrictions and Guidelines

While the SIB ~~is responsible for establishing specific~~determines quality, diversification, ~~restrictions,~~ and performance ~~objectives for the investment vehicles in which the Fund's assets will be invested, it is understood that~~standards for investments, the following restrictions apply:

1. ~~Futures and options~~Derivatives may be used to ~~hedge or~~manage and replicate ~~underlying index exposure, but not~~systematic exposures, for ~~speculation.~~fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. ~~2.~~3. Derivatives use will be monitored to ensure that undue risks are not taken ~~by the money managers~~.
4. No investment may jeopardize the tax-exempt status of the Fund.
5. ~~3.~~5. All assets ~~will~~must be held ~~in custody~~ by the ~~SIB's~~SIB's master custodian or ~~such other custodians as are acceptable to the SIB~~an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).
   a. Social Investment is defined as "~~*The*~~the investment or commitment of public ~~*pension fund money*~~funds for the purpose of obtaining an effect other than a maximized return ~~*to the intended beneficiaries."*~~at a prudent level of risk to the state." (NDCC § 21-10-08.1)

   ~~a. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.~~

7. Economically ~~targeted investment~~Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.
   ~~b.~~a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved~~, as well as to~~ and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

~~Economically targeted investing is prohibited unless~~**Exclusive Benefit Rule**

~~b.~~ For the ~~investment meets~~purpose of this document, the Exclusive Benefit Rule~~.~~

~~The Exclusive Benefit Rule~~ is met if the following four conditions are satisfied:

1. The cost does not exceed the fair market value at the time of investment.
2. The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
3. Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the ~~plan~~Plan.
4. The safeguards and diversity that a prudent investor would adhere to are present.

~~8. INTERNAL CONTROLS~~

Where investment characteristics, including yield, risk, and liquidity, are equivalent, the SIB's policy favors investments that will have a positive impact on the economy of North Dakota.

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB ~~must have~~shall maintain a system of internal controls designed to prevent ~~losses~~loss of ~~public~~ funds arising from fraud~~ or employee~~, error~~. The~~, or mismanagement.

Key controls ~~deemed most important are the separation of~~include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases~~ from the~~, recording ~~of~~ and reconciling investment activity, and custodial safekeeping~~,~~ of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written ~~confirmation of~~ or electronic confirmations of all investment transactions~~,~~ and ~~established~~establishing formal criteria for broker relationships~~. The annual~~ and trading counterparties. Annual financial ~~audit must~~audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with ~~the investment policy~~this Investment Policy.

~~**9. EVALUATION**~~

VII. ~~Investment management of the Fund~~Evaluation and Review

The Fund's performance will be evaluated against ~~the Fund's~~its investment objectives~~ and investment performance standards.~~
~~An annual performance report must be provided~~, with emphasis on rolling 5-year results. Reports to the ~~Board by the State Investment Officer at a regularly scheduled~~ NDPERS Board ~~meeting. The annual performance report must include asset returns and allocation data as well as information regarding all significant or material matters and changes pertaining to the investment of the Fund, including~~(no less than annually) will include:

1. ~~Changes~~A list of investment managers and their performance relative to benchmarks net of fees.
2. Earnings, percentage earned and change in ~~asset class~~market value of each mandate.
3. Current portfolio ~~structures, tactical approaches and market values;~~allocations and performance summaries by asset class.
4. All ~~pertinent~~material legal or legislative proceedings affecting the SIB.
5. Compliance with ~~these~~this investment ~~goals, objectives and policies~~policy statement.
6. A general market overview and market expectations.
7. A review of fund progress and its asset allocation strategy.

~~In addition, the State Investment Officer shall review with the Board the procedures and policies established by the SIB relating to this statement of investment goals, objectives, and policies.~~

~~Scott Miller~~ ~~Janilyn Murtha~~

~~Plan Administrator and Trustee~~ | ~~Executive Director~~

~~Retirement Plan for Employees of Job Service North Dakota~~ | ~~North Dakota Retirement and Investment Office~~

~~Date: 9/13/2022~~ | ~~Date: 10/12/2022~~

8. ~~Approved by the PERS Board: 9/13/2022 Approved by the SIB: 9/23/2022~~Provide details of fees and costs (annually).

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may redeem capital with 3 business days' notice. Staff will make reasonable efforts to accommodate withdrawal requests on a shorter timeline when feasible; however, settlement is normally on a T+3 basis.

Rebecca Fricke
Executive Director
North Dakota Public Employees Retirement System

Date:

Scott M. Anderson,
Chief Investment Officer
North Dakota Retirement and Investment Office

Date:

INVESTMENT POLICY STATEMENT

Retirement Plan for Employees of Job Service North Dakota

I. Plan and Fund Overview

The Retirement Plan for the Employees of Job Service North Dakota (Plan) is a defined benefit retirement plan for the eligible employees hired before October 1, 1980. There have been no new entrants to the plan since October 1, 1980. The plan provides retirement benefits, disability benefits and survivor benefits consistent with the written Plan document. Until October 1, 1993, annuities were purchased from the Travelers for retirees, since that date retiree benefits are paid from Plan assets. Annual cost of living adjustments for all Plan pensioners including annuitants with the Travelers are paid from Plan assets. The North Dakota Public Employees Retirement System Board (NDPERS Board) is the Plan Administrator and administers the Plan in accord with North Dakota Century Code (NDCC) § 52-11.

Job Service North Dakota, as the employer, contributes 4.0% of the active participant's salary as a contribution on behalf of the employee, and the active participants pay 3.0% of their salary into Plan assets.

Each year the Plan has an actuarial valuation performed. The current actuarial assumed rate of return on assets is 3.0%.

Client Investment Objectives

The investment objectives of the Plan have been established by the Plan's Administrator upon consideration of its strategic objectives and a comprehensive review of current and projected financial requirements.

1. To maintain a level of surplus sufficient to eliminate the need for future contributions
2. To achieve a rate of return which exceeds the rate of inflation, as measured by the Consumer Price index, by 2.0 or more percentage points per year (based on current actuarial assumptions of 3.0% return and 3.0% inflation), over a complete market cycle
3. As a secondary objective, to maximize the Plan's surplus to increase future benefit payments.

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under NDCC § 21-10. The NDPERS Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06.

The NDPERS Board is responsible for establishing policies on investment goals and asset allocation of the fund. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The NDPERS Board will seek to make investments that generate sufficient return to meet the goals outlined in this policy. The objectives established in this section are in accordance with the fiduciary requirement in federal and state law.

It is in the best interest of NDPERS and its beneficiaries that performance objectives be established for the total Fund. It is clearly understood these objectives are to be viewed over the long term and have been established after full consideration of all factors set forth in this Statement of Investment Goals, Objectives, and Policies.

- The annual standard deviation of total returns for the Fund should not materially exceed 5.3%.
- Over 5-year and longer periods the fund should match or exceed the expected rate of return projected in the most recent asset/liability study and the standard deviation of returns should not materially exceed 5.3%
- The standard deviation of portfolio returns compared to the policy benchmark or tracking error should not materially exceed 1.0%.

IV. Asset Allocation

The NDPERS Board establishes the Fund's asset allocation, with input from consultants and/or the Retirement and Investment Office (RIO). The following allocation was established. The asset allocation will be reviewed periodically and updated when appropriate.

	Target Allocation	Minimum Allocation	Maximum Allocation
Global Low Beta Equites	13%	3%	23%
Core Fixed Income	56%	46%	66%
Limited Duration Fixed Income	19%	9%	29%
Short Term Corporate Fixed Income	12%	2%	22%

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place. RIO and its delegated managers adhere to this rebalance policy.

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. Derivatives use will be monitored to ensure that undue risks are not taken.
4. No investment may jeopardize the tax-exempt status of the Fund.
5. All assets must be held by the SIB's master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).
    a. Social Investment is defined as "the investment or commitment of public funds for the purpose of obtaining an effect other than a maximized return at a prudent level of risk to the state." (NDCC § 21-10-08.1)
7. Economically Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.
    a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Exclusive Benefit Rule

For the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

1. The cost does not exceed the fair market value at the time of investment.
2. The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
3. Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the Plan.
4. The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity, are equivalent, the SIB's policy favors investments that will have a positive impact on the economy of North Dakota.

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls designed to prevent loss of funds arising from fraud, error, or mismanagement.

Key controls include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases, recording and reconciling investment activity, and custodial safekeeping of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written or electronic confirmations of all investment transactions and establishing formal criteria for broker relationships and trading counterparties. Annual financial audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with this Investment Policy.

VII. Evaluation and Review

The Fund's performance will be evaluated against its investment objectives, with emphasis on rolling 5-year results. Reports to the NDPERS Board (no less than annually) will include:

1. A list of investment managers and their performance relative to benchmarks net of fees.
2. Earnings, percentage earned and change in market value of each mandate.
3. Current portfolio allocations and performance summaries by asset class.
4. All material legal or legislative proceedings affecting the SIB.
5. Compliance with this investment policy statement.
6. A general market overview and market expectations.
7. A review of fund progress and its asset allocation strategy.
8. Provide details of fees and costs (annually).

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may redeem capital with 3 business days' notice. Staff will make reasonable efforts to accommodate withdrawal requests on a shorter timeline when feasible; however, settlement is normally on a T+3 basis.

Rebecca Fricke Executive Director North Dakota Public Employees Retirement System Date:	Scott M. Anderson, Chief Investment Officer North Dakota Retirement and Investment Office Date:

Attachment 2

~~**NDPERS RETIREE HEALTH INSURANCE CREDIT FUND STATEMENT OF**~~

~~**INVESTMENT GOALS, OBJECTIVES AND POLICIES**~~

~~**1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS**~~

INVESTMENT POLICY STATEMENT

NDPERS Retiree Health Insurance Credit Fund

I. Plan and Fund Overview

The North Dakota Public Employees Retirement System (NDPERS) Retiree Health Insurance Credit Fund was established in 1989 to provide for prefunding of premiums for medical coverage to state employees and employees of participating political subdivisions in accordance with ~~Chapter 54-52.1 of the~~ North Dakota Century Code~~.~~ (NDCC) § 54-52.1. The plan is administered by ~~a nine member~~the NDPERS Board of Trustees (~~the~~NDPERS Board). ~~The Chair is appointed by the governor, three members are elected by the active members of the plans, one member is elected by the retired members, one is appointed by the Attorney General, one member is the State Health Officer or their designee and two are legislative appointees.~~

The NDPERS plan is a defined benefit program that provides for a partial payment of a retiree's medical insurance premium based on the number of years of service. Funding for the NDPERS plan is provided by a monthly employer contribution of 1.14 percent of payroll. On a monthly basis, benefit payments are netted out against contributions and the balance forwarded to the trust's custodian for investment.

Each year the NDPERS Board has an actuarial valuation performed. The current actuarial assumed rate of return on assets for the plan is 5.75%.

~~**2. RESPONSIBILITIES AND DISCRETION OF THE STATE INVESTMENT BOARD (SIB)**~~

~~Aggregate plan contributions plus earnings, minus allowable expenses constitute the Fund. The Board is charged by NDCC chapters 54-52, 21-10-02, and 39-03.1 to establish policies for the investment goals and asset allocation of the Fund. The State Investment Board (SIB) is charged with implementing the asset allocation as promptly and prudently as possible in accordance with Board's policies by investing the assets of the Fund in the manner provided in the prudent investor rule, which provides:~~

~~*Fund fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The retirement funds belonging to the teachers'*~~

~~*fund for retirement and the public employees retirement system must be invested exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives. (NDCC 21-10-07)*~~

~~The SIB may delegate investment responsibility of the Fund or any portion of the Fund to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy is supervisory not advisory.~~

~~The SIB may at its discretion, pool the assets of the Fund with another fund or funds having similar investment objectives and time horizons in order to maximize returns and minimize costs. In pooling fund assets the SIB will establish asset class pools it deems necessary to achieve the specific quality, diversification, restrictions, and performance objectives subject to the prudent investor rule and the objectives of the funds participating in the pools.~~

~~The SIB is responsible for establishing the selection criteria, determining the performance measures, and retaining all fund money managers. SIB is also responsible for the selection and retention of any investment consultants that may be employed in the investment of the Fund assets.~~

~~3. DELEGATION OF AUTHORITY~~

~~Management responsibility for NDPERS funds not assigned to the North Dakota State Investment Board (SIB) in Chapter 21-10 of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, which must establish written policies and procedures for the operation of the NDPERS funds, consistent with this investment policy.~~

~~Such procedures must provide for:~~

1. ~~The definition and assignment of duties and responsibilities to advisory services and persons employed by the SIB pursuant to NDCC 21-10-02.1(1) (a).~~
2. ~~Investment diversification, investment quality, qualification of money managers, and amounts to be invested by money managers pursuant to NDCC 21-10-02.1(1)(e). In developing these policies it is understood:~~
   a. ~~Futures and options may be used to hedge or replicate underlying index exposure, but not for speculation.~~
   b. ~~The use of derivatives will be monitored to ensure that undue risks are not taken by the money managers.~~
   c. ~~All assets must be held in custody by the SIB's master custodian or such other custodians as are selected by the SIB.~~
3. ~~Guidelines for the selection and redemption of investments will be in accordance with NDCC 21-10-02.1(1) (d).~~
4. ~~The criteria for making decisions with respect to hiring, retention, and termination of money managers will be clearly defined. This also includes selecting performance measurement standards, consultants, report formats, and frequency of meetings with money managers.~~

~~All participants in the investment process must seek to act responsibly as custodians of the public trust.~~

~~4. INVESTMENT GOALS~~

Client Investment Objectives

The investment goals of the Fund have been established by the NDPERS Board based upon consideration of the Board's strategic objectives and a comprehensive review of the current and projected financial requirements. These goals are to be viewed over the long term.

1. ~~Goal # 1~~ Accumulate sufficient wealth through a diversified portfolio of investments which will enable the State of North Dakota to pay all current and future retirement benefits and expense obligations of the Fund.
2. ~~Goal # 2~~ To obtain an investment return in excess of that needed to allow for increases in a retiree's credit to maintain the purchasing power of their benefit.

~~5. INVESTMENT PERFORMANCE OBJECTIVE~~

II. ~~The NDPERS~~ Responsibilities and Discretion of the State Investment Board ~~will seek to make investments that generate sufficient return to meet the goals outlined in this policy. The objectives~~

The State Investment Board (SIB) is established ~~in this section are~~ under NDCC § 21-10. The NDPERS Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The NDPERS Board is responsible for establishing policies on investment goals and asset allocation of the fund. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the ~~fiduciary requirement in federal and state law~~Prudent Investor Rule and the policies adopted by each fund's governing body.

~~It is in the best interest of NDPERS and its beneficiaries that performance objectives be established for the total Fund. It is clearly understood these objectives are to be viewed over the long term and have been established after full consideration of all factors set forth in this Statement of Investment Goals, Objectives and Policies.~~

~~The funds rate of return, over the long term should equal that of the policy portfolio which~~Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The Fund's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

- ~~The annual~~The fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of 5 years.
- The fund's risk, measured by the standard deviation of ~~total~~net returns ~~for the Fund~~, should not ~~materially~~ exceed ~~that~~115% of the policy ~~portfolio~~benchmark over a minimum evaluation period of 5 years.

~~a. Over 5-year and longer periods the fund should match or exceed the expected rate of return projected in the most recent asset/liability study without exceeding the expected risk for the period by more than 15% as measured by standard deviation.~~

~~6. ASSET ALLOCATION~~

~~In recognition of the plan's performance objectives, benefit projections, and capital market expectations, the NDPERS~~

~~Board has established the following asset allocation:~~

~~I.~~IV. ~~Date of Last~~ Asset Allocation ~~Study: December 2020 – Callan Corporation~~

The NDPERS Board establishes the Fund's asset allocation, with input from consultants and/or the Retirement and Investment Office (RIO). The following allocation was established. The asset allocation will be reviewed periodically and updated when appropriate.

	Target Allocation	**Minimum Allocation**	**Maximum Allocation**
Broad US Equity	39%	29%	49%
Global ex-US Equity	26%	16%	36%
Fixed Income	35%	25%	45%

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~~Expected Return~~	~~6.1%~~
~~Standard Deviation~~	~~11.7%~~

~~Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy, but not less than annually.~~

~~PERS requires that in implementing this asset allocation that the State Investment Board seek to maximize return within the scope of these policies while limiting investment costs.~~

~~7. RESTRICTIONS~~

~~No transaction may be made which threatens~~**Rebalancing:** The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place. RIO and its delegated managers adhere to this rebalance policy.

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. Derivatives use will be monitored to ensure that undue risks are not taken.
4. ~~1.~~ No investment may jeopardize the tax-exempt status of the Fund.
5. All assets must be held by the SIB's master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).
    a. Social Investment is defined as "~~*The*~~the investment or commitment of public ~~*pension fund money*~~funds for the purpose of obtaining an effect other than a maximized return ~~*to the intended beneficiaries."*~~at a prudent level of risk to the state." (NDCC § 21-10-08.1)

~~A. Social investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time~~

~~horizon and similar risk.~~

7. Economically ~~*targeted investing*~~Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.

   ~~b.~~a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved~~, *as well as to*~~ and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

~~Economically targeted investing is prohibited unless~~**Exclusive Benefit Rule**

~~B.~~ For the ~~investment meets~~purpose of this document, the Exclusive Benefit Rule~~.~~
~~The Exclusive Benefit Rule~~ is met if the following four conditions are satisfied:

1. The cost does not exceed the fair market value at the time of investment.
2. The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
3. Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the ~~plan~~Plan.
4. The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity, are equivalent, the ~~Board's~~SIB's policy favors investments ~~which~~that will have a positive impact on the economy of North Dakota.

~~8. **INTERNAL CONTROLS**~~

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB ~~must have~~shall maintain a system of internal controls designed to prevent ~~losses~~loss of ~~public~~ funds arising from fraud ~~or employee~~, error~~. The~~, or mismanagement.

Key controls ~~deemed most important are the separation of~~include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases ~~from the~~, recording ~~of~~and reconciling investment activity, and custodial safekeeping~~,~~ of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written ~~confirmation of~~or electronic confirmations of all investment transactions~~,~~ and ~~established~~establishing formal criteria for broker relationships~~. The annual~~ and trading counterparties. Annual financial ~~audit must~~audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with ~~the investment policy~~this Investment Policy.

~~9. EVALUATION~~

VII. ~~Investment management of the Fund~~ Evaluation and Review

The Fund's performance will be evaluated against ~~the Fund's~~its investment objectives~~ and~~, with emphasis on rolling 5-year results. Reports to the NDPERS Board (no less than annually) will include:

1. A list of investment managers and their performance ~~standards~~relative to benchmarks net of fees.

~~An annual performance report must be provided to the Board by the State Investment Officer at a regularly scheduled NDPERS Board meeting. The annual performance report must include asset returns and allocation data as well as information regarding all significant or material matters and changes pertaining to the investment of the Fund, including:~~

- ~~Changes in asset class portfolio structures, tactical approaches and market values;~~

2. ~~All pertinent~~ Earnings, percentage earned and change in market value of each mandate.
3. Current portfolio allocations and performance summaries by asset class.
4. All material legal or legislative proceedings affecting the SIB.
5. Compliance with ~~these~~this investment ~~goals, objectives and policies~~policy statement.
6. A general market overview and market expectations.
7. A ~~Review~~review of fund progress and its asset allocation strategy.

- ~~A report on investment fees and the SIB's effort relating to Section 6. To measure investment cost PERS requires as part of the annual review information from Callan, CEM or other acceptable~~

~~source showing the value added versus the cost.~~

~~In addition, the State Investment Officer shall review with the Board the procedures and policies established by the SIB relating to this statement of investment goals, objectives, and policies.~~

~~Scott Miller~~
~~Executive Director~~

~~Scott Anderson~~
~~Chief Investment Officer~~

~~North Dakota Public Employees Retirement System North Dakota Retirement and Investment Office~~

~~Date: December 13, 2022 Date: 02/08/2023~~

8. Provide details of fees and costs (annually).

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may redeem capital with 3 business days' notice. Staff will make reasonable efforts to accommodate withdrawal requests on a shorter timeline when feasible; however, settlement is normally on a T+3 basis.

Rebecca Fricke Executive Director North Dakota Public Employees Retirement System	Scott M. Anderson, Chief Investment Officer North Dakota Retirement and Investment Office
Date:	Date:

INVESTMENT POLICY STATEMENT

NDPERS Retiree Health Insurance Credit Fund

I. Plan and Fund Overview

The North Dakota Public Employees Retirement System (NDPERS) Retiree Health Insurance Credit Fund was established in 1989 to provide for prefunding of premiums for medical coverage to state employees and employees of participating political subdivisions in accordance with North Dakota Century Code (NDCC) § 54-52.1. The plan is administered by the NDPERS Board of Trustees (NDPERS Board).

The NDPERS plan is a defined benefit program that provides for a partial payment of a retiree's medical insurance premium based on the number of years of service. Funding for the NDPERS plan is provided by a monthly employer contribution of 1.14 percent of payroll. On a monthly basis, benefit payments are netted out against contributions and the balance forwarded to the trust's custodian for investment.

Each year the NDPERS Board has an actuarial valuation performed. The current actuarial assumed rate of return on assets for the plan is 5.75%.

Client Investment Objectives

The investment goals of the Fund have been established by the NDPERS Board based upon consideration of the Board's strategic objectives and a comprehensive review of the current and projected financial requirements. These goals are to be viewed over the long term.

1. Accumulate sufficient wealth through a diversified portfolio of investments which will enable the State of North Dakota to pay all current and future retirement benefits and expense obligations of the Fund.
2. To obtain an investment return in excess of that needed to allow for increases in a retiree's credit to maintain the purchasing power of their benefit.

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under NDCC § 21-10. The NDPERS Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The NDPERS Board is responsible for establishing policies on investment goals and asset allocation of the fund. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The Fund's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

- The fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of 5 years.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of 5 years.

IV. Asset Allocation

The NDPERS Board establishes the Fund's asset allocation, with input from consultants and/or the Retirement and Investment Office (RIO). The following allocation was established. The asset allocation will be reviewed periodically and updated when appropriate.

	Target Allocation	Minimum Allocation	Maximum Allocation
Broad US Equity	39%	29%	49%
Global ex-US Equity	26%	16%	36%
Fixed Income	35%	25%	45%

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place. RIO and its delegated managers adhere to this rebalance policy.

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. Derivatives use will be monitored to ensure that undue risks are not taken.
4. No investment may jeopardize the tax-exempt status of the Fund.
5. All assets must be held by the SIB’s master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).

    a. Social Investment is defined as "the investment or commitment of public funds for the purpose of obtaining an effect other than a maximized return at a prudent level of risk to the state." (NDCC § 21-10-08.1)
7. Economically Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.
    a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Exclusive Benefit Rule

For the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

1. The cost does not exceed the fair market value at the time of investment.
2. The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
3. Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the Plan.
4. The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity, are equivalent, the SIB's policy favors investments that will have a positive impact on the economy of North Dakota.

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls designed to prevent loss of funds arising from fraud, error, or mismanagement.

Key controls include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases, recording and reconciling investment activity, and custodial safekeeping of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written or electronic confirmations of all investment transactions and establishing formal criteria for broker relationships and trading counterparties.

Annual financial audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with this Investment Policy.

VII. Evaluation and Review

The Fund's performance will be evaluated against its investment objectives, with emphasis on rolling 5-year results. Reports to the NDPERS Board (no less than annually) will include:

1. A list of investment managers and their performance relative to benchmarks net of fees.
2. Earnings, percentage earned and change in market value of each mandate.
3. Current portfolio allocations and performance summaries by asset class.
4. All material legal or legislative proceedings affecting the SIB.
5. Compliance with this investment policy statement.
6. A general market overview and market expectations.
7. A review of fund progress and its asset allocation strategy.
8. Provide details of fees and costs (annually).

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may redeem capital with 3 business days' notice. Staff will make reasonable efforts to accommodate withdrawal requests on a shorter timeline when feasible; however, settlement is normally on a T+3 basis.

Rebecca Fricke Executive Director North Dakota Public Employees Retirement System	Scott M. Anderson, Chief Investment Officer North Dakota Retirement and Investment Office
Date:	Date:

Attachment 3

~~NDPERS GROUP INSURANCE ACCOUNT~~ INVESTMENT ~~OBJECTIVES AND~~ POLICY ~~GUIDELINES~~STATEMENT

~~1. FUND CHARACTERISTICS AND CONSTRAINTS.~~

NDPERS Group Insurance Account

I. Plan and Fund Overview

The ND Public Employees Retirement System (~~PERS~~NDPERS) Group Insurance Account (Fund) was established to hold insurance premiums collected from employers until paid to the insurance carrier.

~~2. RESPONSIBILITIES AND DISCRETION OF THE STATE INVESTMENT BOARD (SIB).~~

~~PERS has entered into a contract with the SIB for investment services as allowed under NDCC 21-10-06. It is the responsibility of PERS to establish policies on investment goals and asset allocation of the Funds. The SIB is charged with implementing these policies and asset allocation and investing the assets of the Funds in a manner consistent with the prudent investor rule as provided in NDCC 21-10-07.~~

~~At the discretion of the SIB, the Fund's assets may be pooled with other funds. In pooling funds, the SIB may establish whatever asset class pools it deems necessary with specific quality, diversification, restrictions, performance objectives appropriate to the prudent investor rule and objectives of the funds participating in the pools.~~

~~The SIB may delegate investment responsibility to professional money managers. Where a money manager has been retained, the SIB's role in determining investment strategy and security selection is supervisory, not advisory.~~

~~The SIB is responsible for establishing criteria and procedures and making decisions with respect to hiring, maintaining, and terminating money managers. This responsibility includes selecting performance measurement services, consultants and report formats and determining the frequency of meetings with managers.~~

~~The SIB will implement changes to this policy as promptly as is prudent.~~

~~3. INVESTMENT OBJECTIVES.~~

Client Investment Objectives

Premiums are collected throughout the month at ~~PERS~~NDPERS and will be forwarded to the Fund investment account on approximately the 5th of each month. The premiums transferred into the investment account will be transferred back to ~~PERS~~NDPERS on approximately the 20th of each month so they may be remitted to the insurance carrier. The investment objective of the Fund is to maximize the return on the deposits within the short-term time-frame involved.

~~4. STANDARDS OF INVESTMENT PERFORMANCE.~~

~~The Fund's investment objectives and liquidity constraints give rise to an asset allocation that is considered the most likely to achieve the results desired. For evaluation purposes, the following performance targets will apply:~~

~~a. The Fund should produce a rate of return that meets or exceeds the portfolio policy index defined as the 90-day Treasury bill.~~

II. ~~The Fund annual~~ Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under NDCC § 21-10. The NDPERS Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The NDPERS Board is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The Fund's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

- The fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of 5 years.

- The fund's risk, measured by the standard deviation of ~~total~~net returns~~,~~ should not ~~materially~~ exceed ~~that~~115% of the policy ~~portfolio~~benchmark over a minimum evaluation period of 5 years.

~~5. POLICY AND GUIDELINES.~~

IV. ~~The~~ Asset Allocation

The NDPERS Board establishes the Fund's asset allocation ~~of the Fund is established by PERS~~, with input from ~~the SIB. Asset allocation is based upon the appraisal of projected liquidity~~consultants and ~~income requirements,~~/or the Retirement and ~~estimates of the investment returns likely to be achieved by the various asset classes over the next five years.~~
~~In recognition of these factors, the~~ Investment Office (RIO). The following allocation ~~is deemed~~was established. The asset allocation will be reviewed periodically and updated when appropriate ~~for the fund: Short Term Fixed Income 95%~~.

~~Cash Equivalents 5%~~

~~This cash will be held in an enhanced money market account at the Fund's custodian.~~

	Target Allocation	**Minimum Allocation**	**Maximum Allocation**
Short Term Fixed Income	95%	90%	100%
Cash Equivalents	5%	0%	10%

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

V. General Restrictions and Guidelines

While the SIB ~~is responsible for establishing specific~~determines quality, diversification, ~~restrictions,~~ and performance ~~objectives~~standards for investments, the ~~investment vehicles in which the Fund's assets will be invested, it is understood that~~following restrictions apply:

1. ~~Futures and options~~Derivatives may be used to ~~hedge or~~manage and replicate ~~underlying index exposure, but not~~systematic exposures, for ~~speculation.~~fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. ~~2.~~ Derivatives use will be monitored to ensure that undue risks are not taken ~~by managers~~.

~~3.~~4. No ~~transaction shall be made which threatens~~investment may jeopardize the tax-exempt status of the Fund.

~~4.~~5. All assets ~~will~~must be held ~~in custody~~ by the SIB's master custodian or ~~such other custodians as are acceptable to the SIB~~an approved sub-custodian.

   ~~a. No unhedged short sales or speculative margin purchases shall be made.~~

~~5.~~6. Social ~~investing~~Investing is prohibited unless it meets the Exclusive Benefit Rule ~~and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.~~(NDCC § 21-10-08.1).

   a. ~~For the purpose of this document,~~ Social ~~Investing~~Investment is defined as "~~*The*~~the investment or commitment of public ~~*pension fund money*~~funds for the purpose of obtaining an effect other than a maximized return ~~*to the intended beneficiaries."*~~at a prudent level of risk to the state." (NDCC § 21-10-08.1)

~~6.~~7. Economically ~~targeted investing~~Targeted Investing is prohibited unless ~~the investment~~it meets the Exclusive Benefit Rule.

   a. ~~For the purpose of this document economically targeted investment~~Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved~~, as well as to~~ and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

~~Also, for~~**Exclusive Benefit Rule**

For the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

1. The cost does not exceed the fair market value at the time of investment.
2. The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
3. Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the ~~plan~~Plan.
4. The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity, are equivalent, the ~~Board's~~SIB's policy favors investments ~~which~~that will have a positive impact on the economy of North Dakota.

~~6. EVALUATION AND REVIEW.~~

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment ~~management of the Fund~~Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls designed to prevent loss of funds arising from fraud, error, or mismanagement.

Key controls include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases, recording and reconciling investment activity, and custodial safekeeping of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written or electronic confirmations of all investment transactions and establishing formal criteria for broker relationships and trading counterparties. Annual financial audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with this Investment Policy.

VII. Evaluation and Review

The Fund's performance will be evaluated against ~~the Fund's~~its investment objectives ~~and investment performance standards. Evaluation will be conducted quarterly by the SIB through its review of funds participating in the Insurance Trust.~~, with emphasis on rolling 5-year results. Reports to the NDPERS Board (no less than annually) will include:

1. ~~Money~~A list of investment managers ~~will be evaluated by~~and their performance relative to benchmarks net of fees.
2. Earnings, percentage earned and change in market value of each mandate.
3. Current portfolio allocations and performance summaries by asset class.
4. All material legal or legislative proceedings affecting the SIB ~~quarterly. In-state meetings~~.
5. Compliance with this investment policy statement.
6. A general market overview and market expectations.
7. A review of fund progress and its asset allocation strategy.
8. Provide details of fees and costs (annually).

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may redeem capital with 3 business days' notice. Staff will ~~be held with the money managers at least annually~~make reasonable efforts to accommodate withdrawal requests on a shorter timeline when feasible; however, settlement is normally on a T+3 basis.

~~Approved by:~~

~~NDPERS~~

~~Scott Miller~~
~~Executive Director, NDPERS~~

~~STATE INVESTMENT BOARD~~

~~Scott Anderson~~
~~Chief Investment Officer, RIO~~

~~Date: December 13, 2022~~

~~Date:~~

~~2/8/2023~~

Rebecca Fricke Executive Director North Dakota Public Employees Retirement System Date:	Scott M. Anderson, Chief Investment Officer North Dakota Retirement and Investment Office Date:

INVESTMENT POLICY STATEMENT

NDPERS Group Insurance Account

I. Plan and Fund Overview

The ND Public Employees Retirement System (NDPERS) Group Insurance Account (Fund) was established to hold insurance premiums collected from employers until paid to the insurance carrier.

Client Investment Objectives

Premiums are collected throughout the month at NDPERS and will be forwarded to the Fund investment account on approximately the 5th of each month. The premiums transferred into the investment account will be transferred back to NDPERS on approximately the 20th of each month so they may be remitted to the insurance carrier. The investment objective of the Fund is to maximize the return on the deposits within the short-term time-frame involved.

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under NDCC § 21-10. The NDPERS Board has entered into a contract with the SIB for investment services as allowed under NDCC § 21-10-06. The NDPERS Board is responsible for establishing policies on investment goals and asset allocation of the Fund. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The Fund's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

- The fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of 5 years.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of 5 years.

IV. Asset Allocation

The NDPERS Board establishes the Fund's asset allocation, with input from consultants and/or the Retirement and Investment Office (RIO). The following allocation was established. The asset allocation will be reviewed periodically and updated when appropriate.

	Target Allocation	Minimum Allocation	Maximum Allocation
Short Term Fixed Income	95%	90%	100%
Cash Equivalents	5%	0%	10%

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. Derivatives use will be monitored to ensure that undue risks are not taken.
4. No investment may jeopardize the tax-exempt status of the Fund.
5. All assets must be held by the SIB’s master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).
    a. Social Investment is defined as "the investment or commitment of public funds for the purpose of obtaining an effect other than a maximized return at a prudent level of risk to the state." (NDCC § 21-10-08.1)
7. Economically Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.
    a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Exclusive Benefit Rule

For the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

1. The cost does not exceed the fair market value at the time of investment.
2. The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.

3. Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the Plan.
4. The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity, are equivalent, the SIB's policy favors investments that will have a positive impact on the economy of North Dakota.

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls designed to prevent loss of funds arising from fraud, error, or mismanagement.

Key controls include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases, recording and reconciling investment activity, and custodial safekeeping of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written or electronic confirmations of all investment transactions and establishing formal criteria for broker relationships and trading counterparties. Annual financial audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with this Investment Policy.

VII. Evaluation and Review

The Fund's performance will be evaluated against its investment objectives, with emphasis on rolling 5-year results. Reports to the NDPERS Board (no less than annually) will include:

1. A list of investment managers and their performance relative to benchmarks net of fees.
2. Earnings, percentage earned and change in market value of each mandate.
3. Current portfolio allocations and performance summaries by asset class.
4. All material legal or legislative proceedings affecting the SIB.
5. Compliance with this investment policy statement.
6. A general market overview and market expectations.
7. A review of fund progress and its asset allocation strategy.
8. Provide details of fees and costs (annually).

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may redeem capital with 3 business days' notice. Staff will make reasonable efforts to accommodate withdrawal requests on a shorter timeline when feasible; however, settlement is normally on a T+3 basis.

Rebecca Fricke Executive Director North Dakota Public Employees Retirement System	Scott M. Anderson, Chief Investment Officer North Dakota Retirement and Investment Office
Date:	Date:

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: MaryJo Anderson

DATE: March 10, 2026

SUBJECT: Retiree Health Insurance Credit (RHIC) Overview

An overview of the NDPERS Retiree Health Insurance Credit (RHIC) program and services will be provided at the meeting. The presentation is attached.

Attachment

Retiree Health Insurance Credit

What is the RHIC Program?

- Established under NDCC 54-52.1-03.2
- Funded by the employer during working years
- Reduces cost of eligible insurance premiums paid during retirement years

Who is eligible for RHIC?

- **Public Safety**
- **Judges**
- **Highway Patrol**
- **Job Service**
- **Main Plan** ***– only if hired before Jan 1, 2020***
- **Defined Contribution** ***– only if hired before Jan 1, 2020***

- **NDPERS members currently receiving an ongoing retirement check at least annually**
- **Surviving spouses receiving an ongoing retirement benefit or RHIC joint and survivor benefit**

Calculation

- NDPERS calculates monthly RHIC benefit for each member upon retirement
- Based upon each year employed and receiving eligible service credit
- Calculation: $5.00 x Years of Service
  - Actuarially reduced with early retirement
- Retiree Benefit Amount
  - Annual summary statement
  - Online: Member Self Service (MSS) account

Eligible Premiums

- ANY Health Insurance Premiums (including Medicare Part B & Medicare Supplements Plans)

- ANY Prescription Drug Plans (Medicare Part D)

Effective August 1, 2019

- ANY Dental Premiums
- ANY Vision Premiums
- ANY Long-Term Care Premiums

- Applies to premiums incurred as contract holder or covered dependent

Premiums Not Eligible

- Insurance plans subsidized through the federal health care exchange or tax credit
- Life Insurance
- Supplemental Insurance Plans
  - Accident
  - Disability
  - Cancer
- Pre-tax insurance premiums

ASIFlex

- Specialized in benefit administration for large public sector entities since 1987
- Located in Columbia, Missouri
- Services Provided:
  - RHIC Record-keeping
  - RHIC Claims Review and Payment
  - RHIC Customer Service

How do retirees receive RHIC reimbursement?

- If member has NDPERS insurance premiums
  - NDPERS automatic reimbursement with ASIFlex
  - No action required unless RHIC amount is higher than NDPERS premium expenses

- If member has non-NDPERS insurance premiums
  - RHIC became "portable" July 1, 2015
  - Submit a claim to ASIFlex for reimbursement

Claim Submission

1. RHIC Claim Form
2. Provide Documentation
    - Dates of coverage period
    - Type of insurance
    - Premium amount
3. Proof of Payment
    - Pay stub
    - Bank statement
    - Cancelled check
    - Credit card receipt
    - Electronic payment

Claim Processing

- May claim up to available RHIC benefit amount each month
- May submit premium expenses at any frequency throughout the plan year
  - 2020 - aligned with calendar year premium costs
  - Jan 1, 2026 – Dec 31, 2026 Current Plan Year
- Processed daily
- Payment issued 2-3 business days
- Recurring Claims
  - Social Security Annual Statement - Medicare Part B and Prescription Drug (Part D) deductions

Reimbursement Deadline

March 31st

following the close of the plan year on Dec 31st

Combining RHIC (August 1, 2007)

- Spouses must both be receiving a NDPERS monthly retirement benefit and may combine their respective RHIC benefit
- Must enroll in one NDPERS family health insurance plan
- Only one RHIC account is setup at ASIFlex
- Surviving spouses receiving retirement benefits may be eligible to use the credit of a deceased spouse

Questions?

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

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(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: March 10, 2026

SUBJECT: 457 Companion Plan & 401(a) Plan 4th Quarter 2025 Report

The attached 4th Quarter 2025 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 14,485 (13,434 in Q3) participants with $293.5 million ($306.2 million in Q3) in assets.

Assets in the 401(a) plan increased to $40.0 million ($35.8 million in Q3) as of December 31, 2025. The number of active participants also increased and is now at 3,643 (2,598 in Q3). The Target Date funds have 65.3% of the plan assets.

Assets in the 457 Companion Plan increased to $266.1 million ($257.7 in Q3) as of December 31, 2025. The number of active participants increased and is now at 10,842 (10,836 in Q3). The Target Date funds have 65.3% of the plan assets.

<u>Benchmarks:</u>
Fund returns for the quarter were positive for the funds in the core lineup. 21 of the 23 core funds had positive returns for the quarter, while only two were negative. Core fund performance was mixed when compared to benchmarks.

<u>Fund / Investment News:</u>
The Retirement & Investment Office provided an overview of the returns of the Pension Funds. The NDPERS Investment Subcommittee reviewed the 4th Quarter 2025 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.

There was actionable items related to the Group Insurance, Job Service, and Retiree Health Insurance Credit Fund Investment Policy Statements, which is a separate agenda items for your consideration today.

Statistics on enrollments as of December 31, 2025 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	Check: total hires
1/16/2025	159	5	2	6	28				41		41	118			159
2/7/2025	352	33	12	15	115			1	175	5	181	171			352
2/13/2025	401	44	14	19	139			1	216	9	226	175			401
2/20/2025	477	49	18	24	183			1	274	7	282	195			477
2/28/2025	575	60	25	27	225			2	337	15	354	221			575
3/6/2025	606	66	27	30	245		1	2	371	17	388	234	116	119	606
3/13/2025	650	72	30	35	276		1	2	416	19	435	234	126	108	669
3/20/2025	738	77	39	40	330		1	2	489	19	508	249	148	101	738
3/27/2025	772	79	43	40	356		1	2	521	23	544	251	154	97	772
4/3/2025	828	81	43	42	384		1	2	553	28	581	275	162	113	828
4/10/2025	865	81	41	46	406		1	2	577	31	608	288	176	112	865
5/2/2025	1004	88	49	60	475		1	2	675	44	719	329	218	111	1004
5/30/2025	1161	99	48	67	571		1	2	788	52	840	373	243	130	1161
6/30/2025	1300	108	50	75	697		2	2	934	59	993	366	271	93	1300
7/1/2025	1326	108	50	75	701		2	2	938	65	1003	388	288	100	1326
7/15/2025	1403	110	57	77	752		2	2	1000	72	1072	403	297	106	1403
8/1/2025	1578	124	62	83	821		2	2	1094	79	1173	484	323	161	1578
8/28/2025	1987	180	81	89	971		2	1	1324	87	1411	663	351	312	1987
9/15/2025	2355	241	107	116	1185		2	1	1652	90	1742	703	426	277	2355
9/30/2025	2485	244	117	124	1269		2	1	1757	90	1847	728	534	194	2485
10/20/2025	2633	263	130	131	1370		3	2	1899	94	1993	734	591	143	2633
11/4/2025	2745	267	128	134	1430		3	3	1965	102	2067	780	631	150	2745
12/2/2025	2945	277	136	152	1537		2	4	2108	337	2445	837	691	146	2945
12/15/2025	3027	282	140	150	1584		2	5	2163	116	2279	864	726	138	3027
12/30/2025	3124	290	140	157	1620		2	5	2214	121	2335	910	745	165	3124

Attachment #1

NDPERS
Quarterly Investment Report
4th Quarter
10/01/2025 – 12/31/2025

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 December 31, 2025

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Asset Allocation Funds					
Nuveen Lifecycle Ret. Inc	1.94%	11.78%	10.07%	4.55%	6.95%
LifeCycle Ret Income Cust Bnchm	1.84%	12.95%	10.91%	4.91%	7.55%
Callan Tgt Dt Idx 2010	1.67%	11.58%	9.83%	4.35%	6.69%
Nuveen Lifecycle 2010 Fund	1.88%	11.42%	9.99%	4.49%	6.94%
LifeCycle 2010 Cust Bnchm	1.74%	12.10%	10.30%	4.58%	7.17%
Callan Tgt Dt Idx 2010	1.67%	11.58%	9.83%	4.35%	6.69%
Nuveen Lifecycle 2015 Fund	1.88%	11.68%	10.20%	4.67%	7.29%
LifeCycle 2015 Cust Bnchm	1.84%	12.94%	11.08%	5.06%	7.75%
CAI Tgt Dt Idx 2015	1.72%	11.92%	10.18%	4.60%	7.02%
Nuveen Lifecycle 2020 Fund	1.99%	12.41%	10.92%	5.06%	7.82%
LifeCycle 2020 Cust Bnchm	1.96%	13.72%	11.85%	5.55%	8.37%
CAI Tgt Dt Idx 2020	1.81%	12.49%	10.75%	5.00%	7.58%
Nuveen Lifecycle 2025 Fund	2.05%	13.00%	11.72%	5.59%	8.57%
LifeCycle 2025 Cust Bnchm	2.08%	14.51%	12.74%	6.15%	9.13%
CAI Tgt Dt Idx 2025	1.95%	13.37%	11.75%	5.74%	8.51%
Nuveen Lifecycle 2030 Fund	2.30%	14.18%	12.96%	6.35%	9.51%
LifeCycle 2030 Cust Bnchm	2.26%	15.74%	14.00%	6.98%	10.08%
CAI Tgt Dt Idx 2030	2.21%	14.97%	13.30%	6.81%	9.66%
Nuveen Lifecycle 2035 Fund	2.37%	15.30%	14.33%	7.19%	10.49%
LifeCycle 2035 Cust Bnchm	2.45%	16.98%	15.42%	7.93%	11.10%
CAI Tgt Dt Idx 2035	2.48%	16.62%	14.93%	7.98%	10.83%
Nuveen Lifecycle 2040 Fund	2.65%	17.02%	16.03%	8.28%	11.62%
LifeCycle 2040 Cust Bnchm	2.72%	18.83%	17.20%	9.14%	12.23%
CAI Tgt Dt Idx 2040	2.72%	18.16%	16.39%	8.99%	11.79%
Nuveen Lifecycle 2045 Fund	2.79%	18.13%	17.11%	9.01%	12.45%
LifeCycle 2045 Cust Bnchm	2.90%	20.06%	18.36%	9.97%	13.09%
CAI Tgt Dt Idx 2045	2.91%	19.31%	17.45%	9.72%	12.45%
Nuveen Lifecycle 2050 Fund	2.85%	18.74%	17.65%	9.33%	12.74%
LifeCycle 2050 Cust Bnchm	3.00%	20.69%	18.92%	10.30%	13.50%
CAI Tgt Dt Idx 2050	3.02%	20.02%	18.09%	10.12%	12.80%
Nuveen Lifecycle 2055 Fund	2.87%	18.89%	17.84%	9.44%	12.86%
LifeCycle 2055 Cust Bnchm	3.03%	20.89%	19.12%	10.45%	13.62%
CAI Tgt Dt Idx 2055	3.07%	20.37%	18.38%	10.30%	12.95%
Nuveen Lifecycle 2060 Fund	2.87%	19.08%	18.00%	9.55%	13.01%
LifeCycle 2060 Cust Bnchm	3.06%	21.08%	19.33%	10.60%	13.77%
Callan Tgt Dt Idx 2060	3.09%	20.52%	18.50%	10.38%	13.02%
Nuveen Lifecycle 2065 Fund	2.87%	19.19%	18.14%	9.71%	-
LifeCycle 2065 Cust Bnchm	3.09%	21.28%	19.54%	10.75%	-
Callan Tgt Dt Idx 2065	3.10%	20.58%	18.54%	10.40%	13.04%

Plan Performance Monitoring

As of December 31, 2025

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Large Cap U.S. Equity					
Vanguard Institutional Index	2.64%	17.84%	22.96%	14.39%	17.26%
S&P 500 Index	2.66%	17.88%	23.01%	14.42%	17.29%
Small/Mid Cap U.S. Equity					
JPMorgan SMID Cap Equity R6	(0.65%)	(2.47%)	7.12%	4.30%	8.09%
Russell 2500 Index	2.22%	11.91%	13.75%	7.26%	11.75%
Non-U.S. Equity					
MFS International Diversification R6	3.68%	27.96%	15.97%	6.88%	10.65%
MSCI ACWI xUS (Net)	5.05%	32.39%	17.33%	7.91%	10.15%
Vanguard Total Int'l Stock Adm	4.50%	32.18%	17.09%	7.93%	10.25%
FTSE Gl All Cap ex US Idx	4.85%	31.95%	17.26%	8.04%	10.37%
Fixed Income					
Vanguard Total Bond Index Adm	0.99%	7.15%	4.67%	(0.42%)	1.97%
Blmbg Aggregate Flt Adj	1.07%	7.21%	4.68%	(0.37%)	2.03%
Baird Core Plus Bond Instl	1.10%	7.47%	5.61%	0.32%	2.85%
Blmbg Universal	1.20%	7.58%	5.24%	0.06%	2.38%
Capital Preservation					
Galliard Stable Value C	0.80%	3.07%	2.90%	2.47%	2.39%
3-month Treasury Bill	0.97%	4.18%	4.81%	3.17%	2.68%
New York Life Ins. Co. Anchor Acct. IV	1.00%	3.68%	3.55%	3.00%	2.83%
3-month Treasury Bill	0.97%	4.18%	4.81%	3.17%	2.68%
Vanguard Treasury MM Inv	0.99%	4.23%	4.84%	3.19%	2.65%
3-month Treasury Bill	0.97%	4.18%	4.81%	3.17%	2.68%
Sector Funds					
Cohen & Steers Realty Shares	(2.69%)	2.82%	7.26%	5.72%	7.91%
FTSE NAREIT All Eq Index	(2.15%)	2.27%	6.12%	4.85%	6.43%

Active Manager Monitoring Summary

As of December 31, 2025

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	Status and Actions
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

- Though quality recovered slightly in Q4, it remained a headwind for JPM's relative performance
- Galliard Stable Value is still recovering from the sharp increase in rates in 2022
  - The funds longer duration and book value accounting (guarantee of principal and interest) has meant participant crediting has recovered more slowly than cash

Assets and participants

As of 12/31/2025

Participant assets

$266,137,974

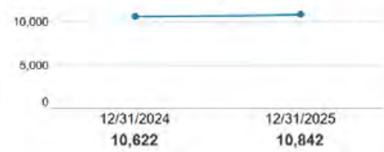
Trending

Plan-level assets	$97
Total assets	$266,138,071

Participants with a balance

10,842

Trending



Active participants with a balance	8,016
Separated from service participants with a balance	2,826

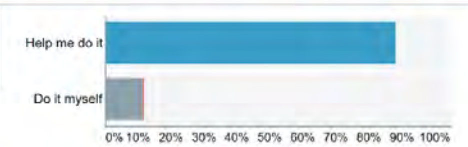
Overview

The assets and participant counts presented are effective as of period end. The assets do not reflect any adjustments, dividends, corrections, or similar that are processed after period end.

Investment strategy utilization

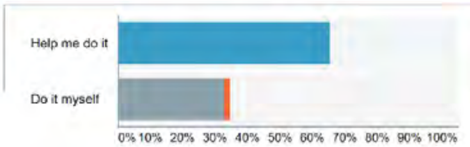
As of 12/31/2025

Participants by strategy



Investment strategy	% of participants	# of participants
Target-date strategy	88.2%	9,558
Risk-based strategy	0.0%	3
Brokerage strategy	0.3%	31
Do-it-yourself strategy	11.5%	1,250

Participant assets by strategy



Investment strategy	% of assets	Assets	Average balance
Target-date strategy	65.3%	$173,717,195	$18,175
Risk-based strategy	0.2%	$457,048	$152,349
Brokerage strategy	1.7%	$4,561,412	$147,142
Do-it-yourself strategy	32.8%	$87,402,319	$69,922

Target-date strategy is the investment strategy utilized by the most participants with **88.2%** of participants using this strategy. However, this strategy holds a smaller share of assets with only **65.3%** 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.

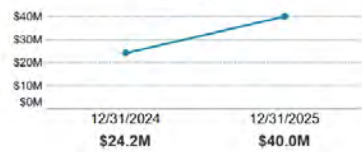
Assets and participants

As of 12/31/2025

Participant assets

$40,012,887

Trending

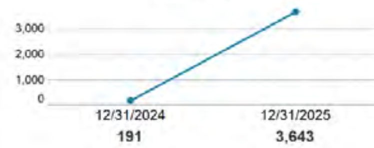


Plan-level assets	**$36,348**
Total assets	**$40,049,235**

Participants with a balance

3,643

Trending



Active participants with a balance	**3,204**
Separated from service participants with a balance	**439**

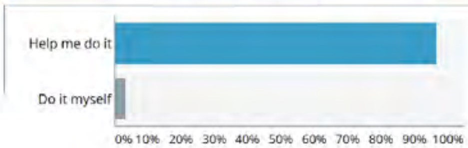
Overview

The assets and participant counts presented are effective as of period end. The assets do not reflect any adjustments, dividends, corrections, or similar that are processed after period end.

Investment strategy utilization

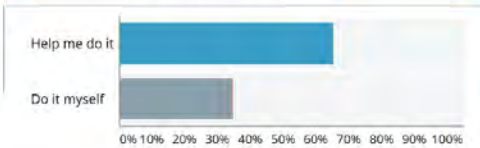
As of 12/31/2025

Participants by strategy



Investment strategy	% of participants	# of participants
Target-date strategy	96.7%	3,521
Brokerage strategy	0.1%	3
Do-it-yourself strategy	3.3%	119

Participant assets by strategy



Investment strategy	% of assets	Assets	Average balance
Target-date strategy	65.3%	$26,133,204	$7,422
Brokerage strategy	0.1%	$42,709	$14,236
Do-it-yourself strategy	34.6%	$13,836,974	$116,277

Target-date strategy is the investment strategy utilized by the most participants with **96.7%** of participants using this strategy. However, this strategy holds a smaller share of assets with only **65.3%** 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.

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: Katheryne Korom

DATE: March 10, 2026

SUBJECT: Dental Plan Renewal

Effective January 1, 2025, Delta Dental of Minnesota (Delta Dental) was awarded the bid for the dental insurance plan. Attachment 1 is Delta Dental's renewal rate confirmation for the January 1, 2027, through December 31, 2028, contract period. This time period represents the 2nd two-year period available for contracting as part of the bid process.

As you may recall as part of their bid, Delta Dental:

1) Has been the vendor since January 1, 2013;
2) Provided a 3% premium rate cap guarantee to the current contract period rates, if utilization determined the increase was warranted, for the 2nd contract period of January 1, 2027, through December 31, 2028; and
3) Guaranteed no more than a 3% premium rate cap guarantee for the 3rd contract period of January 1, 2029, through December 31, 2030.

Based upon the attached renewal rate proposal, the needed increase based on NDPERS member utilization is 10.74%, although Delta Dental is proposing the 3% premium rate increase cap as outlined in their bid's Best and Final Offer.

Also included is Attachment 2, which is the Renewal Overview prepared by Delta Dental that provides information about utilization, the Delta Dental network and performance measures.

The following are the current and proposed renewal rates:

	Current	**Renewal**
Emp Only	$42.24	$43.50
Emp + Spouse	$81.50	$83.94
Emp + Child(ren)	$94.62	$97.46
Emp + Family	$134.74	$138.78

As reported to the Board at the January 2026 meeting, participation in the dental plan increased during annual enrollment for the 2026 plan year by 240 members with a total of 10,786 active employees. There are 4,831 retirees participating in the plan as of January 2026. Based upon the employee satisfaction results included in Attachment 2, members appear to be satisfied with the services provided by Delta Dental.

Board Action Requested

Consider Delta Dental’s renewal proposal for January 1, 2027, through December 31, 2028.

Attachments

DELTA DENTAL

Attachment 1

RENEWAL CALCULATION
24 MONTH CONTRACT

Group Name	North Dakota Public Employees Retirement System		
Group Number	537482		
Renewal Period:	January 1, 2027	through	December 31, 2028
Experience Period:	January 1, 2025	through	December 31, 2025

Earned Premium		$14,901,547
Incurred Claims		$13,622,342
Estimated Unpaid Claim Liability*:		$49,625
* EUCL has already been added to the incurred claim total		
Average Experience Period Enrollment:	Employee	6,093
	Ee + Sp	4,095
	Ee + Ch (n)	1,348
	Family	3,882
	Total	15,418

Trend Factor: 7.12%

Trend is calculated from the mid-point of the experience period to the midpoint of the renewal period.

Current Corporate Trend: 3.50%

Benefit Adjustment Factor (BAF): 0.00%

BAF is needed if any benefit changes are proposed for the upcoming contract period.

Projected Incurred Claims: $14,592,593

Needed Increase: 10.74%
Proposed Increase: 3.00%

Rates:

	Current	Renewal
Employee	$42.24	$43.50
Employee+Sp	$81.50	$83.94
Employee+Ch(n)	$94.62	$97.46
Family	$134.74	$138.78

A 3% rate cap applies to the current renewal, effective January 1, 2027.
A 3% rate cap will also apply to the future renewal period of January 1, 2029 through December 31, 2030.

Delta Dental reserves the right to re-evaluate the rates/fees and restrict funding options if during the contract period:
**** the number of enrolled employees deviates from the above enrollment by 10% or more***
**** any changes are made to the plan design, contractual benefits or networks that are utilized***

This renewal is valid only if the contract is issued in the state of North Dakota.

91.42% Experience Loss Ratio
91.32% Target Loss Ratio nmc
Note: Our rates include all applicable taxes and fees. N/A Broker Commission 2/5/26

Attachment 2

DELTA DENTAL®

2027 Premium Rate Proposal & Utilization Review

NDPERS

Our mission:

Promote healthier lives.

Our Vision:

Be a leader in customer-centric services, products, and innovations for oral health and overall health as well as a beacon of community impact.

2027 Premium Rate Proposal

The NDPERS dental plan utilization allows us the opportunity to offer NDPERS the following renewal proposal:

- 3% premium rate increase for 24-months effective January 1, 2027.
- 3% premium rate cap guarantee for 24 months still applies to the January 1, 2029 renewal.

At Delta Dental, we believe everyone deserves a healthy smile.

7,269 clients

EXCELLENT A.M. Best
For financial stability since 1999

76%
Minnesota based Fortune 500 companies

56 years
Minnesota's hometown dental expert

13 YEARS
Relationship with NDPERS

Reflects 2025 data

About the Delta Dental Plans Association

39 Delta Dental member companies

78 million members nationwide

Delta Dental Plans Association serves 503 of the Fortune 1,000 companies

175,000+
Clients

Over 140,300,000
Dental claims annually

93.3 percent
Client retention

Reflects 2025 data

DELTA DENTAL

Why do more than 4 million people trust Delta Dental of Minnesota with their smiles?

Nationwide networks providing excellent access to members

Extensive savings to employers and members

At Delta Dental, our #1 priority is oral health.

Reflects 2025 data

Overall plan utilization

NDPERS	2025	2024	Change '24-'25	2023
Average enrolled	15,418	14,712	4.80%	13,878
Cost per claim	$204.38	$199.25	2.57%	$199.28
EOBs per employee	4.32	4.40	-1.8%	4.34
Avg annual claim cost/EE	$883.37	$876.20	0.8%	$865.00

2025 Delta Dental Book of Business data	
Cost per claim	$208.56
EOBs per employee	3.67
Avg annual claim cost per employee	$765.93

Reflects 2025 and 2024 data

DELTA DENTAL

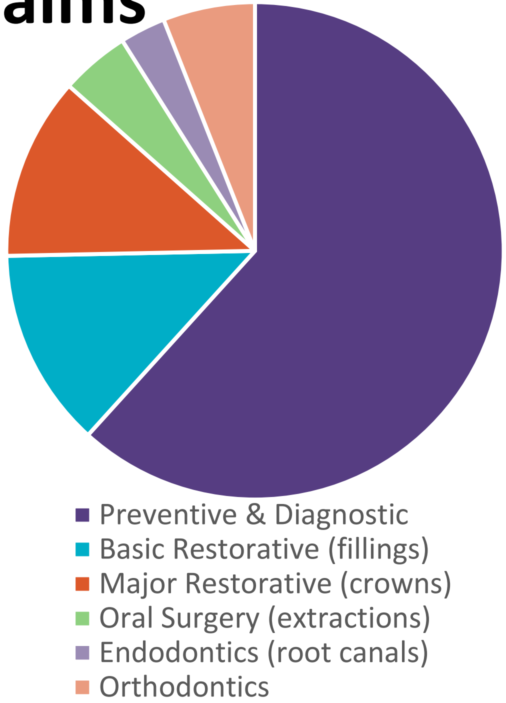
Membership demographics

Coverage Type	Average Number of Employees	Percent of Total Enrolled
Employee	6,401	40.70%
Employee + Spouse	4,097	26.05%
Employee + Child	1,350	8.58%
Family	3,880	24.67%

AGE BANDS	AVG # OF MALES	% OF TOTAL	PAID CLAIMS PMPM	AVG # OF FEMALES	% OF TOTAL	PAID CLAIMS PMPM	TOTAL AVG MEMBERS	TOTAL %	TOTAL PAID CLAIMS*
0-13	2,690	7.85%	$29.48	2,526	7.37%	$33.96	5,216	15.22%	$1,980,749.23
14-24	2,896	8.45%	$29.45	2,811	8.20%	$32.26	5,708	16.65%	$2,111,808.55
25-34	1,505	4.39%	$23.42	1,734	5.06%	$29.00	3,239	9.45%	$1,026,553.91
35-44	2,106	6.14%	$26.90	2,564	7.48%	$31.90	4,669	13.62%	$1,661,020.55
45-54	1,980	5.78%	$29.15	2,265	6.61%	$34.44	4,245	12.38%	$1,628,751.65
55-64	1,931	5.63%	$33.73	2,271	6.63%	$38.44	4,202	12.26%	$1,829,046.27
65+	3,095	9.03%	$39.80	3,904	11.39%	$40.63	6,999	20.42%	$3,381,800.11

Top benefit levels by percentage of paid claims

Benefit	NDPERS	Normative
Preventive & Diagnostic	59.45%	49%
Basic Restorative (fillings)	12.48%	12%
Major Restorative (crowns)	11.43%	12%
Oral Surgery (extractions)	4.33%	7%
Endodontics (root canals)	2.86%	4%
Orthodontics	5.77%	7%



66.3% of members received at least one preventive cleaning.

Delta Dental book of business average: 57%

DELTA DENTAL

Top 10 states by paid claims & Member out-of-pocket

State	Dollars paid	Percent of total
North Dakota	$12,246,306	90.0%
MN	$789,674	5.8%
AZ	$74,944	0.6%
SD	$65,700	0.5%
MT	$53,121	0.4%
CO	$36,928	0.3%
TX	$34,889	0.3%
FL	$34,192	0.3%
WA	$26,466	0.2%
NC	$17,836	0.1%
Total Paid Claims	**$13,619,730**	

Member out-of-pocket

Coinsurance:	$4,691,846
Deductible:	$531,349
Out-of-network:	$3,539,108

DELTA DENTAL

Annual Maximum utilization by plan

$1,000 Annual Max

2025		2024	
# of patients	% of all members	# of patients	% of all members
3,592	**9.5%**	3,391	**9.3%**

2023		2022		2021	
# of patients	% of all members	# of patients	% of all members	# of patients	% of all members
3,118	**9.0%**	2,765	**8.4%**	**2,558**	**8.2%**

2025 Member Exceeded Maximum: $3,571,805

DELTA DENTAL

2025 Performance Guarantee results

Performance item	Guarantee	Results
Claim turnaround time Number of days between receipt of claim and adjudication.	90% in 14 calendar days 99% in 30 calendar days	99.45% 99.94%
Claims financial accuracy Percent of claim dollars paid (or denied) accurately.	99% of dollars paid accurately	99.98%
Claims processing accuracy Percent of claims processed (or denied) accurately.	98% of claims processed accurately	99.99%

2025 Performance Guarantee continued

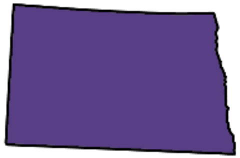
Performance item	Guarantee	Results
Phone average speed of answer (ASA) Average number of seconds for Customer Service to answer phone.	25 second ASA	11 seconds
Phone abandonment rate Percent of callers who hang up prior to the call being answered by a Customer Service Representative (CSR).	3% or less for all subscribers	0.13%
Employee satisfaction Percent of subscribers satisfied with our overall quality of service.	80% satisfied	97.4% met
Provider Network Percent of participating providers terminating from the dental network.	10% or less	0%<10% - met

Network size

National

Delta Dental Premier®: 152,180

Delta Dental PPO™: 115,760



North Dakota

Delta Dental Premier®: 252

Delta Dental PPO™: 93

Minnesota

Delta Dental Premier®: 2,924

Delta Dental PPO™: 1,875

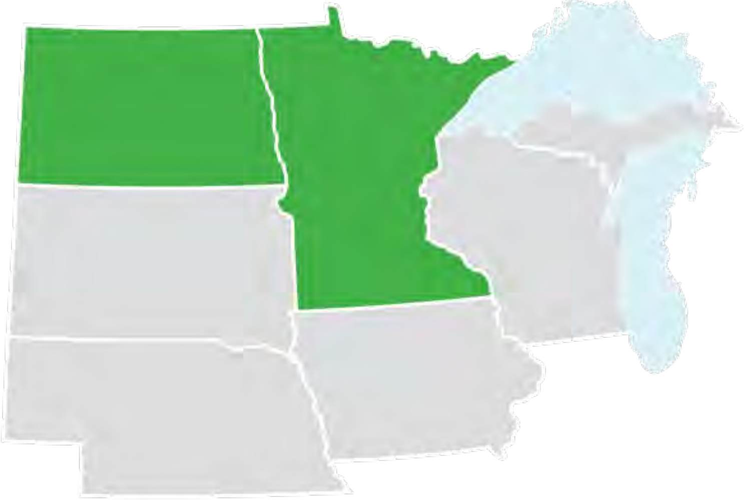
Reflects December 2025 data

Measuring access - you can count on our network numbers

- Number of unique individual dentists is the best measure of access.
- At Delta Dental, we do not lease our networks. Our local staff members foster relationships directly with dentists:
  – Have dentists retired?
  – Have dentists reduced their workload?
  – Have dentists moved?
- At Delta Dental, we:
  – Regularly validate and update network numbers
  – Rely on third-party resource to analyze data
  – Provide clients and members with an accurate assessment

DELTA DENTAL

Average network discounts



Minnesota Based Providers:

- Delta Dental PPO™ = 30.2 percent
- Delta Dental Premier® = 28.4 percent

North Dakota Based Providers

- Delta Dental PPO Plus Premier™ = 24.7 – 26.1 percent*

*Discount range provided.

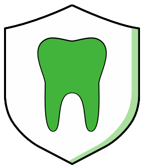
Source: Milliman's Dental Actuarial Analytics (DAA) 2024 PPO Network Study

Network utilization

NDPERS experiences greater savings when members utilize a Delta Dental PPO or Delta Dental Premier dentist. Those savings are one factor in plan stability.

Utilization of Networks	
Delta Dental PPO™	18.95%
Delta Dental Premier®	+58.75%
	77.71%
Book of Business Normative	89.23%

NDPERS and network savings



Network	Savings
Delta Dental PPO™	$1,740,511
Delta Dental Premier®	$4,039,847

2025 Total Paid Claims

$13,619,730

Total network savings:

$ 5.78 million

Total network savings represents the average per employee savings:

$375 annually or $31.24 per month

DELTA DENTAL

Dental marketplace and trends

Fluoride studies

- Evidence-based public health measure reducing tooth decay.
- Professional topical applications (varnishes/gels) are highly effective in reducing future restorative needs.

Technology and Treatment:

- Implant supported dentures.
- Salivary diagnostics.
- Composite fillings.

Dentistry workforce trends

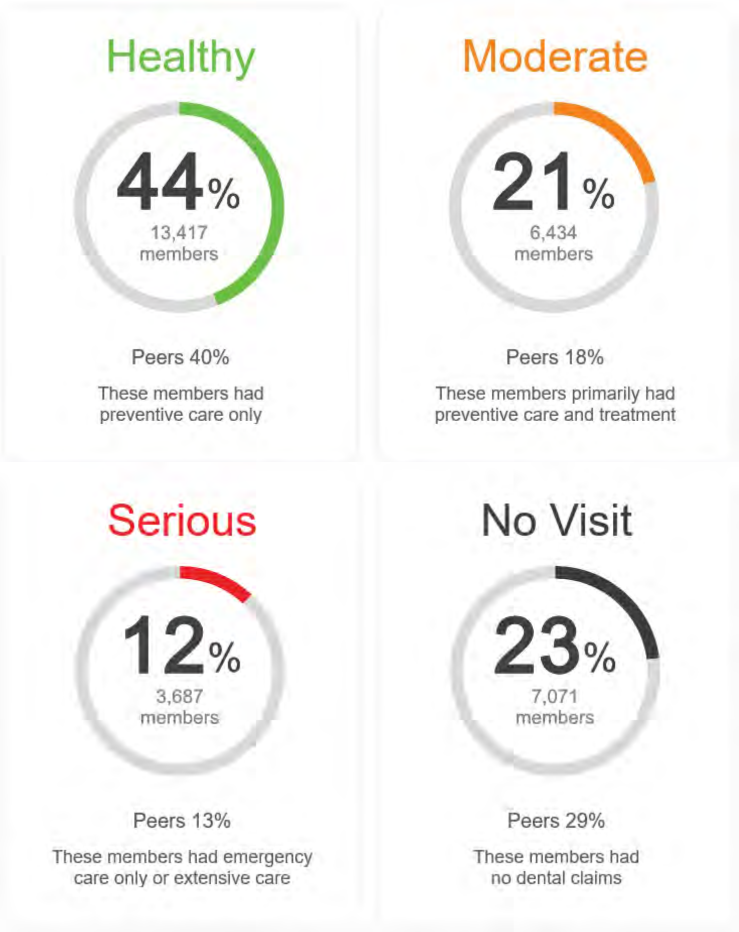
- Dental Therapists in rural communities.

Sleep awareness

- Awareness of obstructive sleep apnea (OSA).
- Non-invasive treatments such as oral appliance therapy (OAT).

Dental Action Report

- Unique only to Delta Dental
- Two full years of experience is required for this report
- Members are placed in categories based on utilization
- Identifies behavior patterns to help improve results
- Opens discussion for plan enhancements targeting members needs
- Creates opportunities for oral health education and engagement
- Gives insight beyond paid claims data



DELTA DENTAL

Dental Action Report – NDPERS Details

No Visit Members

4,070 members have not seen a dentist for two years and may be at increased risk

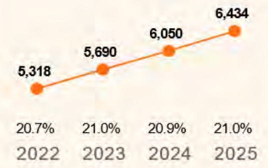
- **1,894** are employees
- **3,545** are adults
- **525** are children

Oral Health Changes

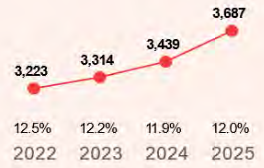
One year reporting period ending Q3 2025.

Healthy 44%
13,417 Members

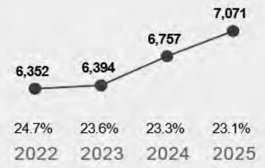
Moderate 21%
6,434 Members



Serious 12%
3,687 Members



No Visit 23%
7,071 Members



Changes in the No Visit Category

Positive

723 previously *No Visit* saw a dentist and are *Healthy*

593 previously *No Visit* saw a dentist and are *Moderate*

Concerning

687 previously *Healthy* have not seen a dentist.

556 previously *No Visit* saw a dentist and are Serious.

1,341 *No Visit* are new enrollees.

Negative

4,070 *No Visit* for two years in a row

442 previously *Serious* have not seen a dentist

531 previously *Moderate* have not seen a dentist

Appendix

Oral health & overall health

Delta Dental's clinician team

Cindy McGregor, DDS

Dr. Cindy McGregor is the Vice President of Dental Services. Prior to joining Delta Dental of Minnesota, she served as President of the Doctor Group and chair of the Quality Assurance Committee for a large dental group practice. Dr. McGregor has more than 25 years of clinical experience.

James O'Meara, DDS

James O'Meara is the Vice President of Dental Services. In addition to private practice he was an instructor at University of Nebraska and Creighton University dental schools for more than 25 years.

R. Bruce Templeton, DMD

R. Bruce Templeton is an oral surgeon and has served as a medical consultant for our organization since 2011.

Eileen Crespo, MD

Eileen Crespo is the Vice President of Medical Services. Dr Crespo has been a practicing pediatrician for over 25 years.

DELTA DENTAL

Mouth-body connection

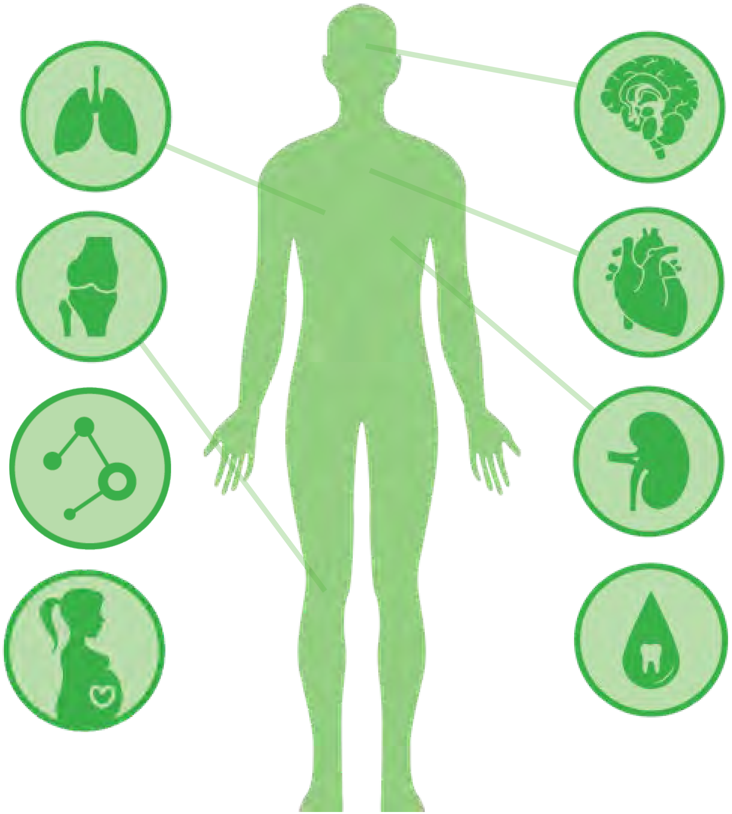
Did you know that more than 120 medical conditions can be detected by signs and symptoms in the mouth?

Lungs
Bacteria in the mouth can be inhaled into the lungs and may lead to pneumonia.

Bones
Bone density decreases with age, including the bones that support teeth.

Cancer
Oral cancer can develop and easily spread throughout the body, so early detection is important.

Pregnancy
Increased hormone levels may lead some women to develop gingivitis.



Brain
Hormones produced by stress and depression may contribute to gum disease.

Heart
Gum disease and poor oral health may lead to a higher risk for heart disease and stroke.

Kidneys
There are links between kidney disease and oral health problems, including gum disease.

Blood
Diabetic patients are more likely to have gum disease. Non-diabetic patients with poor oral health may be more susceptible to developing diabetes.

What do my teeth tell me about my health?

We often mention the impact of oral health on overall health, signs or symptoms in the mouth can point to other greater health concerns:

- Periodontal disease & diabetes
- Malnutrition & oral health
- Damaged enamel & eating disorders
- Gum swelling or bleeding & pregnancy
- Gum disease & heart disease
- Pale gums & anemia
- Tooth loss & osteoporosis
- Thrush & immunosuppression

Learn more: blog.deltadentalmn.org

The Power of Smile™ oral health blog

Visit The Power of Smile™ Blog

blog.DeltaDentalMN.org

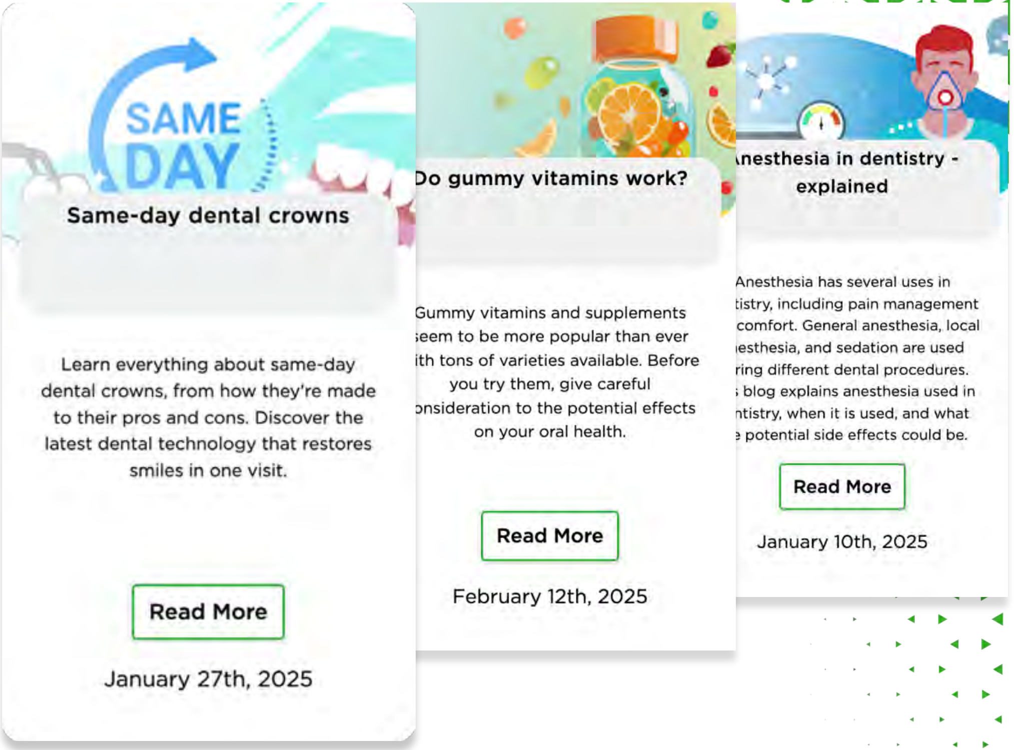
For you and your employees:

Subscribe

Subscribe to our blog for email updates.

Most popular blog posts of 2025

1. Same day dental crowns
2. Do gummy vitamins work?
3. Anesthesia in dentistry



Blog calendar

February

- Children's Dental Health Month
- Heart health and oral health

March

- Menopause and oral health
- Lip and mouth tattoos

April

- Multiple Sclerosis and dental care
- Dentist debunked – social media teeth trends

May

- Pregnancy and oral health
- Postpartum oral health

June

- Veterinary dental care
- World Smile Month

July

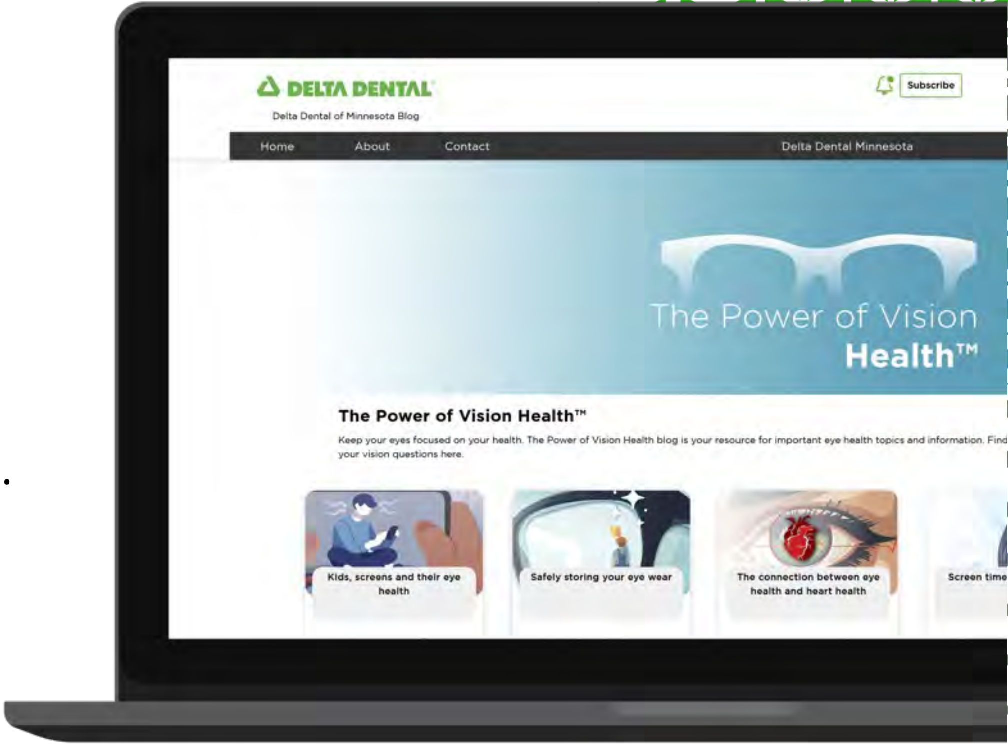
- Caring for your teeth on the go (oral health travel tips)
- What to do if you chip a tooth

The Power of Vision Health™

[The Power of Vision Health™ Blog](https://blog.DeltaDentalMN.org/the-power-of-vision-health)

blog.DeltaDentalMN.org/the-power-of-vision-health

Keep your eyes focused on your health. The Power of Vision Health™ blog is your resource for important eye health topics and information.



Digital tools

Driving sustainability through digital solutions

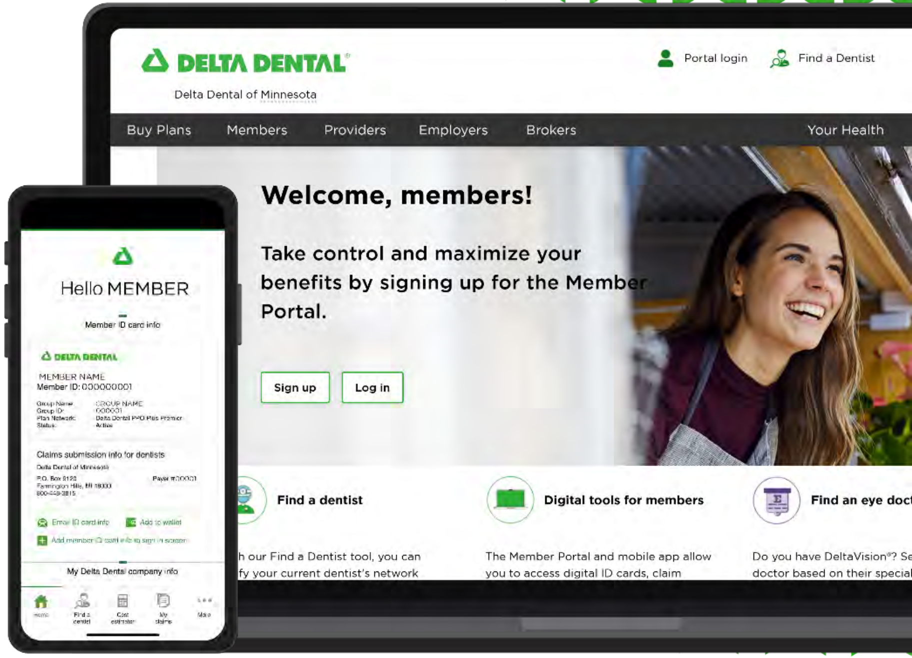
Developing digital resources for our clients and members significantly reduces our dependence on printed materials and postage.

Members:

- ID cards
- Digital Explanation of Benefits (EOB)
    - *Opt-out via Member Portal*

Providers:

- Enabled dentist to upload additional information
- On-line credentialling and re-credentialing
- Direct deposit electronic payments
- Digital Explanation of Benefits (EOB)

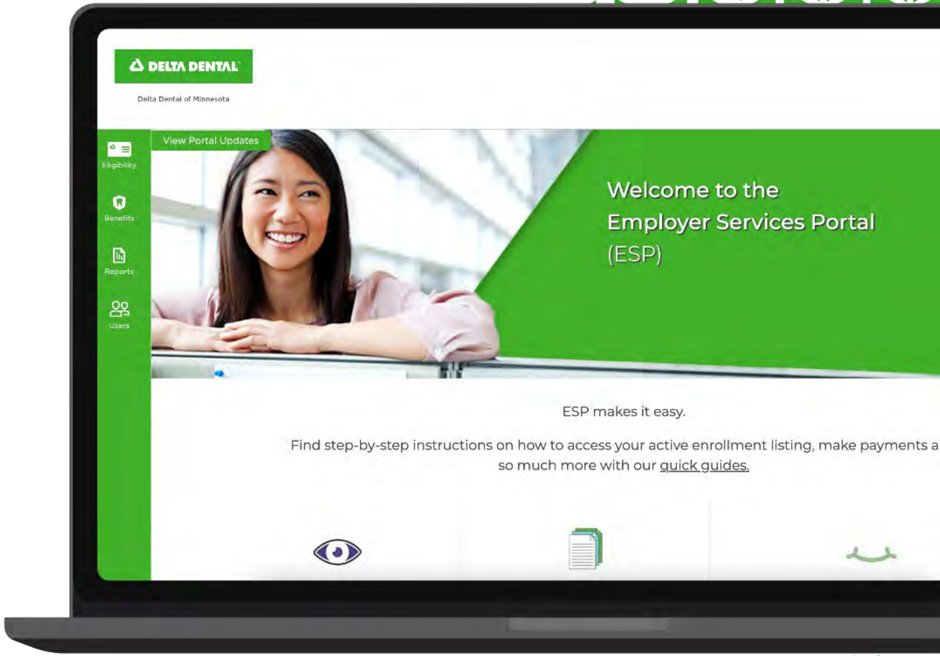


DELTA DENTAL

Employer Service Portal (ESP)

DeltaDentalMN.org/employers

- Manage enrollment
- View detailed billing and benefit information
- Manage access *(Delegated Super Users only)*
- View custom client reports
- Download a replacement ID card
- Age Maximum Alerts *(New)*
- User Cloning Feature *(New)*

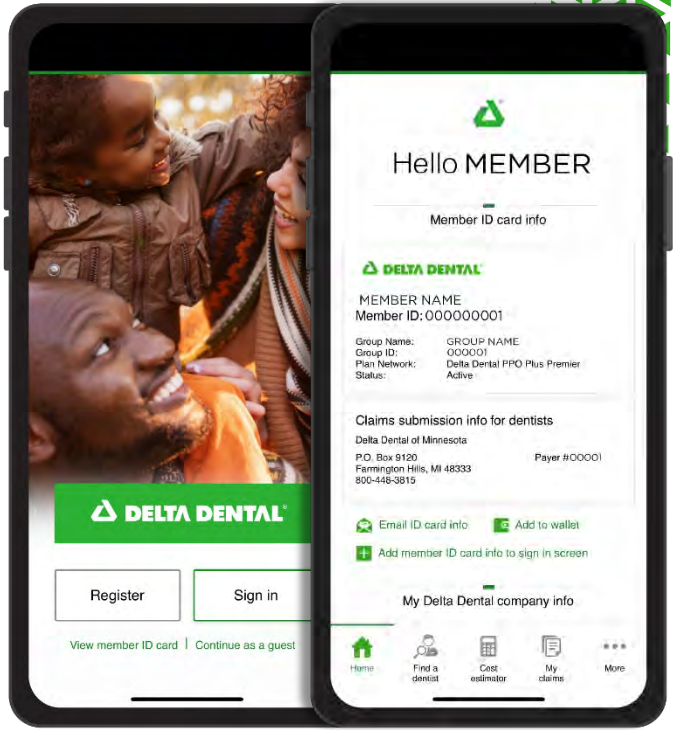


Delta Dental mobile app

Access your insurance benefits and ID card, anywhere with the Delta Dental Mobile App.

Features:

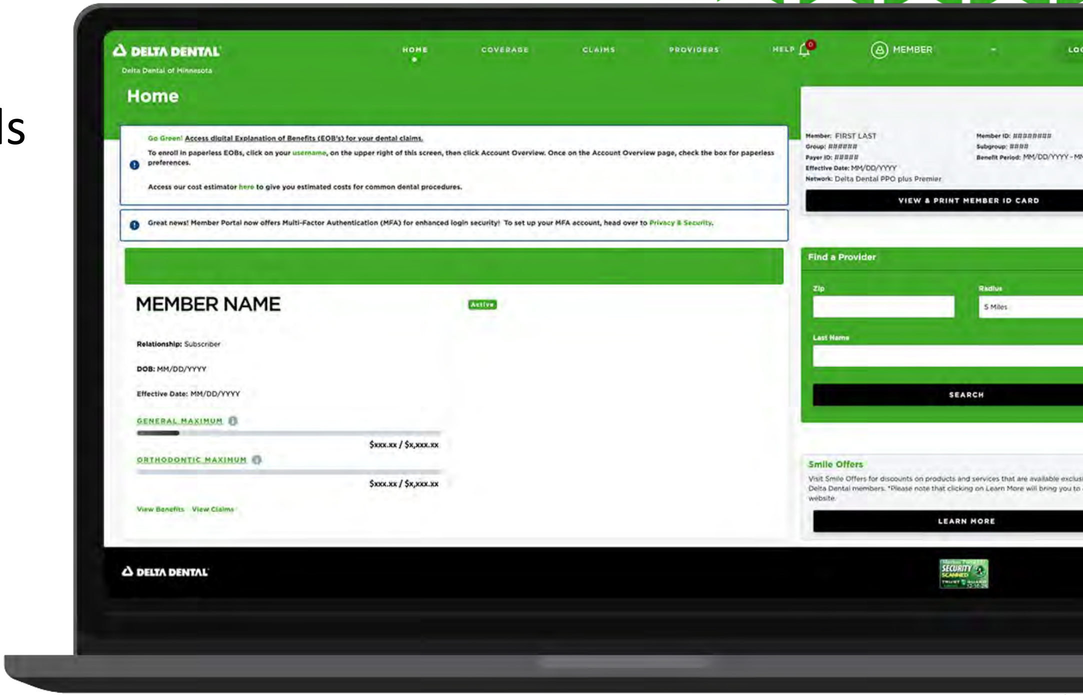
- One touch mobile ID card
- Cost estimator
- Find a Dentist tool
- Claims details
- Enhanced digital ID card



Member self-service

DeltaDentalMN.org/members

- View claims history
- View and print/download ID cards
- View coverage/benefits
- Update email address
- Find a Dentist tool
- Simplified search functions
- Opt into Digital EOB’s
  – received by email within days of visit

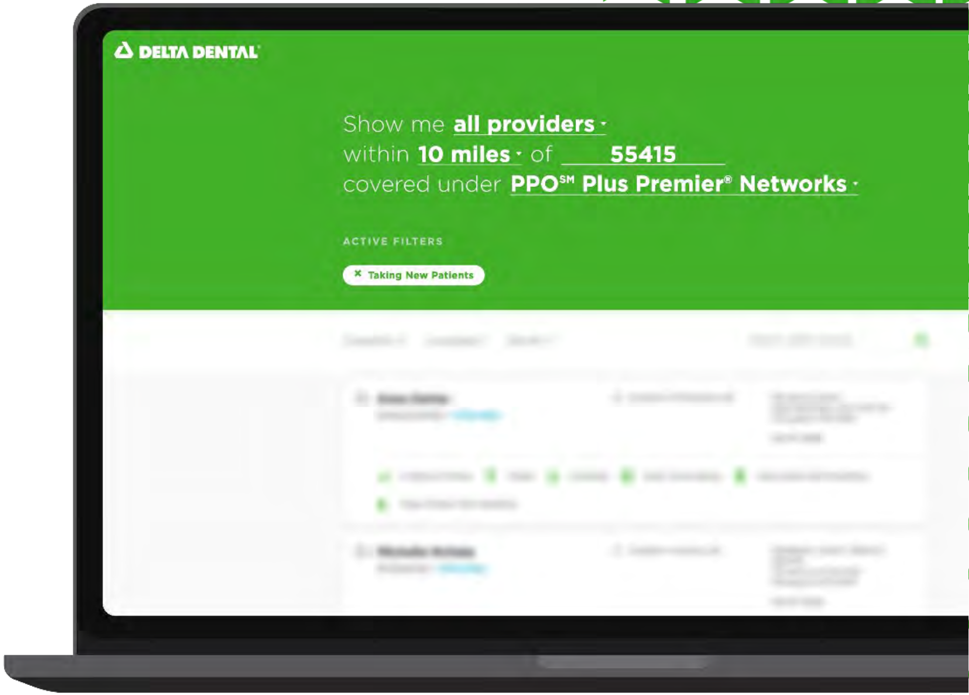


Find a Dentist tool

DeltaDentalMN.org/find-a-dentist

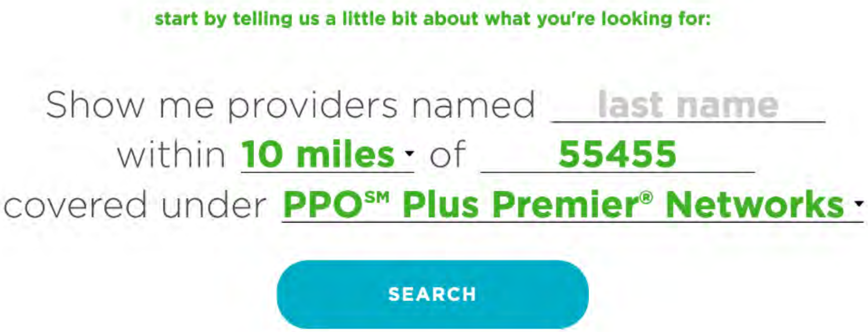
Users have the option to search for a new dentist or see if current dentist is in-network.

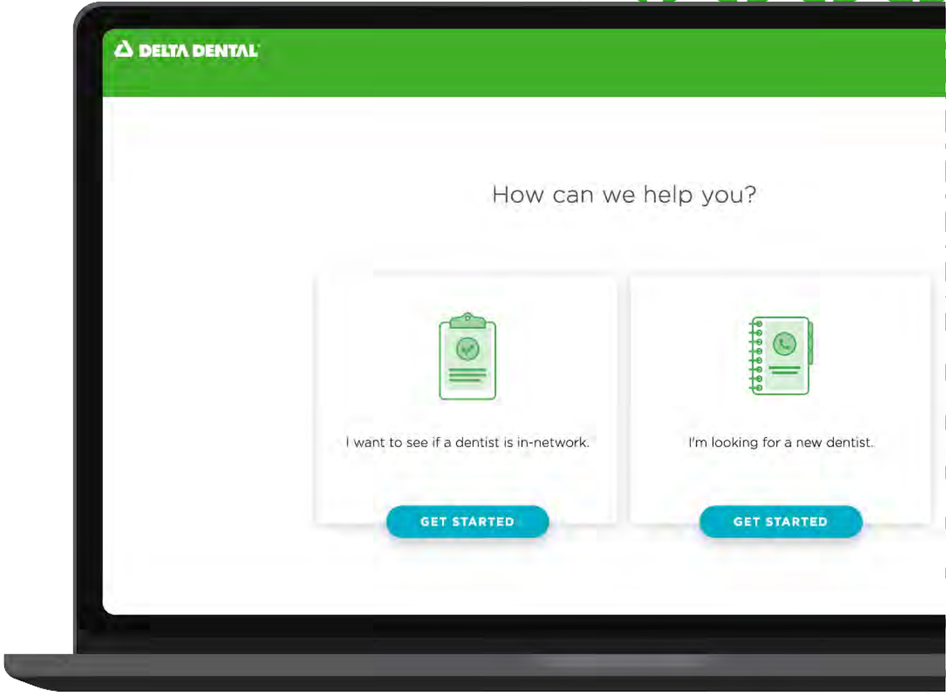
- Search by: location, name and network.
- In-depth results show providers and clinics, proximity of public transit, accessibility and more.



Find a Dentist tool

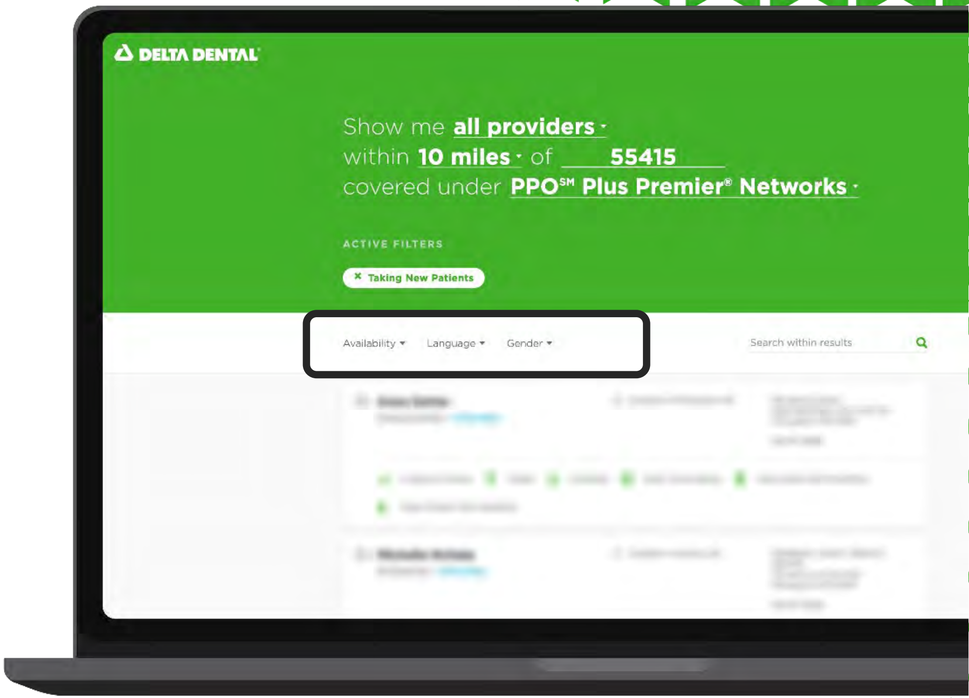
Users have the option to search for a new dentist or see if their dentist is in-network.





Advanced filter options

- Search for a new provider and filter based off:
  - Provider specialty
  - Office hour availability
  - Language
- View additional information such as accessibility and if provider located near public transit



Advanced filter options

In Network: PPO & Premier

Gender

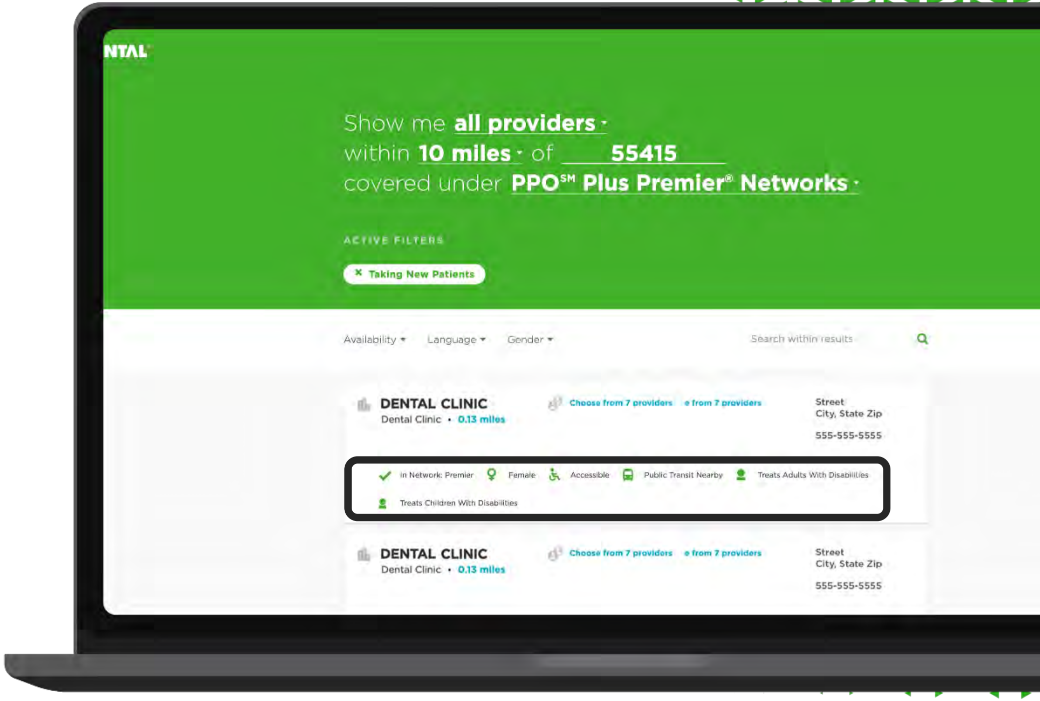
Language

Public transit

Accessible

Treats adults/children with disabilities

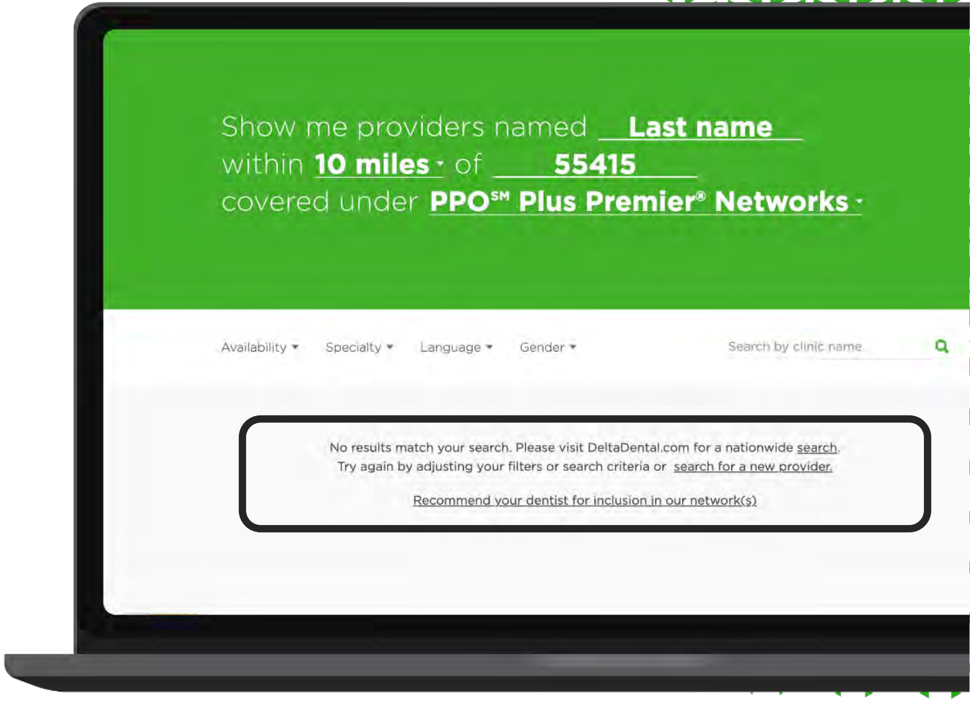
Early morning hours



Member Nomination for provider additions

- Our **Find a Dentist** Tool has the ability to search for a particular dentist by name.

- If you are unable to find that dentist, there is a link to **“Recommend your dentist for inclusion in our network(s)”.** Complete this form and our Provider Relations team will contact him/her regarding future Delta Dental network participation.



Thank you!

Thank you for choosing Delta Dental of Minnesota as your partner in maintaining good oral health. We appreciate your ongoing business and we look forward to continuing our commitment to excellent service and quality dental benefits for you and your employees.

DELTA DENTAL®

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Memorandum

TO: NDPERS Board

FROM: Katheryne Korom

DATE: March 10, 2026

SUBJECT: 2025 EAP Utilization

The following table shows the self-reported 2025 utilization from the NDPERS Employee Assistance Program (EAP) providers. The overall EAP utilization rate was 8.6% in 2025.

NDPERS Employee Assistance Program – 2025

	NDPERS TOTAL	Live Well**	Bree Health	ComPsych***	The Village	CHI
Contracts****	16,426	0	2,622	625	9,036	4,143
Cases*	1412	13	259	23	499	618
%	8.6%	0.0%	9.9%	3.7%	5.5%	14.9%
Sessions	3,168	55	637	11	1,864	601
Reported Case Types:						
Psychiatric	571	3	74	0	268	226
Family/Personal	480	5	59	2	150	264
Work Problems	128	0	16	0	25	87
Financial/Legal	62	4	23	0	35	0
Drugs/Alcohol	34	0	5	4	15	10
Other/Unknown	64	1	5	17	10	31

* Note that family members are also eligible for the EAP.
** Data is for 1/1/25 – 6/30/25
*** Data is for 7/1/25 – 12/31/25
**** Data as of 12/31/25

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

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Memorandum

TO: NDPERS Board

FROM: Lindsay Schaf

DATE: March 10, 2026

SUBJECT: Sanford Health Plan 2026 Member Experience Survey

Sanford Health Plan (SHP) is preparing to distribute its 2026 Member Experience Survey. This survey is distributed each even-numbered calendar year to gauge our membership's satisfaction with the services provided by SHP in relation to our health insurance plan. The survey was previously developed with input from NDPERS staff and has remained consistent so that results can be compared against previous survey responses. This year, however, SHP has added one additional question (Question 6) to align with industry standards to allow them to get a Net Promotor Score (NPS).

Please find the following attachments:

1) A memo from SHP outlining the survey goals, targets, questions, and timelines (Attachment 1)
2) The cover letter that accompanies the survey (Attachment 2)
3) The sample survey (Attachment 3)

Representatives from SHP will be available to answer any questions you have regarding the upcoming survey.

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

Attachment 1

SANFORD HEALTH PLAN

To: Rebecca Fricke

From: Kim Haug

Date: March 10, 2026

Re: 2026 NDPERS Member Experience Survey

The North Dakota Public Employees Retirement System (NDPERS) and Sanford Health Plan (SHP) are preparing the 2026 Member experience survey. The following sections outline key survey details.

SURVEY GOALS

- Gather perceptions related to benefit communications, claims processing and the member services call center
- Gather high-level satisfaction and utilization metrics, along with basic demographic information, to determine areas that are most likely to improve customer service and member satisfaction

SURVEY TARGETS AND SAMPLING

- **Survey Population:** NDPERS policy holders across all lines of business
- **Completion Target:** Gather 750-900 completed survey responses, including 250-300 members who have called the member services call center in the past 6 months (approximate margin of error +/-4%)
- **Random Sample:** A simple random sample will identify 7,500 members who will be invited to complete the survey
- **Estimated Response Rate:** Response rates are conservatively estimated at 12%

SURVEY DISTRIBUTION AND RESPONSE COLLECTION

- **Mail Distribution:** All members will receive paper surveys with pre-paid return envelopes
- **Digital Option:** Members will be given an option to complete the survey online instead of returning the paper survey
- **Collaborative Effort:** A cover letter explaining the survey will be included in the mailing. The letter will be co-branded by NDPERS and Sanford Health Plan.
- **Unique Survey ID:** To track responses, variable data printing will be used to assign each survey a unique ID number

- **Confidentiality:** Four confidentiality protections will be communicated to NDPERS members, including: 1) Survey results will be combined for reporting purposes; 2) No personal identifiable information will be reported; 3) Completing the survey is optional and will not affect benefits; and 4) The survey ID number is used only to track survey completion and avoid follow-up reminders
- **Survey Reminder:** A reminder postcard will be developed and deployed if needed

SURVEY QUESTIONS

- **Core Questions:** Questions 1-10 are considered core NDPERS member survey questions, gathering information about benefit utilization and satisfaction, along with high level member experience metrics
- **Demographic Questions:** Questions 11-16 are basic demographic questions, allowing Sanford Health Plan to determine the representative nature of the results
- **Call Center Questions:** Questions 17-26 provide feedback on the Sanford Health Plan member services call center
- **Survey Length:** The survey is estimated to take 5-7 minutes to complete all questions.

PROPOSED TIMELINES

- **March:** Survey and timeline presented to NDPERS board
- **Early April**: Survey distribution begins
- **April:** Survey reminder sent to NDPERS members, as needed
- **May:** Survey collection closes (may occur sooner if upper-end target of 900 completed surveys reached)
- **July:** Final report provided to NDPERS. Results presented to NDPERS Board thereafter.

Attachment 2

Survey ID: XXXXX

NDPERS

MEMBER SURVEY

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM | SANFORD HEALTH PLAN

April 2026

Dear NDPERS Dakota Plan Health Benefits Member,

The North Dakota Public Employees Retirement System (NDPERS) and Sanford Health Plan are dedicated to ensuring our members receive the highest quality of service. To achieve this, we need a little help from you.

We encourage you to answer a few questions about your health plan benefits and specifically about the customer service you receive. We value your opinion, please take 5-7 minutes to complete the survey before **May 17** to ensure inclusion.

You may complete the survey in one of two ways:

1. Complete the paper survey included with this letter and return it in the business-reply envelope, also included with the letter.
2. Complete the survey online at **surveyNDPERS.com**
    a. You will be asked for a password to enter the survey. The password is: **Dakota**
    b. Use this survey ID number to access the survey: XXXXX
    c. After you enter the survey ID number, click the ">>" to begin the survey
    d. If you complete the survey online, DO NOT fill out the paper copy

This survey is optional and will not impact the benefits you receive. All responses will be combined for our reporting purposes and no personally identifiable information will be included.

The unique survey ID number printed on your invitation letter and your survey is used to track survey completion, avoid duplicate survey responses, and ensure we don't send you additional reminders to complete the survey.

We appreciate your cooperation and assistance in helping us ensure we are providing the best service possible. If you have any questions or concerns, call (800) 499-3416 (TTY:711).

Sincerely,

Rebecca Fricke

Rebecca Fricke
Executive Director
North Dakota Public Employees Retirement System

Attachment 3

Survey ID: XXXXX

NDPERS

MEMBER SURVEY

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM | SANFORD HEALTH PLAN

1. When was the last time you received health services that led to a health insurance claim?
Consider any service that impacts your individual or family deductible or coinsurance. Examples include services provided by physicians, hospitals, laboratories or pharmacies. Place a (√) next to one of the options below.

- ☐ Within the last 30 days
- ☐ 1 to 2 months ago
- ☐ 3 to 4 months ago
- ☐ 5 to 6 months ago
- ☐ More than 6 months ago
- ☐ N/A — Neither I nor my family have used any services that led to a health insurance claim

2. Which health prevention or health screening services do you use?
Place a (√) next to every prevention or screening service used by you or any member of your family.

- ☐ Annual physical examination
- ☐ Immunizations, such as flu shots
- ☐ Well Child Care services
- ☐ Cancer screening services, such as breast cancer or colon cancer screenings
- ☐ Other (please specify) ____________________
- ☐ N/A — Neither I nor my family use prevention or screening services

3. Which NDPERS Dakota Wellness Program benefits do you use?
Place a (√) next to every NDPERS Dakota Wellness Program benefit used by you or any member of your family.

- ☐ Worksite education or wellness activities (newsletters, book clubs, wellness challenges)
- ☐ Fitness Center Reimbursement Program
- ☐ Diabetes Management or Healthy Pregnancy programs
- ☐ The Wellness Portal powered by WebMD
- ☐ Other (please specify) ____________________
- ☐ N/A — Neither I nor my family use NDPERS Dakota Wellness Program benefits

4. How satisfied are you with your NDPERS Dakota Plan Health Benefits?
Use the 10-point scale below to tell us your opinion; 1 is "Not At All Satisfied" and 10 is "Extremely Satisfied." Place a (√) beneath one number.

Not at All Satisfied 1	2	3	4	5	6	7	8	9	Extremely Satisfied 10
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

5. Why did you give your NDPERS Dakota Plan Health Benefits that rating?
In the previous question, you rated your satisfaction with NDPERS Dakota Plan Health Benefits.
Use the space below to briefly explain your satisfaction with your NDPERS Dakota Health Plan benefits.

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

Not at All Likely									Extremely Likely
1	2	3	4	5	6	7	8	9	10
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

PLEASE TELL US MORE ABOUT YOUR EXPERIENCE AS A PLAN MEMBER.

For the next 4 questions, read each statement and rate your experience. Use the 4-point scale to tell us your opinion; 1 is “Strongly Disagree” and 4 is “Strongly Agree.” If the statement doesn’t apply to you, choose the N/A option.

7. **Printed materials or internet resources help you understand how your health plan works.**
Consider any information about your benefits provided by Sanford Health Plan, which may include written materials or information available on Sanford Health Plan’s website. Place a (√) below one of the options below. If you have not read any printed materials or internet resources, please choose the “N/A” option.

Strongly Disagree			Strongly Agree	N/A
1	2	3	4	
☐	☐	☐	☐	☐

8. **Explanation of Benefits (EOB) documents are easy to understand.**
Place a (√) below one of the options below. If you have not received an explanation of benefits, please choose the “N/A” option.

Strongly Disagree			Strongly Agree	N/A
1	2	3	4	
☐	☐	☐	☐	☐

9. **Health insurance claims are processed in a timely manner.**
Place a (√) below one of the options below. If you have not received any services that generated a health insurance claim, please choose the “N/A” option.

Strongly Disagree			Strongly Agree	N/A
1	2	3	4	
☐	☐	☐	☐	☐

10. **Health insurance claims are processed accurately.**
Place a (√) below one of the options below. If you have not received any services that generated a health insurance claim, please choose the “N/A” option.

Strongly Disagree			Strongly Agree	N/A
1	2	3	4	
☐	☐	☐	☐	☐

PLEASE TELL US MORE ABOUT YOURSELF.

The next 6 questions ask for basic information about you and the coverage you receive. Answering these questions helps us better serve you.

11. **How do you or your family qualify for NDPERS Dakota Plan Health Benefits?**
If you are not the policy holder, please select the option that best reflects the policy holder’s eligibility. Place a (√) next to one of the options below.

☐ As an active employee of the State of North Dakota
☐ As an active employee of a political subdivision (city, county, school, etc.)
☐ As a retiree
☐ As a COBRA participant

12. During the past 12-months, approximately how often did you use your health care benefits?
Place a (√) next to one of the options below.
☐ Never ☐ 3-4 times ☐ 7+
☐ 1-2 times ☐ 5-6 times

13. What is your zip code?
Use the space to write in your five-digit zip code:________________

14. Which health insurance plan do you have?
Place a (√) next to one of the options below.
☐ NDPERS PPO/Basic Plan ☐ NDPERS Dakota Retiree Plan (Medicare)
☐ NDPERS High Deductible Health Plan (HDHP) ☐ Don't Know / Unsure

15. How many people in your household are covered by your NDPERS Dakota Plan Health Benefits?
Place a (√) next to one of the options below.
☐ 1 ☐ 2 ☐ 3 ☐ 4 or more

16. How old are you?
Place a (√) next to one of the options below.
☐ Under 25 years old ☐ 35 to 44 years old ☐ 55 to 64 years old
☐ 25 to 34 years old ☐ 45 to 54 years old ☐ 65 years or older

PLEASE PROVIDE YOUR FEEDBACK ON THE MEMBER SERVICES CALL CENTER.

The next set of questions relate to your experience with the Sanford Health Plan member services call center. If you have called the member services center more than once within the last 6 months, please answer the questions based upon the most recent time you called the member services department.

17. Have you called the Sanford Health Plan member services center in the past 6 months?
Place a (√) next to one of answers below.
☐ No → Please skip to Question 25.
☐ Yes → Please continue to Question 17.

18. How satisfied were you with the service you received when you called member services?
Use the 10-point scale below to tell us your opinion; 1 is "Not At All Satisfied" and 10 is "Extremely Satisfied."
Place a (√) beneath one number.

Not at All Satisfied									Extremely Satisfied
1	2	3	4	5	6	7	8	9	10
☐	☐	☐	☐	☐	☐	☐	☐	☐	☐

19. Why did you call the member services call center?
Place a (√) next to one of the options below.
☐ To get information about coverage or benefits
☐ To ask a question about a health insurance claim or explanation of benefits (EOB)
☐ To discuss or obtain prior authorization
☐ To check provider participation status
☐ To initiate an appeal
☐ Other (please specify) ____

20. How long did it take the representative to provide the information or help you needed?
Place a (√) next to one of the options below.
☐ The issue was addressed during the initial call ☐ 1 to 2 weeks
☐ Less than 24 hours ☐ 3 or more weeks
☐ Less than 1 week ☐ The issue was not resolved

21. How long did you have to wait before you were able to talk to a customer service representative?
Place a (√) next to <u>one</u> of the options below.
☐ The call was answered immediately by a representative
☐ Less than 1 minute
☐ 1 to 2 minutes
☐ Longer than 2 minutes
☐ I hung up before talking to a customer service representative
☐ Don’t Know / Don’t Remember

PLEASE SHARE YOUR FEEDBACK ABOUT THE REPRESENTATIVE YOU TALKED WITH.

For the next 4 questions, read each statement and rate the service representative. Use the 4-point scale to tell us your opinion; 1 is “Strongly Disagree” and 4 is “Strongly Agree.” If the statement doesn’t apply to you, choose the N/A option.

22. The customer service representative treated you with courtesy and respect.
Place a (√) below <u>one</u> of the options below.

Strongly Disagree 1	2	3	Strongly Agree 4
☐	☐	☐	☐

23. The customer service representative was knowledgeable.
Place a (√) below <u>one</u> of the options below.

Strongly Disagree 1	2	3	Strongly Agree 4
☐	☐	☐	☐

24. The customer service representative answered my questions clearly and completely.
Place a (√) below <u>one</u> of the options below.

Strongly Disagree 1	2	3	Strongly Agree 4
☐	☐	☐	☐

25. The customer service representative completed any follow-up that was promised.
Place a (√) below <u>one</u> of the options below. If your call did not require follow-up, please choose the “N/A” option.

Strongly Disagree 1	2	3	Strongly Agree 4	N/A
☐	☐	☐	☐	☐

26. Do you have any additional feedback you would like to provide?
Please enter your comments in the space provided.

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Memorandum

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: March 10, 2026

SUBJECT: Health Insurance Plan Request for Proposal (RFP) Review

At the January 2026 Board meeting, Deloitte Consulting provided an overview of the health insurance plan RFP process. During that discussion, the Board asked staff to bring back the following items:

1) Criteria that will be followed as part of the evaluation of the responses.

2) NDPERS staff that will be part of the RFP response review team so that the Board may approve.

3) Inclusion of a Board member in the RFP response review team or having a Board subcommittee formed to act as part of the RFP response review team.

Criteria To Be Followed for Evaluation of Responses:

The criteria to be followed is part of the RFP document currently being prepared by Deloitte Consulting and staff. The criteria will be brought for discussion with the Board at the April 2026 meeting when the draft RFP is presented for the Board's input prior to final approval at the May 2026 meeting.

NDPERS Staff Response Review Team:

Staff propose the following staff members be named as part of the RFP response review team as they are the subject matter experts that have been heavily involved in efforts with Deloitte Consulting in the preparation of the RFP:

Katheryne Korom	Research & Project Manager
Derrick Hohbein	Chief Operating & Financial Officer
Lindsay Schaf	Chief Benefits Officer
Rebecca Fricke	Executive Director
Vacant	Insurance Programs Manager

Board Member Inclusion in Response Review Team:

At this meeting, the Board discussed interest in having a Board member serve on the response review team. In addition, there was discussion regarding having a Board subcommittee formed to be part of the response review team.

Historically during previous insurance RFP cycles, including those for the health insurance plan, the Board has retained a consultant in order to prepare the RFP to be released and lead the evaluation efforts for responses to the RFP. It is a time-intensive process and becomes the primary focus for the team members assigned this task. Significant hours are dedicated to the review of each vendor response. The consultant meets regularly with the NDPERS RFP preparation and response review team, typically at least weekly, to ensure that the review is staying on task and meeting necessary deadlines. The schedule for the health insurance plan RFP process is a very tight schedule in order to ensure an award is made when needed so that the projected premium can be shared with the Office of Management & Budget for preparation in the Governor's Budget. As a reminder, the following is the high-level tentative timeline shared with the Board at the January meeting:

Health RFP: Timeline

Health RFP
Board meetings

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

 5

Once the Deloitte and NDPERS team members have completed the initial RFP response analysis, Deloitte provides detailed information to the Board regarding the responses received so that the Board can make recommendations on narrowing the vendor pool for finalist meetings. The Board participates in the finalist meetings so that they may ask questions, hear responses and provide direction to Deloitte and NDPERS staff on next steps as the Board moves towards making a final vendor selection. I also want to note that the vendor responses are available for any Board member to receive a copy of any time throughout the process. However, previous Boards have not requested to receive a copy. Should a Board member receive a copy, it is imperative that it not be shared or discussed with another Board member or anyone other than the Deloitte and/or NDPERS staff that are part of the review team.

Staff did visit with legal counsel in order to understand potential items the Board should be aware of as they consider their level of involvement with the review of vendor responses.

Legal counsel has confirmed that any more than one Board member serving in this capacity would constitute a Board subcommittee and would therefore make the subcommittee subject to open meetings and records laws. Therefore, any meetings would be required to be appropriately noticed, the committee would need to follow open and executive session laws throughout the review process, minutes would need to be prepared, etc. The committee members would need to be extremely careful that no discussions regarding the responses occur outside of noticed meetings.

Deloitte Consulting was also asked for their thoughts regarding having a Board member serve on the response review team and also regarding having a Board subcommittee named for this purpose. Specifically, they were asked for input based upon their experience with other public sector clients, especially other state clients. They have indicated that in their experience, the initial review process is performed similar to how NDPERS has done it in the past. Their clients have a staff review team made up of both staff from the consultant and staff from the client. Typically the client staff are the internal staff members who work directly with the plan on a daily basis given they are the subject matter experts for the administration of the plan. Deloitte has indicated that this is the prevalent and preferred method. Given the significant work effort involved in the review of the responses, they have found that this arrangement is successful in analyzing if the services outlined within the responses align with the plan provisions, while maintaining the aggressive timeline for the whole process. Conversely, Deloitte notes that deviating from the approach could jeopardize adherence to the aggressive timeline.

Staff have considered the information provided by legal counsel and Deloitte. It is staff's recommendation that the Board:

1) Approve the recommended NDPERS staff response review team.

2) Consider maintaining the same process of having the primary analysis of evaluations performed by Deloitte Consulting and the NDPERS staff review team.

Staff make this recommendation after considerable discussion about the volume of responses needing review, ensuring the integrity of the review process is maintained, and concerns on maintaining the timeline. The process although a heavy lift for staff, has worked well previously for this RFP process, as well as the other benefit products and services for which NDPERS releases RFPs.

If following the same process as has been done previously is not the desire of the Board, then staff would recommend the Board designate one Board member to be more directly involved in the response review in order to avoid the requirements that occur should a subcommittee of 2 or more Board members be formed. The Board could direct the level of involvement for the one named Board member to be:

a. Receiving weekly or periodic updates from the review team as the analysis moves forward.

b. Reviewing all responses and participating in discussions between the Deloitte and NDPERS review teams as analysis is completed.

Based upon the decision made by the Board, the Board may also need to consider appropriate pay, if any, for a Board member who serves in this capacity. NDCC 54-52-03(5) provides that a Board member receive $148 per day. However, pay has not occurred previously to a member for services other than attendance at Board meetings and subcommittee meetings. Given any review of RFP responses will be a time-intensive process, we want to make sure we understand the degree of involvement and potential pay that would be made to any Board member reviewing materials. If this is something the Board is interested in, staff would recommend parameters be outlined by the Board and staff can then review with legal counsel and bring forward pay recommendations at the next meeting.

Board Action Requested:

1) Approve the recommended NDPERS staff response review team.
2) Provide direction on the level of Board involvement in the response review team. Options include:

    a. Maintain current process
    b. Designate one Board member to the review team and outline level of involvement:
        i. Receive weekly or periodic updates on analysis from review team
        ii. Review responses receive and provide analysis to Deloitte and NDPERS review teams, participating in discussions, etc.
    c. Designate a Board subcommittee

3) If a Board member(s) is part of review of responses, provide parameters to staff regarding potential pay for services given the significant volume of materials that will be reviewed. Staff will then review with legal counsel and bring options for Board consideration at the April meeting.

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Memorandum

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: March 10, 2026

SUBJECT: Proposed Legislation

At the November 2025 Board Planning Meeting, the Board decided to submit several pieces of legislation for the Employee Benefits Programs Committee's consideration prior to the April 1 bill submission deadline. The bill drafts were reviewed at the February 2026 Meeting and there were not any modifications requested.

The following are the various bill drafts prepared by legal counsel and reviewed by staff:

Attachment 1	Highway Patrol Cash Infusion	Provides for a cash infusion for the Highway Patrol Retirement Plan based upon board action taken at the January 2026 meeting
Attachment 2	457 Plan - New Enrollee Restriction of Provider to Companion Plan Only	Provides authority for NDPERS to charge 457 Deferred Compensation Plan members administrative fees for services
Attachment 3	Final Average Salary Calculation	Revises the Final Average Salary calculation for the Highway Patrol and Defined Benefit Plan to remove the higher of component within the calculation
Attachment 4	Elected County Officials	Codifies language currently in administrative rules to clarify

		participation of elected county officials and ability in limited circumstances to have an in-service distribution
Attachment 5	Technical Corrections	- Update 39-03.1-11.2 & 54-52.6-21(2) due to changes in required minimum distributions under federal law to mirror changes made under 54-52-28(2) - Correct citation under 54-52-01(15) from subsection 14 to subsection 16 - Revise language in NDCC 54-52-05 regarding employee contributions - Clarify 54-52.1-03.2(1)(a) due to RHIC portability, any health, dental, vision or insurance plan, not just NDPERS - Clarify 54-52.1-03.3(3) that combined spouse RHIC can only be applied to NDPERS health insurance - Modify 54-52-04.11 to change “and” to “or” regarding funding of administrative fees for 457 plan - Update definitions under 54-52.6-01(4), (6) & (7) passed in HB 1040 that were not included in SS 1548 - Clarify NDCC 54-52.6-02 regarding member who made DC election participation ceases if political subdivision opts to withdraw from DC plan as provided under HB 1602 - Correct citation under 54-52.6-14 due to changes in 54-52.6-13 references - Add DC plan & 457 plan citations (54-52.6 and 54-52.2-03.3) to exemptions under 28-22-03.1(7) & 28-22-19

		exemptions as public retirement funds - Include “subject to federal contribution limitations” to NDCC 54-52.2-09 in two places when it talks about the employer match - Clarify language to NDCC 54-52.6-09(3) to indicate an employer may pick up all or a portion of the employee contributions under the DC plan (mirrors language in DB plan)

Staff will be available to discuss the proposed legislation bill drafts and answer any questions you may have.

Board Action Requested: Approve the proposed bills for submission to the Employee Benefits Programs Committee.

Attachment 1

Seventieth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

(North Dakota Public Employees Retirement System)

A BILL for an Act to provide for a transfer to the highway patrol trooper's retirement system fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO HIGHWAY PATROL TROOPERS' RETIREMENT SYSTEM FUND. The office of management and budget shall transfer the sum of $_____ from the strategic investment and improvements fund to the highway patrol troopers' retirement system fund, for the purpose of increasing the funded liability of the highway patrol troopers' retirement plan to a level sufficient to be one hundred percent funded based on a 20-year amortization period during the biennium beginning July 1, 2027 and ending June 30, 2029.

NOTE: This bill draft contains blanks that must be filled in before introduction.

Attachment 2

Seventieth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

(North Dakota Public Employees Retirement System)

A BILL for an Act to create to amend and reenact section 54-52.2-03.2 of the North Dakota Century Code, relating to North Dakota Public Employees Retirement System Board authority to administer the deferred compensation program for public employees.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-52.2-03.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The board shall adopt rules necessary to implement this chapter and to manage the deferred compensation plan subject to the limitations of this chapter.
2. The board shall do all things necessary to preserve the tax-exempt status of the plan.
3. All providers must be authorized to do business in this state and all agents of providers must be licensed by the appropriate licensing authority or authorities in this state.
4. To continue to participate in the program, each provider must report annually, in a form and manner specified by the board, information related to their products, administrative and management fees, contract and maintenance charges, withdrawal penalties, market rating, and such other information the board may require.
5. The board may suspend participation of any provider that does not meet the requirements of this chapter or the rules adopted by the board.
6. The board has the authority to establish a deferred compensation advisory committee which shall include active providers who have signed a provider administrative agreement with the state of North Dakota deferred compensation plan.
7. The board may limit new enrollees to one or more providers as designated by the board for purposes of enrollment and certain administrative duties of the deferred compensation plan.

Attachment 3

Seventieth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

(North Dakota Public Employees Retirement System)

A BILL for an Act to amend and reenact subsection 2 of section 39-03.1-11 and subsection 2 of section 54-52-17 of the North Dakota Century Code, relating to the computation of final average salary.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 39-03.1-11 of the North Dakota Century Code is amended and reenacted as follows:

2. Retirement benefits are based on the contributor's final average salary. Final average salary is the average of the highest salary received by the contributor for any thirty-six months employed during the last one hundred twenty months of employment. For contributors who terminate employment on or after August 1, 2010, final average salary is the average of the highest salary received by the contributor for any thirty-six months employed during the last one hundred eighty months of employment. For contributors who terminate employment between July 31, 2005, and August 1, 2010, final average salary is the average of the highest salary received by the member for any thirty-six months employed during the period for which the board has appropriate and accurate salary records on its electronic database, but that period may not be more than the last one hundred eighty months of employment. For members who terminate employment after December 31, 2019, final average salary is ~~the higher of the final average salary calculated on December 31, 2019, or~~ the average salary earned in the three highest periods of twelve consecutive months employed during the last one hundred eighty months of employment. Months without earnings are excluded for the purpose of computing an average. If the contributor has worked for less than thirty-six months at the postponed retirement date, the final average salary is the average salary for all months of employment.

SECTION 2. AMENDMENT. Subsection 2 of section 54-52-17 of the North Dakota Century Code is amended and reenacted as follows:

2. Retirement benefits are calculated from the participating member's final average salary, which is the average of the highest salary received by the member for any thirty-six months employed during the last one hundred twenty months of employment. For members who terminate employment on or after August 1, 2010, final average salary is the average of the highest salary received by the member for any thirty-six months employed during the last one hundred eighty months of employment. For members who terminate employment between July 31, 2005, and August 1, 2010, final average salary is the average of the highest salary received by the member for any thirty-six months employed during the period for which the board has appropriate and accurate salary records on the board's electronic database, but that period may not be more than the last one hundred eighty months of employment. For members who terminate employment after December 31, 2019, final average salary is ~~the higher of the final average salary calculated on December 31, 2019, or~~ the average salary earned in the three highest periods of twelve consecutive months employed during the last one hundred eighty months of employment. Months without earnings are excluded for the purpose of computing an average. If the participating member has worked for less than thirty-six months at the normal retirement date, the final average salary is the average salary for the total months of employment.

Attachment 4

Seventieth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

(North Dakota Public Employees Retirement System)

A BILL for an Act to create and enact a new section to chapter 54-52 and a new section to chapter 54-52.6 of the North Dakota Century Code, relating to in-service benefit distributions to county elected officials; to amend and reenact section 54-52-02.11 and section 54-52.6-02.1 of the North Dakota Century Code, relating to county elected officials' participation in retirement plans administered by the North Dakota Public Employees Retirement System; and to provide for retroactive application.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 54-52-02.11 of the North Dakota Century Code is amended and reenacted as follows:

54-52-02.11. Participation requirements for nonstate elected officials.

1. ~~Before January 1, 2025, eligible elected officials of participating counties, at their individual option, may enroll in the defined benefit plan within the first six months of their term.~~

~~2.~~ ~~After December 31, 2024, eligible~~<u>Eligible</u> elected officials of participating counties, ~~at their individual option~~ <u>from and after the date of first taking office</u>, ~~may enroll~~<u>shall participate</u> in the defined contribution retirement plan under chapter 54-52.6<u>,</u> ~~within the first six months of their term.~~<u>unless at the time of taking office the eligible elected official is:</u>

<u>a.</u> <u>Eligible to participate in the public safety retirement plan created by this chapter, in which case the eligible elected official shall participate in the public safety retirement plan; or</u>

<u>b.</u> <u>A participating or deferred member under this chapter, in which case the eligible elected official shall participate in the defined benefit plan.</u>

<u>2.</u> <u>Elected officials of participating counties who are not eligible employees shall have the same participation options as temporary employees.</u>

SECTION 2. A new section to chapter 54-52 of the North Dakota Century Code is created and enacted as follows:

Nonstate elected officials – in-service benefit distributions.

The board shall approve a request to receive in-service benefit distributions while serving as an elected official of the county of prior employment made before August 1, 2027, by a participating member who has reached the member's normal retirement date, returned to service or continued employment as an elected official of the same participating county with which the member was employed at the time the member retired, and is not contributing to the public safety plan, the defined benefit plan, or the defined contribution retirement plan.

SECTION 3. AMENDMENT. Section 54-52.6-02.1 of the North Dakota Century Code is amended and reenacted as follows:

54-52.6-02.1. Participation in defined contribution retirement plan.

1. Except as otherwise provided under section 54-52-02.5 or 54-52-02.15 or this chapter, effective January 1, 2025, an eligible employee who is first enrolled shall participate in the defined contribution retirement plan under this chapter.
2. A temporary employee may elect to participate in the defined contribution retirement plan as provided under section 54-52.6-09.6.
3. A county elected official ~~may elect to~~shall participate in the defined contribution retirement plan as provided under section 54-52-02.11.
4. A nonstate appointed official shall participate in the defined contribution retirement plan as provided under section 54-52-02.12.

SECTION 4. A new section to chapter 54-52.6 of the North Dakota Century Code is created and enacted as follows:

Nonstate elected officials – in-service benefit distributions.

The board shall approve a request to receive in-service benefit distributions while serving as an elected official of the county of prior employment made before August 1, 2027, by a participating member who has reached the member's normal retirement date, returned to service or continued employment as an elected official of the same participating county with which the member was employed at the time the member retired, and is not contributing to the public safety plan, the defined benefit plan, or the defined contribution retirement plan.

SECTION 5. RETROACTIVE APPLICATION. Sections 2 and 4 of this Act have a retroactive effective date of July 1, 2007.

Attachment 5

Seventieth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

(North Dakota Public Employees Retirement System)

A BILL for an Act to amend and reenact subsections 5 and 7 of section 28-22-03.1 and section 28-22-19 of the North Dakota Century Code relating to the exemption of retirement benefits from legal process and to amend and reenact subsection 2 of section 39-03.1-11.2, subsection 15 of section 54-52-01, subsections 7 and 11 of section 54-52-04, subsection 3 of section 54-52-05, subsection 1 of section 54-52.1-03.2, subsection 3 of section 54-52.1-03.3, section 54-52.2-04, section 54-52.2-09, section 54-52.6-01, subsection 3 of section 54-52.6-09, section 54-52.6-14, and subsection 2 of section 54-52.6-21 of the North Dakota Century Code relating to administering the public employees retirement system

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsections 5 and 7 of section 28-22-03.1 of the North Dakota Century Code are amended and reenacted as follows:

5. The debtor's aggregate interest, not to exceed in value one hundred thousand dollars less any amount of property transferred in the manner specified in 11 U.S.C. 542(d), in any accrued dividend or interest under, or loan value of, any unmatured life insurance contract owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent. Any cash deposit not previously scheduled to be made into a life insurance policy or nonqualified annuity over the previous twelve months is not exempt. Benefits are not exempt from enforcement of any order to pay spousal support, child support, or a qualified domestic order under sections 15-39.1-12.2, 39-03.1-14.2, ~~and~~ 54-52-17.6, 54-52.2-03.3, and 54-52.6-12.

7. Retirement funds that have been in effect for at least one year, to the extent those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986. The value of those assets exempted may not exceed two hundred thousand dollars for any

one account or four hundred thousand dollars in aggregate for all accounts. The dollar limit does not apply to the extent this property is reasonably necessary for the support of the resident and that resident's dependents. Retirement funds are not exempt from enforcement of any order to pay spousal support or child support, or a qualified domestic relations order under sections 15-39.1-12.2, 39-03.1-14.2, ~~and~~ 54-52-17.6, 54-52.2-03.3, and 54-52.6-12. As used in this subsection, "reasonably necessary for the support" means required to meet present and future needs, as determined by the court after consideration of the resident's responsibilities and all the present and anticipated property and income of the resident, including that which is exempt.

SECTION 2. AMENDMENT. Section 28-22-19 of the North Dakota Century Code is amended and reenacted as follows:

The following amounts are exempt from liability for debts of the person to or on account of whom the amounts are paid, and are not subject to seizure upon execution or other process:

1. All pensions or annuities or retirement, disability, death, or other benefits paid or payable by, or amounts received as a return of contributions and interest from, a retirement system established pursuant to state law by the state except as provided by sections 15-39.1-12.2, 39-03.1-14.2, 54-52-17.6,~~ and~~ 54-52.2-03.3, and 54-52.6-12, a state agency, a political subdivision of the state, or a firefighters relief association for retirement, annuity, pension, disability benefit, or death benefit purposes. The exemption in this subsection does not apply to the collection of child support unless federal law requires an exemption or if complying with an execution or other process would require an actuarial analysis to determine the current value of the amounts that are payable to the debtor.
2. All awards made pursuant to chapter 54-23.4 as compensation for victims of crimes.
3. All payments of assistance as aid to dependent children pursuant to chapter 50-09.

SECTION 3. AMENDMENT. Subsection 2 of section 39-03.1-11.2 of the North Dakota Century Code is amended and reenacted as follows:

2. The minimum distribution rules under section 401(a)(9) of the Internal Revenue Code, including the incidental death benefit requirements under section 401(a)(9)(G), and the regulations issued under that provision to the extent applicable to governmental plans, as amended. Accordingly, benefits must be

distributed or begin to be distributed no later than a member's required beginning date, and the required minimum distribution rules override any inconsistent provision of this chapter. ~~For a member who attains age seventy and one-half before January 1, 2020, the member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy and one-half or terminates employment. For a member who attains age seventy and one-half after December 31, 2019, the member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy-two or terminates employment.~~

SECTION 4. AMENDMENT. Subsection 15 of section 54-52-01 of the North Dakota Century Code is amended and reenacted as follows:

15. "Peace officer" means a participating member who is a peace officer as defined in section 12-63-01 and is employed as a peace officer by the state, except by the highway patrol for members of the retirement plan created under chapter 39-03.1, or is employed by a political subdivision and, notwithstanding subsection ~~14~~16, for persons employed after August 1, 2005, is employed thirty-two hours or more per week and at least twenty weeks each year of employment. A peace officer who is a participating member of the public safety retirement plan created by this chapter who begins employment after August 1, 2005, is ineligible to participate concurrently in any other retirement plan administered by the public employees retirement system.

SECTION 5. AMENDMENT. Subsections 7 and 11 of section 54-52-04 of the North Dakota Century Code are amended and reenacted as follows:

7. The board shall administer chapters 39-03.1, 54-52.1, ~~and~~ 54-52.2, and 54-52.6 and may administer other optional employee benefit programs, including a flexible benefits plan, an optional employee short-term disability plan, a long-term care plan, or other optional employee benefit programs as the board deems appropriate. The board shall also administer the retirement plan established in 1961 and frozen to new entrants in 1980 for employees of job service North Dakota under chapter 52-11.

11. The board shall fund the administrative expenses of chapter 54-52.2 from funds collected under chapters 54-52, 54-52.1, ~~and~~ 54-52.3, or any combination thereof, and from fines and fees collected from deferred compensation services providers,

including any fees paid for by participant funds, subject to appropriation by the legislative assembly.

SECTION 6. AMENDMENT. Subsection 3 of section 54-52-05 of the North Dakota Century Code is amended and reenacted as follows:

3. Each employer, at its option, may pay all or a portion of the employee contributions required by subsection 2 and sections 54-52-06.1, 54-52-06.2, 54-52-06.3, and 54-52-06.4 or the employee contributions required to purchase service credit on a pretax basis pursuant to subsection 5 of section 54-52-17.4. Employees may not receive the contributed amounts directly once the employer has elected to pay the employee contributions. The amount paid must be paid by the employer in lieu of contributions by the employee. If the ~~state~~employer determines not to pay the contributions, the amount that would have been paid must continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. If contributions are paid by the employer, they may not be included as gross income of the employee in determining tax treatment under this code and the Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a ~~contribution~~combination of a reduction in gross salary and offset against future salary increases. If employee contributions are paid by the employer, they must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made prior to the date on which employee contributions were assumed by the employer. An employer exercising its option under this subsection shall report its choice to the board in writing.

SECTION 7. AMENDMENT. Subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code is amended and reenacted as follows:

1. a. The board shall establish a retiree health benefits fund account with the Bank of North Dakota for the purpose of prefunding and providing hospital benefits coverage, medical benefits coverage, and prescription drug coverage under any health insurance program and dental, vision, and long-term care benefits coverage under any insurance program, ~~including coverage under the~~

~~uniform group insurance program for retired eligible employees or surviving spouses of retired eligible employees and their dependents as provided in this chapter~~.

b. The state shall contribute monthly to the retiree health benefits fund an amount equal to one and fourteen hundredths percent of the monthly salaries and wages of all participating members of the highway patrol troopers' retirement system under chapter 39-03.1, and one and fourteen hundredths percent of the monthly salaries of all supreme or district court judges who are participating members of the public employees retirement system under chapter 54-52.

c. Each governmental unit that contributes to the public employees retirement system fund under section 54-52-06 or the retirement plan under chapter 54-52.6 shall contribute monthly to the retiree health benefits fund an amount equal to one and fourteen-hundredths percent of the monthly salaries or wages of all participating members of the public employees retirement system under chapter 54-52 or chapter 54-52.6, except for:

(1) Members first enrolled after December 31, 2019, for which a governmental unit contributes to the public employees retirement system fund under section 54-52-06 or the retirement plan under chapter 54-52.6; and

(2) Nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 54-52-02.13 and employees of the state board for career and technical education who elect to participate in the public employees retirement system pursuant to section 54-52-02.14.

d. For nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 54-52-02.13, the superintendent of public instruction shall contribute monthly to the retiree health benefits fund an amount equal to three and twenty-four hundredths percent of the monthly salaries or wages of those nonteaching employee members, beginning on the first of the month following the transfer under section 54-52-02.13 and continuing thereafter for a period of eight years, after which time the superintendent of public instruction shall contribute one and fourteen-hundredths percent of the monthly salary or wages of those nonteaching employee members.

e. For employees of the state board for career and technical education who elect to participate in the public employees retirement system pursuant to section 54-52-02.14, the state board for career and technical education shall contribute monthly to the retiree health benefits fund an amount equal to two and ninety-nine hundredths percent of the monthly salary or wages of those employee members, beginning on the first of the month following the transfer under section 54-52-02.14 and continuing thereafter for a period of eight years, after which time the state board for career and technical education shall contribute one and fourteen-hundredths percent of the monthly salary or wages of those employee members.

f. The employer of a national guard security officer or firefighter shall contribute monthly to the retiree health benefits fund an amount equal to one and fourteen-hundredths percent of the monthly salaries or wages of all national guard security officers or firefighters participating in the public employees retirement system under chapter 54-52.

g. Job service North Dakota shall reimburse monthly the retiree health benefits fund for credit received under section 54-52.1-03.3 by members of the retirement program established by job service North Dakota under section 52-11-01.

h. The board, as trustee of the fund and in exclusive control of its administration, shall:

(1) Provide for the investment and disbursement of moneys of the retiree health benefits fund and administrative expenditures in the same manner as moneys of the public employees retirement system are invested, disbursed, or expended.

(2) Adopt rules necessary for the proper administration of the retiree health benefits fund, including enrollment procedures.

SECTION 8. AMENDMENT. Subsection 3 of section 54-52.1-03.3 of the North Dakota Century Code is amended and reenacted as follows:

3. The board shall apply the credit allowable under subsection 2 as elected by the eligible participant to the payment of monthly premiums required of each individual eligible under subsection 1 for hospital benefits coverage, medical benefits coverage, and

prescription drug coverage under any health insurance program and for dental, vision, and long-term care benefits coverage under any insurance program. If one spouse takes a family health plan under the uniform group health insurance program, ~~T~~the board shall allow spouses who each have credit under subsection 2 to combine the spouses' credits ~~and shall apply the combined credit to the required~~ for reimbursement of the family health plan monthly premiums as elected pursuant to this subsection. However, if the allowable credit under any circumstance exceeds the monthly premium in effect for selected coverage, that amount of the credit which exceeds the premium is forfeited and may not be used for any other purpose.

SECTION 9. AMENDMENT. Section 54-52.2-04 of the North Dakota Century Code is amended and reenacted as follows:

For the purpose of this chapter, “employee” means any person, whether appointed, elected, or under contract, employed by the state or a political subdivision, who is at least eighteen years of age and employed in an approved and regularly funded position of unlimited duration for twenty hours or more per week and at least ~~five months~~twenty weeks each year. For purposes of this chapter, “employee” also means a member of the legislative assembly.

SECTION 10. AMENDMENT. Section 54-52.2-09 of the North Dakota Century Code is amended and reenacted as follows:

An employee who first participated in the defined contribution retirement plan under chapter 54-52.6 after December 31, 2024, who elects to contribute less than the optional three percent of wages or salary under subdivision b of subsection 1 of section 54-52.6-09, who participates in the deferred compensation program under this chapter, qualifies for employer matching of contributions made under this section, subject to federal contribution limitations . The employee may elect to contribute an amount of wages or salary which does not exceed any remaining balance of the optional three percent contribution and the employer shall match this contribution, subject to federal contribution limitations. This section does not limit the ability of an employee to contribute unmatched wages or salary under this chapter, subject to federal contribution limitations.

SECTION 11. AMENDMENT. Section 54-52.6-01 of the North Dakota Century Code is amended and reenacted as follows:

As used in this chapter, unless the context otherwise requires:

1. "Board" means the public employees retirement system board.
2. "Deferred member" means an individual who elected to receive deferred vested retirement benefits under chapter 54-52.

3. "Eligible employee", for employees who become participating members after December 31, 2024, has the same meaning as provided under section 54-52-02.15. For employees who elected to join the defined contribution retirement plan under this chapter before January 1, 2025, the term includes a permanent state employee, except an employee of the judicial branch or an employee of the board of higher education and state institutions under the jurisdiction of the board of higher education, who is at least eighteen years of age and who is in a position not classified by the North Dakota human resource management services.

4. "Employee" means an individual employed by ~~the state~~a governmental unit, whose compensation is paid out of ~~state~~the governmental unit's funds, or funds controlled or administered by ~~the state~~a governmental unit or paid by the federal government through any of its executive or administrative officials.

5. "Employer" means ~~the state of North Dakota~~a governmental unit~~, except the highway patrol for members of the retirement plan created under chapter 39-03.1, or a participating political subdivision of the state~~.

6. "Governmental unit" means the state of North Dakota, except the highway patrol for members of the retirement plan created under chapter 39-03.1, or a participating political subdivision of the state.

~~6~~7. "Participating member" means an eligible employee who ~~elects to participate~~participates in the defined contribution retirement plan established under this chapter.

~~7~~8. "Permanent employee" means ~~a state~~an employee whose services are not limited in duration and who is filling an approved and regularly funded position in an eligible governmental unit, and is employed twenty hours or more per week and at least ~~five months each year~~twenty weeks each year of employment.

9. "Temporary employee" means an employee who is not eligible to participate as a permanent employee, who is at least eighteen years old and not actively contributing to another employer-sponsored retirement fund, and, if employed by a school district, occupies a noncertified teacher's position.

~~8~~10. "Wages" and "salaries" means earnings in eligible employment under this chapter reported as salary on a federal income tax withholding statement plus any salary reduction or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as payments for unused sick leave, personal leave, vacation leave paid in a lump sum, overtime, housing allowances, transportation expenses, early retirement~~,~~ incentive pay, severance pay, medical insurance, workforce safety and insurance benefits, disability insurance premiums or benefits, or salary received by a member in lieu of previously employer-provided fringe benefits under an agreement between an employee and a participating employer. Bonuses may be considered as salary under this section if reported pursuant to rules adopted by the board.

SECTION 12. AMENDMENT. Subsection 3 of section 54-52.6-09 of the North Dakota Century Code is amended and reenacted as follows:

3. Each employer, at its option, may pay all or a portion of the employee contributions required by this section for all compensation earned after December 31, 1999. The amount paid must be paid by the employer in lieu of contributions by the employee. If the employer decides not to pay the contributions, the amount that would have been paid will continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer may not be included as gross income of the employee in determining tax treatment under this code and the federal Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. Employee contributions paid by the employer must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made before the date on which employee contributions were assumed by the employer. An employer shall exercise its option under this subsection by reporting its choice to the board in writing.

SECTION 13. AMENDMENT. Section 54-52.6-14 of the North Dakota Century Code is amended and reenacted as follows:

The board shall allow distribution of the participating member's vested account balance if the board determines that the participating member has become totally and permanently disabled. If approved, the disabled member has the same distribution options as provided in subdivisions a(1) and ~~c~~(a)(3) of subsection 3 of section 54-52.6-13. However, if the member chooses the periodic distribution option, the member may only receive distributions for as long as the disability continues and the member submits the necessary documentation and undergoes medical testing required by the board, or for as long as the member participates in a rehabilitation program required by the board, or both. If the board determines that a member no longer meets the eligibility definition, the board shall discontinue the disability retirement benefit.

SECTION 14. AMENDMENT. Subsection 2 of section 54-52.6-21 of the North Dakota Century Code is amended and reenacted as follows:

The board shall administer the plan in compliance with the following sections of the Internal Revenue Code, as amended, as they apply to governmental plans:

2. The minimum distribution rules under section 401(a)(9) of the Internal Revenue Code and the regulations issued under that provision to the extent applicable to governmental plans<u>, as amended</u>. Accordingly, benefits must be distributed or begin to be distributed no later than a member's required beginning date, and the required minimum distribution rules override any inconsistent provision of this chapter. ~~For a member who attains age seventy and one-half before January 1, 2020, the member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy and one-half or terminates employment. For a member who attains age seventy and one-half after December 31, 2019, the member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy-two or terminates employment.~~

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Memorandum

TO: NDPERS Board

FROM: Shawna Piatz

DATE: March 10, 2026

SUBJECT: Audit Committee Memo

Attached is the agenda from the meeting on February 9, 2026. Below are a few of the items which were discussed at the meeting.

- 2025 Risk Assessment Summary and Audit Plan – Internal Audit provided a summary of the completed 2025 agency risk assessment updates as well as the proposed Audit Plan for July 1, 2026 through June 30, 2028. The Audit Committee voted for and approved the Audit Plan being moved from a calendar year to a fiscal year basis and approved the proposed Audit Plan for FY 2027 & FY 2028.

- 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 February 1, 2026, 284 of the 863 new retirees or $1,376,459 of the $4,010,423 total gross benefits issued have been audited.

Internal Calculation Accuracy Rate	Compliance / Other Accuracy Rate	Overall Accuracy Rate
98.24%	96.13%	94.37%

  As of February 1, 2026, 130 of the 1,065 or $4,542,922 of the $13,835,222 total gross refunds issued for FY 2026 were audited.

Internal Calculation Accuracy Rate	Compliance / Other Accuracy Rate	Overall Accuracy Rate
96.92%	97.69%	94.62%

- Outstanding Issues Status Report – The Outstanding Issues Status report reflects new and outstanding issues as of October 31, 2025. Updates were provided on the 10 new recommendations that were added to the report and to the 22 the existing recommendations. All issues have now been closed and there are no outstanding issues remaining.

- Administrative – Various administrative items including those noted below were reviewed and discussed.

    - Audit Committee Charter Updates – As required in the Audit Committee Charter, the Audit Committee reviewed the charter to ensure all responsibilities for the 2025 calendar year have been carried out.
    - Internal Audit Charter Updates – Similar to the review of the Audit Committee Charter, the Audit Committee reviewed the Internal Audit Charter to ensure all responsibilities for the 2025 calendar year have been carried out.
    - CAO Annual Performance Evaluation 2025 – The Audit Committee was made aware that the CAO Annual Performance Evaluation process was beginning. Committee members would be emailed a copy of the evaluation template to complete and return to the Executive Director. Discussion and final scores will be determined at the next Audit Committee meeting.

The approved minutes from the November 24, 2025 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 May 11, 2026 at 3:00 pm. This is for your information.

Attachment

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Attachment

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Audit Committee Agenda

Location: NDPERS Conference Room, 1600 East Century Avenue, Bismarck ND
By phone: 701.328.0950 Conference ID: 762 523 799#
Date: **Monday February 09, 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. November 24, 2025 Audit Committee Minutes **(Committee Action)**

III. INTERNAL AUDIT REPORTS

A. Quarterly Audit Plan Status Report
B. 2025 Risk Assessment Summary and Audit Plan Report **(Committee Action)**
C. Retirement Benefit Payment Status Report
D. Benefit / Premium Adjustments Report
E. Outstanding Issues Status Report

IV. ADMINISTRATIVE

A. Audit Committee Charter Matrix
B. Internal Audit Charter Matrix
C. CAO Annual Performance Evaluation 2025
D. Report on Consultant Fees
E. Travel Expenditures
F. CPE, Training and Webinars

*Next Audit Committee meeting: May 11th, 2026,

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Memorandum

TO: NDPERS Board

FROM: Aime Miller

DATE: March 10, 2026

SUBJECT: Board Election Update

The Election Subcommittee meets on Friday, March 6 to validate the nomination petitions. An update will be provided to the Board on March 10.

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

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Memorandum

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: March 10, 2026

SUBJECT: National Employee Benefits Day

National Employee Benefits Day is April 6th. Previous Board members have recognized staff on or near this day to show gratitude for the service they do for our state and political subdivisions in administering benefits for our many members. Is this something the Board is interested in continuing? If so, discussion will need to take place on planning the event given Ms. Goodhouse previously organized and no longer serves on the Board.

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Memorandum

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: March 10, 2026

SUBJECT: Executive Director Performance Review and Compensation Committee

With the resignation of Ms. Goodhouse to the Board, there is currently a vacancy on the Executive Director Performance Review and Compensation Committee.

The current Committee members are Representative Dockter (Chair), Mr. Klipfel, Senator Davison and Mr. Seminary. Ms. Goodhouse was a 5th member of the Committee.

Per the Committee Charter (Attachment), the Board Chair selects the members of the Committee, along with appointing one of them as Chair. Also per the Charter, the Committee only requires 3 board members.

The Board Chair has recently reviewed the Charter and the current members on the Committee and has decided to remove the vacant position from the Committee given there are 4 other Board members appointed. Representative Dockter will remain the Chair.

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

Attachment

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM	Original Effective Date: May 23, 2024
	Revised:
	Approved by Board: May 23, 2024
	Page 1 of 1
Executive Director Performance Review and Compensation Subcommittee Charter	

PURPOSE

The Executive Director Performance Review and Compensation Subcommittee ("Committee") is appointed by the Board of Trustees ("Board') Chair of the North Dakota Public Employees Retirement System ("Agency") to provide oversight of the performance and compensation of the Agency's Executive Director. The Committee will also serve as a Transition Subcommittee in the event the Agency's Executive Director position is vacated and a transition plan needs to be developed.

STRUCTURE

The Committee will consist of at least three Board members appointed by the Board Chair. The Board Chair is also responsible for appointing a Committee Chair from the three appointed members.

MEETINGS

The Committee will be appointed and meet on an ad hoc basis to review the performance and compensation of the Agency's Executive Director and assist/coordinate the appointment of a new Executive Director in the event of a vacant position. Members of the Committee will be compensated for attendance at Committee meetings in accordance with NDPERS' policy for compensation in effect at the time for Board members.

DUTIES AND RESPONSIBILITIES

The Committee will carry out the following responsibilities:

1) Executive Director Performance Review:

a. Conduct annual performance reviews of the Board appointed Executive Director
b. Conduct surveys of agency staff to help analyze the performance of the Board appointed Executive Director

2) Executive Director Compensation Review:

a. Perform market analysis on the appropriate level of compensation of the Executive Director, as necessary.
b. Report recommendations on compensation adjustments to the full Board.

3) Other Responsibilities:

a. Serve as the Board's Transition Subcommittee if the Executive Director position is vacated for any reason. This includes retaining an executive recruitment consultant, if deemed necessary by the full Board.

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Memorandum

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: March 10, 2026

SUBJECT: Contracts under $15,000

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

This topic is informational only.

Attachment

All Contracts Signed During 2026:

Vendor	Amount	Notes
UHY LLP	$ -	GASB Management Representation Letters
Traill County	$ -	Expanded Public Safety Plan effective 3/1/2026

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Memorandum

TO: NDPERS Board

FROM: Mandy Nagel

DATE: March 10, 2026

SUBJECT: Revised Board Material Format Due to ADA Compliance

In order to prepare for the U.S. Department of Justice's final ruling, which mandates all public-facing digital content to comply with the Web Content Accessibility Guidelines (WCAG) 2.1 Level AA, Staff is planning on redesigning future NDPERS board memos (Attachment). This new layout will adopt a modernized look designed to enhance clarity, readability, and accessibility for board members and members.

This update aligns with the States broader efforts to improve accessibility and ensure communications meet current best practices. The updated design intentionally improves how the documents are read and navigated by individuals using assistive technology. The structure follows current accessibility standards, including principles consistent with WCAG guidelines.

Key improvements include:

- A clearer and more consistent heading hierarchy
- Enhanced layout for easier on-screen reading
- Improved navigation for screen readers, particularly for visually impaired users
- A modernized format that improves usability without altering content

These updates aim to create a more user-friendly experience for all recipients and support the State's commitment to accessible communication.

The new format will be adopted beginning in April for all board memos going forward. As we continue refining our communication tools, Staff welcomes any feedback the Board may have to better suit our membership and employers.

If you have any questions or would like to discuss the new format, please feel free to contact me.

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

Attachment

ATTACHMENT
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Title from Agenda

TO: NDPERS Board

FROM: NDPERS

DATE: Month DD, YYYY

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