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: 275 368 385#
Date: **Tuesday, September 29, 2026**
Time: 8:30 A.M. **Join the meeting now**

I. MINUTES

A. August 18, 2026
B. August 31, 2026 Special Meeting

II. CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

III. GROUP INSURANCE / FLEXCOMP

A. Health Insurance Plan Request for Proposal (RFP)– Deloitte & Katheryne ***EXECUTIVE SESSION** (Board Action)
B. FlexComp Plan Document – Lindsay (Board Action)
C. Life Insurance Plan Renewal – Katheryne (Board Action)
D. Dental Insurance Plan Contract Amendment – Katheryne (Board Action)
E. Medicare Part D Plan Contract Amendment – Katheryne (Board Action)
F. 2025 Active Health Care Report – Katheryne (Information)

IV. DEFERRED COMPENSATION / DEFINED CONTRIBUTION

A. Investment Consultant Services Request for Proposal (RFP) – Derrick ****EXECUTIVE SESSION** (Board Action)
B. 457 Companion Plan & 401(a) Plan 2nd Quarter 2026 Report – Derrick (Information)

V. OPERATIONS / ADMINISTRATIVE

A. Audit Committee Report – Shawna (Information)
B. Contracts Under $15,000 – Rebecca (Information)
C. Next Meeting Date: Tuesday, October 13, 2026

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

**Executive session pursuant to N.D.C.C. §§ 44-04-19.2 & 44-04-18.4(6)(b) to discuss closed proposals received in response to the NDPERS Request for Proposal Investment Consultant Services.

North Dakota
Public Employees Retirement System
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Health Insurance Plan Request for Proposal (RFP)

TO: NDPERS Board

FROM: Katheryne Korom

DATE: September 29, 2026

Following are the key dates in the proposal process:

Activity	Description	Tentative Timing
August Board Meeting	Board Meeting – Present Preliminary Results, Update Board on Revised Timeline	August 18, 2026
Release Rx File Addendum	Provide updated Rx File to any vendors who requested password for original Rx Data	August 19, 2026
New Vendor Confirmation Date	Vendors who initially did not bid have to confirm if they intend to bid based on the amended Rx data.	August 26, 2026
Updated Results Due	Updated vendor proposals based on the new Rx data are due	September 9, 2026
September Board Meeting	Board Meeting – Present Pre-BAFO results	September 29, 2026
1st October Board Meeting	Board Meeting	October 13, 2026
Vendor Interviews	Finalist interviews, if necessary	Mid-October, 2026
2nd October Board Meeting	Board Meeting – Present Final Results/Possible Vendor Selection	October 27, 2026
Begin Implementation	Vendor Implementation Commences	December 2026
Effective Date	New Biennium Commences	July 1, 2027

Representatives from Deloitte Consulting will present an update in Executive Session on the Health Insurance RFP and will be available to address questions.

Board Action Requested

Provide Deloitte and staff with direction on next steps.

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FlexComp Plan Document

TO: NDPERS Board

FROM: Lindsay

DATE: September 29, 2026

NDPERS staff reviewed and made edits to the FlexComp Plan Document as part of the renewal for 2027. A summary of the updates are:

- Align the document to be compliant under Section 125 of the Internal Revenue Code
- Generalize references to pre-tax premiums should available options ever change
- Update effective date of pre-tax elections and Health Savings Account (HSA) benefits to be "as soon as administratively feasible" to align with NDPERS' processing
- Exclude life insurance from the required yearly election (default is to pre-tax first $50,000 employee life insurance unless member declines)
- Change "Participant" to "Employee" where applicable
- Added detail related to qualifying events, clarifying when members can make changes
- Grammatical changes
- Update code and section references
- Clarified COBRA continuation information related to timeline to offer coverage and termination of such coverage
- Amendment to NDPERS authority related to non-discrimination testing
- Clarification related to pre-tax premiums
- Claim submission method revisions

These updates have been reviewed by ASIFlex and Ice Miller. The attachment has the suggested changes tracked for the Board's review. Upon approval, the Table of Contents and/or formatting will be updated as needed.

Staff is requesting approval of the updates to the Plan Document effective with the new plan year January 1, 2027. If approved, staff will accept all changes and finalize for Executive Director's signature.

Board Action Requested

Approve the updates to the FlexComp Plan Document to be effective January 1, 2027.

Attachment

STATE OF NORTH DAKOTA

FLEXCOMP PLAN DOCUMENT

Effective January 1, 2027~~6~~

ADOPTION RESOLUTION

Resolved, that effective January 1, 2027~~6~~, the State of North Dakota has adopted the attached amended and restated Section 125 FlexComp Plan. The Plan is intended to satisfy the requirements of Section 125 of the Internal Revenue Code, as amended, and its associated regulations.

By: _____

Title: _____

Dated: _____

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ARTICLE I. PURPOSE OF PLAN

The purpose of the State of North Dakota FlexComp Plan ("Plan") is to allow Employees to pay medical, dental, vision, group term life, and other eligible insurance premiums, along with other medical and dependent care expenses using pre-tax dollars.

The Board (pursuant to North Dakota Century Code Section 54-52-04) has, therefore, adopted the Plan as set forth herein and as amended from time to time, effective January 1, 2027~~6~~ for the exclusive benefit of those Employees.

The Plan is intended to qualify as a cafeteria plan within the meaning of Code section 125 and shall be construed in a manner consistent with that section such that salary reduction elections will be eligible for exclusion from a Participant's taxable income. The Dependent Care FSA Plan is intended to qualify as a dependent care assistance program within the meaning of Code section 129, and the Health FSA Plan is intended to qualify as a self-insured medical reimbursement plan under Code section 105. The tax implications of this Plan, however, are subject to rulings, regulations, and the application of the tax laws of the state and federal government. Although it may anticipate certain tax consequences as being likely, neither the Board nor an Employer represents or warrants to any Participant that any particular tax consequence will result from participation in this Plan. By participating in the Plan, each Participant understands and agrees that in the event the Internal Revenue Service or any state or political subdivision thereof should ever assess or impose any taxes, charges and/or penalties upon any benefits received under the Plan, the recipient of the benefit will be responsible for those amounts, without contribution from the Board or an Employer.

This Plan is intended not to discriminate as to eligibility or benefits in favor of the prohibited group under Code sections 105, 125, and 129. The Plan provisions shall apply uniformly to all Employees.

ARTICLE II. DEFINITIONS

The following words and phrases have the following meaning, unless a different meaning is plainly required by the text:

2.01 Board. "Board" means the North Dakota Public Employees Retirement System (PERS) board.

2.02 Benefit Package Option. "Benefit Package Option" means a qualified benefit under Code section 125(f) that is offered under a cafeteria plan or an option for coverage under an underlying accident or health plan

2.03 Benefit Plan. "Benefit Plan" means the life insurance, medical, dental, vision, cancer insurance and in some cases disability plans and any alternate medical coverage under a health maintenance organization approved by the Board.

2.04 Code. "Code" means the Internal Revenue Code of 1986, as amended.

2.05 Dependent Care Center. "Dependent Care Center" means any facility which:

a. complies with all applicable laws and regulations of the State of North Dakota and unit of local government in which it is located;

b. provides care for more than six (6) individuals (other than individuals who reside at the center); and

c. receives a fee, payment or grant for providing services for any such individuals (regardless of whether such facility is operated for profit).

2.06 Dependent Care FSA Plan. "Dependent Care FSA Plan" means the dependent care assistance plan under this Plan that permits Employees to receive reimbursements from Qualified Dependent Care Expense accounts.

2.07 Dependent Child. For purposes of payment of the Pre-Tax Premiums to a Benefit Plan, "Dependent Child" means a child who is the Participant's "qualifying child" or "qualifying relative" as those terms are defined in Code section 152 (determined without regard to subsections (b)(1), (b)(2) and (d)(1)(B) thereof) and subject to the special rule in Code section 152(e) for divorced or separated parents or a child (within the meaning of Code section 152(f)(1)) who has not attained age 27 as of the end of the year. For purposes of the Qualified Health Care Expense accounts, "Dependent Child" means a child (within the meaning of Code section 152(f)(1)) who is either (1) a "qualifying child" as that term is defined in Code section 152 (determined without regard to subsections (b)(1), (b)(2) and (d)(1)(B) thereof) and subject to the special rules in Code section 152(e) for divorced or separated parents or (2) a child (within the meaning of Code section 152(f)(1)) who has not attained age 27 as of the end of the year.

Notwithstanding the foregoing, a child named in a qualified medical child support order (QMCSO) as defined in section 609 of the Employee Retirement Income Security ~~Income~~ Act (ERISA) shall be a Dependent Child to the extent specified in the QMCSO. The preceding sentence applies only to the Pre-Tax Premiums for a Benefit Plan and the Qualified Health Care Expense accounts under this Plan.

2.08 **Earned Income.** "Earned Income" means earned income as set forth in Code section 32(c)(2), but excluding such amounts paid or incurred by the Employer for dependent care assistance to the Participant.

2.09 **Employee.** "Employee" means employees of the State of North Dakota and district health units that are eligible to participate in the Plan. In addition, members of the Legislative Assembly are considered employees and eligible to participate in the Plan. Employees of higher education and political subdivisions are excluded from participation in the Plan.

Eligible employees who are eighteen (18) years of age, whose services are not limited in duration, who are filling an approved and regularly funded position, and who are employed at least seventeen and one-half (17 ½) hours per week and at least five (5) months each year, or those first employed after August 1, 2003 who are employed at least twenty (20) hours per week and at least twenty (20) weeks each year, are eligible to participate in the Plan.

2.10 **Employer.** "Employer" means the State of North Dakota, excluding higher education, and any participating district health units as defined in Section 54-52.3-01 of the North Dakota Century Code.

2.11 **Grace Period.** "Grace Period" shall mean the period that begins immediately following the close of a Plan Year and ends on the day that is two (2) months plus fifteen (15) days following the close of that Plan Year.

2.12 **Health Care Expense.** "Health Care Expense" means expenses incurred by a Participant, Spouse, or Dependent Child for "medical care" within the meaning of Code section 213(d) and as allowed under Code section 105 and Code section 106(f), and the rulings and regulations thereunder, but does not include (a) premium payments for other medical plan coverage, including premiums paid for medical coverage under a plan maintained by the employer of a Spouse or Dependent Child, or (b) "qualified long-term care services," as described in Code section 213(d)(1)(C).~~"Health Care Expense" means expenses incurred by a Participant for "medical care" within the meaning of Code section 213(d), incurred by a Participant, Spouse, or Dependent Child, but do not include premium payments for other medical plan coverage, including premiums paid for medical coverage under a plan maintained by the employer of a Spouse or Dependent Child or "qualified long-term care services," as described in Code section 213(d)(1)(C). For over-the-counter (OTC) drugs and medicines (other than insulin) which are for medical care as defined in Code section 213(d) will not be reimbursable as a Health Care Expense unless the Participant, Spouse or Dependent Child has a prescription for such drug or medicine. However, OTC products that are not considered drugs or medicines continue to be reimbursable~~

~~if the product is for medical care as defined in Code section 213(d) and is not merely for good health or for cosmetic purposes.~~

2.13 **Health FSA Plan**. "Health FSA Plan" means the health flexible spending arrangement plan under this Plan that permits Employees to receive reimbursements from Qualified Health Care Expense accounts.

2.14 **Health Savings Account (HSA).** "Health Savings Account" or "HSA" means a health savings account established under Code section 223 as an individual trust or custodial account, each separately established and maintained by an Employee with a qualified trustee or custodian.

2.15 **Participant.** "Participant" means an Employee who is participating in the Plan.

2.16 **Plan.** "Plan" means the State of North Dakota FlexComp Plan, as set forth herein.

2.17 **Plan Administrator.** "Plan Administrator" means the North Dakota Public Employees Retirement System (PERS) with the authority and responsibility to manage and direct the operation and administration of the Plan. Plan Administrator includes any designated agent to which specified administrative functions under the Plan have been delegated, to the extent of such delegation.

2.18 **Plan Year.** "Plan Year" means a twelve (12) consecutive month period beginning January 1 and ending December 31.

2.19 **Pre-Tax Premium(s).** "Pre-Tax Premium(s)" means the cost of ~~life, disability, medical, dental, vision and cancer insurance~~any Benefit Package Option under the Benefit Plan which a Participant is required, as a condition for coverage, to defray. The amount of the Pre-Tax Premium(s) under the Benefit Plan shall be approved by the Board in accordance with the Board's policies that are applied to all Employees in a consistent manner.

2.20 **Qualified Beneficiary.** "Qualified Beneficiary" means an individual who, on the day before a Qualifying Event, is a Spouse or Dependent Child of a Participant in the Health FSA Plan. A person who becomes a new Spouse of an existing Qualified Beneficiary during a period of continuation coverage is not a Qualified Beneficiary.

In the case of a Qualifying Event that is termination of employment or reduction in hours, Qualified Beneficiary also includes an individual, who on the day before such Qualifying Event, is a Participant in the Health FSA Plan.

A newborn child or adopted child of a Qualified Beneficiary or a child placed for adoption with a Qualified Beneficiary who was not a covered Employee will be entitled to the same continuation coverage period available to the Qualified Beneficiary, however, such child shall not become a Qualified Beneficiary. A newborn child or adopted child of a Qualified Beneficiary or child placed for adoption with a Qualified Beneficiary who was a covered Employee shall become a Qualified Beneficiary in his/her own right and shall be entitled to benefits as a Qualified Beneficiary.

A Qualified Beneficiary must notify the Board within thirty (30) days of the child's birth, adoption or placement for adoption in order to add the child to the continuation coverage.

2.21 **Qualified Dependent Care Expense.** "Qualified Dependent Care Expense" means any employment-related dependent care expense eligible for reimbursement under the Plan as determined under Code sections 129(e)(1) and 21(b)(2). Such expense includes amounts paid for household services and for the care of Qualifying Individuals enabling the Employee and his/her Spouse to be gainfully employed or if the Spouse is physically or mentally unable to care for self, or if the Spouse is a Student.

2.22 **Qualified Health Care Expense.** "Qualified Health Care Expense" means any Health Care Expense which is not otherwise reimbursable under a Benefit Plan or other plan or entity.

2.23 **Qualifying Event.** "Qualifying Event" means any of the following with respect to continued participation in the Health FSA Plan under Section 3.07, if it results in termination of coverage:

a. The death of a Participant.

b. The voluntary or involuntary termination of employment (other than by reason of gross misconduct) or reduction in hours of a Participant.

c. The divorce or legal separation of a Participant from his/her Spouse.

d. A Dependent Child ceasing to be a Dependent Child.

2.24 **Qualifying Individual.** "Qualifying Individual" means, for purposes of a Qualified Dependent Care Expense account, any individual who is:

a. The Participant's dependent child (as defined in Code section 152(a)(1) and who has not attained age thirteen (13); or

b. The Participant's dependent (as defined in Code section 152 (determined without regard to subsections (b)(1), (b)(2) and (d)(1)(B) thereof)), who (i) is physically or mentally incapable of caring for himself or herself; and (ii) has the same principal place of abode as the Participant for more than one-half of the Plan Year; or

c. The Participant's Spouse if the Spouse is physically or mentally incapable of caring for himself or herself and has the same principal place of abode as the Participant for more than one-half of the Plan Year.

Notwithstanding the foregoing, in the case of divorced or separated parents (within the meaning of Code section 152(e)) or parents that were never married, a Qualifying Individual who is a child shall, as provided in Code section 21(e)(5), be treated as a Qualifying Individual of the custodial parent (within the meaning of

Code section 152(e)) and shall not be treated as a Qualifying Individual with respect to the non-custodial parent.

Expenses incurred outside the Participant's household for a Qualifying Individual under (b) or (c) above shall constitute Qualified Dependent Care Expenses only if the Qualifying Individual regularly spends at least eight (8) hours each day in the Participant's household.

2.25 **Salary Reduction Agreement.** "Salary Reduction Agreement" means an agreement by a Participant to reduce his/her salary or wage to pay for applicable Pre-Tax Premiums, to allocate to a Qualified Health Care Expense account or Qualified Dependent Care Expense account, or to contribute to an HSA.

2.26 **Spouse.** "Spouse" means the spouse of a Participant but shall not include an individual legally separated from a Participant under a decree of divorce or of separate maintenance. An individual shall be considered lawfully married regardless of where the individual is domiciled if either of the following are true: (1) the individual was married in a state, possession, or territory of the U.S. and the individual is recognized as lawfully married by that state, possession, or territory of the U.S.; or (2) the individual was married in a foreign jurisdiction and the laws of at least one state, possession, or territory of the U.S. would recognize the individual as lawfully married.

2.27 **Student.** "Student" means an individual who, during each of five (5) calendar months during a taxable year is a full-time student at an educational institution which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance at the place where its educational activities are regularly carried on.

ARTICLE III. ELIGIBILITY AND PARTICIPATION

3.01 Eligibility. All Employees eligible to participate in a Benefit Plan are eligible to participate in the Plan for purposes of payment of Pre-Tax Premiums under section 4.01. All Employees are eligible to participate in the Plan for purposes of payment of eligible Qualified Health Care Expenses under Section 4.02, except that an Employee with any contributions to a Health Savings Account in a Plan Year cannot participate in the Qualified Health Care Expense Account portion of the Plan for such Plan Year. All Employees are eligible to participate in the Plan for purposes of payment of Qualified Dependent Care Expenses under Section 4.03.

An employee who becomes an eligible Employee during the Plan Year is eligible to participate the first day of the month following the date he or she becomes an Employee, contingent upon the month in which the first payroll deduction will occur. An Employee shall also be allowed to participate if he or she experiences a change in participation status, as described in Section 3.03.

3.02 Participation. Participation is established on a Plan Year to Plan Year basis. Each Employee shall be a Participant in the Plan for a Plan Year as follows:

a. For purposes of receiving Pre-Tax Premium benefits under Section 4.01 and HSA benefits under Section 4.04, participation will become effective as soon as administratively feasible after~~when~~ the appropriate Salary Reduction —Agreement has been submitted as outlined in Article VI.

For the purpose of receiving employee supplemental life insurance Pre-Tax Premium benefits for the first $50,000 in coverage, participation will be automatic unless an employee elects not to participate under this Plan for the Plan Year for the purpose of Pre-Tax Premium. An Employee who is eligible to participate may elect not to participate by completing and submitting an appropriate declination form with the Employer within the election period established by the Board. An Employee who elects not to participate with regard to payment of Pre-tax Premiums for life insurance shall pay for such Pre-tax Premiums for life insurance under the Benefit Plan on an after–tax basis.

b. For purposes of receiving reimbursement for Qualified Health Care Expenses and/or Qualified Dependent Care Expenses, participation will begin as soon as administratively feasible after~~when~~ the appropriate Salary Reduction Agreement(s) have been submitted and become effective under Article VI.

A Participant's Salary Reduction Agreement shall terminate at the end of the Plan Year. A Participant must make an affirmative election for salary reduction for each Plan Year with the exception of life insurance as stated in Section 3.02(a).

3.03 **Changes in Participation Status.** With respect to the Pre-Tax Premiums, Qualified Health Care Expense accounts, and Qualified Dependent Care Expense accounts, a Participant may revoke or amend participation in the Plan during a Plan Year only on account of and consistent with a change in status or other circumstances allowed under applicable law or regulation. Unless otherwise specified, a revocation or amendment of participation must be made within thirty-one (31) days after the change in status occurs and will be effective for the balance of the Plan Year in which the election is made, beginning with the first appropriate pay period after the election is received.

A Participant reducing his/her election, based on a change in status, cannot reduce his/her Salary Reduction Agreement election to the point where his/her contributions to ~~a Qualified Health Care Expense account or~~ a Qualified Dependent Care Expense account for the Plan Year are less than the amount already reimbursed for that Plan Year.

With respect to the HSA, a Participant who makes an election to contribute an amount on a pre-tax salary reduction basis to his or her HSA may change such election on a prospective basis at any time during the Plan Year.

a. Change in Status Events (subject to Section 3.03(j)). *(Applies to Pre-Tax Premiums, Qualified Health Care Expense accounts and Qualified Dependent Care Expense accounts.)*

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1. Change in the ~~Participant's~~ Employee's legal marital status, including marriage, divorce, death of Spouse, legal separation, or annulment.

2. Change in number of the ~~Participant's~~ Employee's Dependent Children, including birth, adoption, placement for adoption, or death.

3. Change in the employment status of the ~~Participant~~Employee, Spouse, or Dependent Child, including the following:

   (a) Termination or commencement of employment.

   (b) A reduction or increase in hours of employment by the Employee, the Employee's Spouse or the Employee's Dependent Child, including a switch between part-time and full-time status or commencement of or return from an unpaid leave of absence, provided the change in hours affects eligibility~~, subject to the requirements of Section 3.03(j)~~. ~~A reduction or increase in hours of employment by the Employee, the Employee's Spouse or the Employee's Dependent Child, including a switch between part-time and full-time status or commencement of or return from an unpaid leave of absence.~~

   (c) A change in employment status that results in the ~~Participant~~Employee, Spouse, or Dependent Child becoming or ceasing to be eligible for benefits under the individual's plan

(such as switching from part-time to full-time or from full-time to part-time employment status).

(d) Any situation where the Employee, the Employee's Spouse or the Employee's Dependent Child has special enrollment rights under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) as described in Section 3.04.

4. Dependent Child satisfies (or ceases to satisfy) dependent eligibility requirements, such as attainment of age, Student status or any similar circumstances.

b. Change in Residence. *(Applies to Pre-Tax Premiums only.)* A change in residence of the Employee, Spouse, or Dependent Child is considered a status change event. An election change is permissible if the change in residence affects the Participant's eligibility for coverage.

c. Change in Cost. *(Applies to Pre-Tax Premiums and the Dependent Care Expense accounts.)* A Participant may make election changes as a result of changes in cost under the following circumstances:

1. If the cost of a qualified benefits plan increases (or decreases), the Plan may automatically make a prospective increase (or decrease) in Employee contributions for the Plan.

2. If the cost of a Benefit Package Option significantly increases or significantly decreases, a Participant may make a prospective increase or decrease in payments or revoke his/her election and, in lieu thereof, choose another Benefit Package Option providing similar coverage, prospectively. This paragraph only applies in the case of the ~~d~~Dependent ~~c~~Care ~~e~~Expense accounts if the cost change is imposed by a dependent care provider who is not a relative of the Employee.

For purposes of the ~~d~~Dependent ~~c~~Care ~~e~~Expense accounts, a change in provider is a significant change in coverage similar to a Benefit Package Option becoming available, and may permit an election change under this Section 3.03.

d. Change in Coverage. *(Applies to Pre-Tax Premiums)* A Participant may make election changes as a result of changes in coverage under the following circumstances:

1. If the coverage under the Benefit Plan is significantly curtailed without a loss of coverage, a Participant may revoke his/her election for that coverage. The Participant may make a new prospective election of coverage under another Benefit Package Option providing similar coverage. Coverage is significantly curtailed only if there is an overall reduction in coverage provided to Participants

under the Benefit Plan so as to constitute reduced coverage to Participants generally.

If the coverage under the Benefit Plan is significantly curtailed and a loss of coverage occurs, a Participant may revoke his/her election. The Participant may make a new prospective election of coverage under another Benefit Package Option providing similar coverage or to drop coverage if no similar Benefit Package Option is available. A loss of coverage means a complete loss of coverage under the Benefit Package Option, or other coverage option, or the individual losing all coverage under the option by reason of an overall lifetime or annual limitation.

2. If the Benefit Plan adds a new Benefit Package Option or improves a Benefit Package Option, or other coverage option (or eliminates an existing option) a Participant may elect the newly added option (or elect another option if an option has been eliminated) prospectively and may make corresponding election changes with respect to other Benefit Package Options providing similar coverage. The Plan may permit eligible Employees who have not previously made an election to make an election on a prospective basis for coverage under a new or improved Benefit Package Option.

e. With the exception of Qualified Health Care Expense accounts, a Participant may make a prospective election change that is on account of and corresponds with a change made under another employer plan, including a plan of the same employer or of another employer, if:

1. The other plan permits the Participant to make an election change that would be permitted under federal regulations; or

2. The plan permits Participants to make an election for a period of coverage that is different from the period of coverage under this Plan.

f. A Participant may make an election change on a prospective basis to add coverage under a Benefit Plan for the Employee, Spouse or Dependent Child if the Employee, Spouse or Dependent Child loses coverage under any group health coverage sponsored by a governmental or educational institution, including the following:

1. A state's children's health insurance program (SCHIP) under Title XXI of the Social Security Act;

2. A medical care program of an Indian Tribal government (as defined in Code section 7701(a)(40)), the Indian Health Service, or a tribal organization;

3. A state health benefits risk pool; or

4. A foreign government group health plan.

g. When a Participant, Participant's Spouse, or Participant's Dependent(s) gains eligibility for coverage under a cafeteria plan or qualified benefit plan of the employer of that Participant's Spouse or Participant's Dependent(s), a Participant may elect to terminate or decrease coverage for that individual only if coverage for that individual becomes effective or is increased under the Participant's Spouse's or Dependent's employer's plan. The Plan Administrator may rely on a Participant's certification that the Participant has obtained or will obtain coverage under the Participant's Spouse's or Dependent's employer's plan unless the Plan Administrator has reason to believe that the Participant's certification is incorrect.

h. Judgement, Decrees and Orders. *(Applies to Pre-Tax Premiums and Qualified Health Care Expense accounts.)* In the case of a Benefit Plan that provides health or accident coverage, and for Qualified Health Care Expense accounts, a Participant's revocation or amendment of participation during the Plan Year, and new election for the remainder of the Plan Year, is allowable:

1. If a judgment, decree, or order (collectively, "Order") results from a divorce, legal separation, annulment, or change in legal custody (including a Qualified Medical Child Support Order (QMCSO) defined in ERISA section 609) that requires accident or health coverage for an Employee's Dependent Child or for a foster child who is a dependent of the Employee; and

2. The Employee changes his/her election to provide coverage for the Dependent Child or foster child if the Order requires coverage under the Employee's plan; or

3. The Employee changes his/her election to revoke coverage for the Dependent Child or foster child if the Order requires the former spouse to provide coverage.

i. Entitlement to Medicare and Medicaid. *(Applies to Pre-Tax Premiums and Qualified Health Care Expense accounts.)* In the case of a Benefit Plan that provides health or accident coverage, a Participant's revocation or amendment of participation during the Plan Year, and new election for the remainder of the Plan Year, is allowable:

1. If the Employee, Spouse, or Dependent Child becomes entitled to coverage under Part A or Part B of Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines); and

2. If the Employee changes his/her election to revoke coverage for that Employee, Spouse or Dependent Child under the Benefit Plan or Qualified Health Care Expense account.

j. Consistency Rules Applicable to Change in Status Events. A Participant's mid-year election change under this Section 3.03 satisfies the requirements

of the consistency rule if the election change is on account of and corresponds with a change in status event that affects the Participant's, Spouse's or Dependent Child's eligibility or loss of eligibility for coverage under an employer's plan.

If the change in status event is the Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or Dependent Child, or a Dependent Child ceasing to satisfy the eligibility requirements for coverage, a Participant may only elect to cancel coverage for the Spouse involved in the divorce, annulment, or legal separation, the deceased Spouse or Dependent Child, or the Dependent Child that ceased to satisfy the eligibility requirements. Canceling coverage for any other individual under these circumstances fails to correspond with the change in status event.

If a Participant, Spouse or Dependent Child gains eligibility for coverage under a cafeteria plan or qualified benefits plan of the employer of the Spouse or Dependent Child as a result of a change in marital status or a change in employment status, a Participant may elect to cease or decrease coverage for that individual only if coverage for that individual becomes effective or is increased under the other plan. A change in marital status also allows a change to other Benefit Plans currently available to the Participant. The Plan may rely on the Participant's certification that such individual has obtained or will obtain coverage under the other plan unless the Plan has reason to believe that the Participant's certification is incorrect.

Notwithstanding the foregoing, for purposes of the Qualified Dependent Care Expense account, a Participant's mid-year election change under Section 3.03 satisfies the requirements of the consistency rule if the election change is on account of and corresponds with a change in status event that affects expenses described in Code section 129 (including employment-related expenses as defined in Code section 21(b)(21) with respect to dependent care assistance.

The Plan Administrator, in its sole discretion, shall determine, based on the surrounding facts and circumstances and prevailing Internal Revenue Service guidance, whether a requested change is on account of and corresponds with a change in status event.

3.04 HIPAA Special Enrollment Rights. *(Applies to Pre-Tax Premiums only.)* A Participant may make a change to an annual election during the Plan Year if the change corresponds to a special enrollment event under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and Code section 9801(f), whether or not the change is permitted under any other section of this Plan, as follows:

a. Acquisition of a new Spouse or Dependent Child as a result of marriage, birth, adoption or placement for adoption.

b. Loss of eligibility under another group health plan or other health insurance by anyone who would otherwise be eligible under this Plan, including for (but not limited to) the following reasons:

1. Voluntary or involuntary termination of employment or reduction in hours of employment, or death, divorce or legal separation, cessation of dependent status, or

2. Loss of coverage through an HMO that does not provide benefits to individuals who do not reside, live or work in the service area, or

3. Termination of employer contributions toward that other coverage, or

4. If the other coverage was COBRA continuation coverage and the coverage was exhausted.

c. Loss of eligibility for coverage under Title XIX of the Social Security Act (Medicaid) or under Title XXI of the Social Security Act that is coverage under a state children's health insurance program (SCHIP) or becoming eligible for a premium assistance subsidy from Medicaid or SCHIP. A Participant has sixty (60) days after the date of the event to change his or her election.

d. For individuals losing other coverage, an Employee may revoke participation in a Benefit Plan and make a new election if the Employee is eligible, but not enrolled, for coverage under the terms of the Benefit Plan (or a Spouse or Dependent Child of such an Employee if the Spouse or Dependent Child is eligible, but not enrolled, for coverage); and

1. The Employee, Spouse or Dependent Child was covered under a group health plan or had health insurance coverage at the time coverage was previously offered to the Employee.

2. The Employee stated in writing at such time that coverage under a group health plan or health insurance coverage was the reason for declining enrollment.

3. The Employee's, Spouse's or Dependent Child's coverage under a group health plan or health insurance was under a COBRA continuation provision and the coverage under such provision was exhausted, or not under a COBRA continuation provision and either the coverage was terminated as a result of loss of eligibility for the coverage (including as a result of legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment) or the Employer contributions towards such coverage were terminated.

Under this subsection d., a revocation or amendment of participation must be made within thirty-one (31) days after the date of exhaustion of coverage described in paragraph 1. or the termination of coverage or Employer contribution described in paragraph 3. and will be effective for the balance of the Plan Year in which the election is made, beginning on the first day of the month following the month in which the election is made.

e. For acquisition of a Spouse or Dependent Child, an Employee may revoke participation in a Benefit Plan and make a new election if:

1. A person becomes a Spouse or a Dependent Child of the Participant through marriage, birth, or adoption or placement for adoption, and

2. The Participant elects to enroll himself/herself, the Spouse, and/or the Participant's Dependent Child or Children in the Plan, to the extent that the Spouse or Dependent Children are otherwise eligible for coverage.

Under this subsection e., a revocation or amendment of participation must be made within thirty-one (31) days after the date dependent coverage is made available or the date of the marriage, birth, or adoption or placement for adoption and will be effective for the balance of the Plan Year in which the election is made, and in the case of marriage, beginning with the first appropriate pay period after the election is received; or in the case of a Dependent Child's birth, as of the date of such birth; or in the case of a Dependent Child's adoption or placement for adoption, the date of such adoption or placement for adoption.

f. An election change on account of birth, adoption or placement for adoption will be effective retroactive to the date of birth, adoption or placement for adoption, provided the request to change the annual election is made within thirty-one (31) days of the birth, adoption or placement for adoption. Except as otherwise provided for herein, election changes for other special enrollment events (e.g., marriage or loss of other health coverage) will be effective as soon as practicable once a request for such election changes has been received, provided the request to change the annual election is made within thirty-one (31) (or sixty (60) days, as applicable) of the event.

g. Retroactive coverage of a newly acquired Dependent Child on account of birth, adoption or placement for adoption applies to the Pre-Tax Premiums under Section 4.01, but not to the Qualified Dependent Care Expense accounts. The effective date of coverage of a new Spouse or Dependent Child under the Qualified Dependent Care Expense account in accordance with Section 3.03 will be prospective for the balance of the Plan Year beginning as soon as practicable after the date the new Salary Reduction Agreement is received by the Plan Administrator.

h. Payroll changes made in accordance with special enrollment under this Section 3.04 will be effective with the first pay period following approval of a request to change a salary reduction election amount even if the effective date of a Dependent Child's coverage is retroactive.

3.05 Additional Election Change Pursuant to IRS Notice 2014-55. *(Applies to Pre-Tax Premiums for accident and health coverage only.)* An Employee who is eligible to enroll in a government sponsored exchange (marketplace coverage) during a marketplace special enrollment or open enrollment period may drop Benefit Plan accident and health coverage midyear, but only if the change corresponds to the Employee's intended enrollment (and the intended enrollment of any related individuals whose coverage is being dropped) in marketplace coverage that is effective no later than the day after the last day of the original coverage.

3.06 Termination of Participation.

a. Pre-Tax Premium(s). Participation with regard to Pre-Tax Premium(s) provided under this Plan during a Plan Year terminates on the first to occur of the following:

1. The end of the month following the month of termination of employment;

2. The date the applicable Salary Reduction Agreement is revoked;

3. The date the Plan or applicable Benefit Plan is terminated; or

4. The date of a change in employment status from permanent to temporary or reduction in hours to less than twenty (20) hours per week.

b. Qualified Health Care Expenses. Participation with regard to Qualified Health Care Expenses provided under this Plan during a Plan Year terminates on the first to occur of the following:

1. The last day of month in which a Participant ceases to be an Employee;

2. The date the applicable Salary Reduction Agreement is revoked;

3. The date the Plan or the Health FSA Plan is terminated;

4. The date of a change in employment status from permanent to temporary or reduction in hours to less than twenty (20) hours per week; or

5. Upon exhaustion of the annual election once during the Plan Year in which the Employee ceases employment.

c. Qualified Dependent Care Expenses. Participation with regard to Qualified Dependent Care Expenses provided under this Plan during a Plan Year terminates on the first to occur of the following:

1. The last day of month in which a Participant ceases to be an Employee;

2. The date the applicable Salary Reduction Agreement is revoked;

3. The date the Plan or the Dependent Care FSA Plan is terminated; or

4. The date of a change in employment status from permanent to temporary or reduction in hours to less than twenty (20) hours per week.

Notwithstanding any provision of the Plan to the contrary, a former Participant shall be entitled to submit a request for reimbursement of Qualified Health Care Expenses, in accordance with Article VII, as if he/she were a Participant, provided such Qualified Health Care Expenses were incurred while the former Participant participated in the Plan.

If participation terminates because the Participant ceases to be an Employee and the individual returns to eligible employment with the Employer in the same Plan Year within thirty (30) days, and without any other intervening event that would permit a Participant to revoke or amend participation, then the Employee will be required to take the same benefit election for the remaining portion of the Plan Year as he/she had before he/she terminated. Participation shall be effective the first of the month following termination date with prior employer.

If the individual returns to employment, with the Employer, after more than thirty (30) days he/she will not be eligible to participate in the Pre-tax Premium benefit, the Qualified Health Care Expense account or the Qualified Dependent Care Expense account for the remainder of the Plan Year. Notwithstanding the foregoing, an individual who returns to employment with the Employer after more than thirty (30) days and within thirteen (13) weeks is eligible to participate in the Pre-tax Premium benefit with respect to group health plan and life insurance coverage only.

Notwithstanding any provisions of the Plan to the contrary, a Qualified Beneficiary may elect to continue coverage for Qualified Health Care Expenses by electing continuation coverage as set forth in Section 3.07.

3.07 Continuation Coverage.

a. Eligibility. A Qualified Beneficiary may continue coverage under the Health FSA Plan under this Section 3.07 by making election to do so with the Employer and submitting the applicable continuation coverage contribution, subject to all conditions and limitations under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The amount of the monthly contribution will be established by the Plan Administrator and will be paid on an after-tax basis on a uniform and consistent basis. However, Qualified

Beneficiaries who elect COBRA are permitted to pay the COBRA premiums on a pre-tax basis through the end of the current Plan Year from their final paychecks.

b. Maximum Self-Payment Period. A Qualified Beneficiary may elect continuation coverage because of a Qualifying Event described in Section 2.23 only for the remainder of the Plan Year in which the Qualifying Event occurs (plus the Grace Period).

c. Procedures to Elect Continuation Coverage.

1. In the case of a Qualifying Event described in Section 2.23, a. or b. (death, termination of employment, or reduction in hours), the Participant's Employer must notify the Plan Administrator within thirty (30) days of the Qualifying Event. Following receipt of notice of a Qualifying Event from the Employer and within fourteen (14) days of receipt of such notice, the Plan Administrator will provide the Qualified Beneficiary with information concerning continuation coverage and rates. ~~a Qualified Beneficiary will receive information concerning continuation coverage, including the rates, within sixty (60) days of the date the Plan Administrator receives notice of the Qualifying Event from the Employer, or, if later, the date of loss of coverage. In the case of a Qualifying Event described in Section 2.23, a. or b (death, termination of employment or reduction in hours) a Qualified Beneficiary will receive information concerning continuation coverage, including the rates, within sixty (60) days of loss of coverage.~~

2. In the case of a Qualifying Event as described in Section 2.23, c. or d, (legal separation or divorce, or a child no longer qualifies as a Dependent Child) a Qualified Beneficiary must notify the Plan Administrator within sixty (60) days of the Qualifying Event. If notice is not received within sixty (60) days of the Qualifying Event, the Qualified Beneficiary will not be eligible for continuation coverage.

   Following receipt of timely notice of a Qualifying Event and within fourteen (14) days of receipt of such notice, the Plan Administrator will provide the Qualified Beneficiary with information concerning continuation coverage and rates.

3. After notification of continuation coverage, the Qualified Beneficiary will have sixty (60) days to elect continuation coverage, after the **later** of:

   (a) the date that the Qualified Beneficiary would lose coverage on account of the Qualifying Event; or

   (b) the date that the Qualified Beneficiary is sent the COBRA election notice.

If a Qualified Beneficiary chooses to waive coverage, a waiver of continuation coverage will be effective on the date that the waiver is received by the Plan Administrator.

A Qualified Beneficiary who, during the election period, waives continuation coverage can revoke the waiver at any time before the end of the election period. However, if a Qualified Beneficiary who waives continuation coverage later revokes the waiver within the sixty (60) day eligibility period, coverage will be reinstated retroactive to the loss of coverage occurred.

4. The first monthly payment (which will include premiums for all months since coverage terminated) must be received by the Plan Administrator within forty-five (45) days of the date the Qualified Beneficiary elects to continue coverage. Each subsequent payment is due by the first day of the month for which coverage is elected, and shall be considered timely if received within thirty (30) days of the date due.

5. If premiums are not received in a timely manner, coverage will terminate. No claims will be paid until premium payment is received by the Plan Administrator in accordance with paragraph 4. above.

6. The election must specify which Qualified Beneficiaries are electing COBRA continuation coverage. If it does not specify the Qualified Beneficiaries, the election shall be deemed to be an election on behalf of all Qualified Beneficiaries.

d. Termination of Continuation Coverage. Continuation coverage as provided under this section will terminate on the **earliest** of the following dates, as applicable:

1. The date after election of continuation coverage that the Qualified Beneficiary first becomes covered under any other group medical coverage as an employee or dependent.

2. The end of the period for which the last payment was made for coverage in a timely manner.

3. The end of the Plan Year in which the Qualifying Event occurs (plus the Grace Period).

4. The date, after the date of the election of continuation coverage, on which the Qualified Beneficiary first becomes entitled to benefits under Medicare.~~The date the Qualified Beneficiary becomes entitled to Medicare.~~

5. Under any circumstance where a non-COBRA beneficiary would have benefits terminated for cause (e.g., fraud).

6. The date the Board or the applicable Employer ceases to provide any group health plan.

3.08 **Death of a Participant.** With respect to Qualified Dependent Care Expenses, if a Participant dies, his/her participation in the Plan shall cease. However, such Participant's estate (or the Participant's heirs, if there is no estate) may submit claims for expenses incurred prior to the Participant's death for the remainder of the Plan Year or, if earlier, until the account balance is exhausted.

With respect to Qualified Health Care Expenses, if a Participant dies, his/her participation in the Plan shall cease on the last day of such month. However, there are two ways for a deceased Participant's family members to access the money in the Participant's Qualified Health Care Expense account. Such Participant's estate (or the Participant's heirs, if there is no estate) may submit claims for expenses incurred prior to the Participant's death for the remainder of the Plan Year. In addition, a Qualified Beneficiary may be eligible to elect COBRA continuation coverage in accordance with Section 3.07 and obtain reimbursement for their own health care expenses incurred after the Participant's death through the end of the Plan Year and Grace Period. A copy of the death certificate may need to be provided to the Plan Administrator or designated agent.

ARTICLE IV. BENEFITS

4.01 **Pre-Tax Premium(s).** An Employee may elect to pay Pre-Tax Premium(s) for a Benefit Plan subject to the provisions of Section 5.01.

4.02 **Qualified Health Care Expenses.** The Plan Administrator or designated agent shall reimburse a Participant for Qualified Health Care Expenses incurred by the Participant or the Participant's Spouse or Dependent Child in accordance with the provisions of Section 5.02. Reimbursement for Qualified Health Care Expenses during a Plan Year is limited to the annualized amount elected by the Participant to the Qualified Health Care Expense account under a valid Salary Reduction Agreement. The annual amount elected by the Participant for a Qualified Health Care Expense account under a valid Salary Reduction Agreement (minus any reimbursed expenses for the Plan Year) shall be available at all times during the applicable period of coverage regardless of the actual amount deducted from the Participant's salary for the Plan Year. An Employee who is enrolled in a High Deductible Health Plan with contributions to a Health Savings Account cannot participate in the Qualified Health Care Expense account portion of this Plan.

4.03 **Qualified Dependent Care Expenses.** The Plan Administrator or designated agent shall reimburse a Participant for Qualified Dependent Care Expenses in accordance with the provisions of Section 5.03. Reimbursement for Qualified Dependent Care Expenses during a Plan Year is limited to the amount of expenses incurred, not to exceed the amount in the Participant's account at the time a claim is made.

4.04 **HSA.** An Employee may elect to contribute on a pre-tax basis to a HSA.

4.05 ~~**Determination of Noncompliance**~~**Authority of the Plan Administrator to Cancel or Revise Certain Elections.**

a. Notwithstanding any other provisions of the Plan, to the extent required by Code Section 125, the following non-discrimination rules shall apply: (i) the Plan shall not discriminate in favor of highly compensated employees (as defined by Code Section 125(e)) as to eligibility to participate or as to contributions or benefits; and (ii) the benefits provided to key employees (as defined by Code Section 416(i)(l)) shall not exceed 25% of the aggregate benefits provided to all Participants. If the Plan Administrator determines, before or during the Plan Year, that the Plan (or any part thereof) may fail to satisfy any applicable non-discrimination requirement imposed by the Code, the Plan Administrator shall cancel or revise the elections of key employees and/or highly compensated employees to receive benefits under the Plan to the extent that the Plan Administrator determines that such cancellation or revision is necessary to satisfy the Code's non-discrimination requirements.

b. The Dependent Care FSA Plan shall be administered to be in compliance with all applicable non-discrimination requirements of the Code. Notwithstanding any other provision of the Dependent Care FSA Plan, the

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Plan Administrator may limit the amounts paid or reimbursed with respect to any Participant who is a highly compensated employee within the meaning of Code Section 414(q) to the extent the Plan Administrator deems the limitation appropriate to assure compliance with respect to any applicable non-discrimination requirement.

c. ~~It is the intent of this Plan to provide a benefits plan that is nondiscriminatory and provide benefits to a classification of Employees while not discriminating in favor of any group, as set forth in Code sections 125, 105, and 129.~~ In the event that a determination is made that all or any part of the contributions to the Plan do not qualify as non-taxable contributions under Code sections 125, 105, and/or 129, the affected contributions made by any Participant shall be treated as taxable salary and, to the extent not yet expended, returned to such Participant. The Participant shall pay:

1~~a~~. ~~–~~Any state or federal income taxes due with respect to such amount, together with any interest or penalties imposed thereon;

~~b.~~ 2. The Participant's share (as determined in good faith) of any applicable FICA contributions which would have been withheld from such amounts, had such amounts been treated as taxable salary and not as Qualifying Dependent Care Expenses or Qualified Health Care Expenses.

ARTICLE V. SALARY REDUCTIONS

5.01 Pre-Tax Premium(s). A Participant agrees to reduce the Participant's salary or wage each month by the amount of the Pre-Tax Premium(s) under the Benefit Plan under a Salary Reduction Agreement.

a. The salary reduction amount so elected shall be paid pro rata over the number of consecutive pay periods in the Plan Year. The salary reduction amount for any single pay period may not exceed the amount of the Participant's salary or wage for that period. Salary reduction amounts for a pay period shall be reduced by the amount it exceeds the Participant's salary or wage for that period.

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b. For members of the Legislative Assembly, the salary reduction amount may vary per pay period; however, the total amount of salary reduction must equal the annual election amount.

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5.02 Qualified Health Care Expense Account.

a. Qualified Health Care Expenses shall be reimbursed to a Participant to the extent the Participant has elected to reduce the Participant's salary or wage for the Plan Year under a valid Salary Reduction Agreement.

b. A Participant's salary or wage may be reduced under this Section 5.02 in an amount not to exceed the federally allowed maximum as adopted by the NDPERS Board, as adjusted in accordance with Code section 125(i) to the extent such adjustment is approved by the Board.

1. The salary reduction amount so elected shall be paid pro rata over the number of consecutive pay periods in the Plan Year. The salary reduction amount for any single pay period may not exceed the amount of the Participant's salary or wage for that period. Salary reduction amounts for a pay period shall be reduced by the amount it exceeds the Participant's salary or wage for that period.

2. For members of the Legislative Assembly, the salary reduction amount may vary per pay period; however, the total amount of salary reduction must equal the annual election amount.

c. The Plan Administrator or designated agent shall establish individual Qualified Health Care Expense accounts for each Participant and shall credit to each Participant's account salary reduction amounts elected under this Section 5.02. The Plan Administrator or designated agent shall reimburse Participants for Qualified Health Care Expenses in accordance with Article VII.

5.03 Qualified Dependent Care Expense Account.

a. Qualified Dependent Care Expenses may be reimbursed to a Participant to the extent the Participant has elected to reduce the Participant's salary or wage for the Plan Year under a valid Salary Reduction Agreement, not to exceed the amount in the Participant's account at the time reimbursement is required.

b. A Participant's salary or wage may be reduced under this Section 5.03 each Plan Year in an amount not to exceed the lesser of (1) the earned income limitation described in Code section 129(b) or (2) $7,500 or $3,750 if the Participant is married, but filing separately. In the case of a married Participant who elected an amount in excess of $3,750, the Plan Administrator shall be entitled to rely on the Participant's election as constituting a certification by the Participant that he or she will file a joint tax return.

1. The salary reduction amount so elected shall be paid pro rata over the number of consecutive pay periods in the Plan Year. The salary reduction amount for any single pay period may not exceed the amount of the Participant's salary or wage for the pay period. Salary reduction amounts for a pay period shall be reduced by the amount it exceeds the Participant's salary or wage for that period.

2. For members of the Legislative Assembly, the salary reduction amount may vary per pay period; however, the total amount of salary reduction must equal the annual election amount.

~~c.~~b. The Plan Administrator or designated agent shall establish individual Qualified Dependent Care Expense accounts for each Participant and shall credit to each Participant's account salary reduction amounts contributed under this Section 5.03. The Plan Administrator or designated agent shall reimburse Participants for Qualified Dependent Care Expenses in accordance with Article VII.

5.04 Funding of Health Savings Accounts (HSA).

~~Effective January 1, 2019.~~ An Employee can elect to participate in the Health Savings Account portion of the Plan by electing to make pre-tax contributions to a HSA via a valid Salary Reduction Agreement. Such amounts will be contributed to a Health Savings Account established and maintained outside this Plan by a trustee or custodian. The benefits under the HSA portion of the Plan consist solely of an Employee's ability to make pre-tax contributions to a Health Savings Account. The terms and conditions of each applicable Participant's HSA is governed by the Health Savings Account trust and/or custodial agreement. An Employee's election under a Salary Reduction Agreement to contribute to a Health Savings Account can be increased, decreased or revoked prospectively at any time during the Plan Year. Contributions to an HSA cannot be elected with benefits under a Qualified Health Care Expense account.

A participant who has an election for Qualified Health Care Expenses that is in effect on the last day of a Plan Year cannot elect HSA contributions for any of the first three months following the close of that Plan Year, unless the Participant's Qualified Health Care Expense account balance is $0 as of the last day of that Plan Year.

In no event shall the amount contributed to a Participant's Health Savings Account, including pre-tax contributions under this Plan, any after-tax employee contributions, and any employer contributions, exceed the maximum amount under Code section 223(b), as prorated for the number of months the Participant is eligible to contribute to a HSA, in accordance with Code section 223(b).

5.05 **Accounting.** The Plan Administrator or designated agent shall maintain complete records of all amounts to be credited as a contribution or debited as a reimbursement of Qualified Health Care Expenses or Qualified Dependent Care Expenses on behalf of any Participant for six (6) years.

ARTICLE VI. SALARY REDUCTION ELECTIONS

6.01 Election Period for Salary Reduction.

a. In order to contribute to a Qualified Health Care Expense account or a Qualified Dependent Care Expense account for a Plan Year, a Participant must submit to the Plan Administrator an appropriate Salary Reduction Agreement election form within the applicable election period.

b. An Employee who elects salary reduction for Pre-Tax Premium(s) must submit to the Plan Administrator an appropriate Salary Reduction Agreement within the applicable election period.

c. For the purpose of employee supplemental life insurance Pre-tax Premium benefits for the first $50,000 of coverage, an employee may elect not to participate by completing an appropriate Salary Reduction Agreement declination form within the applicable election period.

6.02 Termination, Revocation, or Amendment of Salary Reduction Elections.

a. A Participant's Salary Reduction Agreement for a Plan Year shall terminate at the end of the Plan Year. A Participant must make an affirmative election for salary reduction for each Plan Year. Failure to make such an election will result in waiving participation in the Plan for the Plan Year.

b. The employee supplemental life insurance Pre-tax benefits for the first $50,000 of coverage will be automatic unless an Employee declines this action or is otherwise ineligible as outlined in Section 3.06.

c. Termination, revocation or amendment of salary reduction elections may only be made by a Participant in accordance with Article III.

6.03 Limitations on Exclusion from Gross Income for Dependent Care Expense Account.

a. Reimbursements under the Plan for Qualified Dependent Care Expenses shall be excluded from the gross income of a Participant during a Plan Year in accordance with Code section 129. An Employee's exclusion from gross income under the Plan in a calendar year shall not exceed the lesser of:

1. $7,500 if the Employee is married and filing a joint return or if the Employee is a single parent or $3,750 if the Employee is married, but filing separately; or

2. In the case of an Employee who is not married at the close of such Plan Year, the Earned Income of such Employee for such Plan Year; or

3. In the case of an Employee who is married at the close of such Plan Year, the lesser of the Earned Income of such Employee or the Earned Income of the Spouse of such Employee for such Plan Year.

To the extent reimbursements exceed the maximum amount excludable from a Participant's gross income, the reimbursements shall be treated as taxable income to the Participant.

b. The amount excluded from the income of an Employee under the Plan for any Plan Year shall not include:

1. Payments made or incurred to an individual who can be claimed as a Dependent Child of the Employee or the Spouse of such Employee; or

2. Payments made or incurred to an individual who is a child, under the age of nineteen (19), of such Employee or the Spouse of such Employee.

6.04 Forfeiture of Salary Reduction Amounts.

a. If a Participant fails to claim any amounts in the Qualified Health Care Expense account or Qualified Dependent Care Expense account by the time allowed in Section 7.04, d., and Section 7.05, d., such amounts shall not be carried over to reimburse the Participant for expenses incurred during a subsequent Plan Year and rights to such amounts shall be forfeited by the Participant.

b. All forfeitures under this Plan shall be used first to offset any losses experienced by the Board during the Plan Year as a result of making reimbursements with respect to any Participant in excess of the amounts paid by such Participant via salary reductions. Second, forfeitures shall be used to reduce the Board's cost of administering this Plan during the Plan Year.

6.05 Amendment of Salary Reduction Elections Due To Leave of Absence, Family and Medical Leave Act (FMLA) or Military Leave.

a. Pre-Tax Premiums and Qualified Health Care Expense Account.

1. *Leave with taxable compensation.* Pre-tax contributions during a leave will continue to be made if taxable compensation is due to the Participant while on leave of absence, FMLA leave, or military leave.

2. *Leave without taxable compensation.* An unpaid leave of absence will be considered a change in status, and the Participant may amend salary reduction elections to be consistent with the change in status.

3. *FMLA.* A Participant commencing a qualifying leave under FMLA may, to the extent required by the FMLA, continue to maintain

coverage under the Benefit Plan and Qualified Health Care Expense Account under the terms and conditions set forth hereafter.

4. With respect to a Benefit Plan, for unpaid leaves of absence and leaves under FMLA, if no coverage during leave is elected and the Participant returns to active work during the same Plan Year, and the salary reduction election has not been amended, as provided in 6.05, a., 2., then the same election the Participant had before the leave must be maintained for the remainder of the Plan Year upon return from the leave.

   (a) *"Pre-pay option":* A Participant may make pre-tax contributions by increasing his/her salary reduction contributions before taking the leave, but only for the portion of the leave that occurs during the Plan Year.

   (b) *"Catch-up option":* Employer will continue coverage during the leave. A Participant must make pre-tax contributions after he or she returns from leave to make up missed contributions.

5. A Participant may elect not to continue coverage during the leave. If the Participant does not make the salary reduction on a pre-tax basis or by after tax contributions described in paragraph 4 above, his/her participation will cease the last day of the month in which a contribution is received. The Participant may submit claims for eligible expenses incurred before participation ended, and will be reimbursed for Qualified Health Care Expenses as described in Section 4.02 herein.

6. *USERRA.* If a Participant returns from a qualified military leave under the Uniformed Services Employment and Reemployment Rights Act (USERRA) and commences employment again, he/she may choose to become a Participant and salary reduction contributions will be increased to reflect any contributions for the Plan Year not yet paid or to amend the salary reduction election, as provided in paragraph 2 above, or to elect not to participate for the remainder of the Plan Year.

7. For the Qualified Health Care Expense account, if a Participant revokes coverage upon commencement of the leave and elects to be reinstated upon return from the leave, the Participant has a choice between two options:

   (a) *Full Coverage:* The Participant may maintain the same election the Participant had before the leave and reinstate the level of coverage in effect when the leave began, provided that the Participant makes contributions to reduce his/her salary or wage to fund the Qualified Health Care Expense

account for the contributions that were missed during the leave.

(b) *Prorated Coverage:* The Participant may reinstate a level of coverage that is reduced by the amount of contributions to reduce his/her salary or wage to fund the Qualified Health Care Expense account that were missed during the leave.

b. Qualified Dependent Care Expense Account.

1. *Leave with taxable compensation.* Pre-tax contributions during a leave may be made if taxable compensation is due to the Participant while on leave of absence, FMLA leave, or military leave and the employee has Qualified Dependent Care Expenses.

2. *Leave without taxable compensation.* An unpaid leave of absence will be considered a change in status, and the Participant may amend salary reduction elections to be consistent with the change in status.

3. *FMLA.* A Participant commencing a qualifying leave under FMLA may continue to maintain coverage under the Qualified Dependent Care Expense Account under the terms and conditions set forth hereafter. For unpaid leaves of absence and leaves under FMLA, if no coverage during leave is elected and the Participant returns to active work during the same Plan Year, and the salary reduction election has not been amended, as provided in paragraph 2 above, then the same election the Participant had before the leave must be maintained for the remainder of the calendar year upon return from the leave.

(a) *"Pre-pay option":* A Participant may make pre-tax contributions by increasing his/her salary reduction contributions before taking the leave, but only for the portion of the leave that occurs during the Plan Year.

(b) *"Catch-up option":* Employer will continue coverage during the leave. A Participant must make pre-tax contributions after he or she returns from the leave to make up missed contributions.

4. A Participant may elect not to continue coverage during the leave. If the Participant does not make the salary reduction on a pre-tax basis described in paragraph 3 above, his/her participation will cease the last day of the month in which a contribution is received. The Participant may submit claims for eligible expenses incurred before participation ended, and will be reimbursed as described in Section 4.03 herein. Eligible expenses are only those expenses that enable the Employee or the Employee and the Employee's Spouse to be gainfully employed or the Spouse to be a Student. Any other

expenses would not be reimbursable during the leave of absence period.

5. *USERRA*. If a Participant returns from a qualified military leave under USERRA and commences employment again, he/she may choose to become a Participant and salary reduction contributions will be increased to reflect any contributions for the Plan Year not yet paid or to amend the salary reduction election, as provided in paragraph 2 above, or to elect not to participate for the remainder of the Plan Year.

ARTICLE VII. PAYMENT OF CLAIMS

7.01 **Determination of Status of Eligible Expenses**. After receiving an appropriately submitted claim and the information required under Section 7.04 or Section 7.05, the Plan Administrator shall determine whether such expenses are Qualified Health Care Expenses or Qualified Dependent Care Expenses. The Plan Administrator may delegate the authority to administer claims under the Plan to a designated agent.

7.02 **Payment of Claims**. The Plan Administrator will authorize payment of properly submitted claims for reimbursement at such intervals, as it may consider appropriate.

7.03 **Expenses**. All administrative expenses incurred prior to the termination of the Plan that arise in connection with the administration of the Plan shall be paid as authorized by the Plan Administrator.

7.04 **Claims Reimbursement for Qualified Health Care Expenses**.

a. The Participant must submit a properly completed claim by form or online ~~form~~ to the Plan Administrator or the designated agent along with written evidence from an independent third party describing the Health Care Expense that has been incurred, the person on whose behalf such Health Care Expense has been incurred, the date such expense was incurred, the amount of such expense, and such other information as the Plan Administrator may find necessary.

b. The Participant must submit with other required documents a signed statement in such form as determined by the Plan Administrator certifying that the expenses for which reimbursement is sought are expenses that the Participant believes in good faith are Qualified Health Care Expenses.

c. The Plan Administrator reserves the right to verify to its satisfaction all claimed expenses prior to reimbursement and to refuse to reimburse any amounts which are not Qualified Health Care Expenses.

d. All claims for reimbursement must be submitted no later than April 30 following the end of the Plan Year in which the expense was incurred.

e. Claims reimbursement for Qualified Health Care Expenses using a debit card shall be made in accordance with the terms of the debit card agreement and Proposed Treasury Regulations section 1.125-6 and other applicable IRS rulings.

7.05 **Claims Reimbursement for Qualified Dependent Care Expenses.**

a. To make a claim for reimbursement of Qualified Dependent Care Expenses, the Participant shall submit a statement to the Plan Administrator or the

designated agent on an appropriate form, or online, as adopted by the Plan Administrator which may contain the following information:

1. The Qualifying Individual(s) for whom the Qualified Dependent Care Expenses were incurred;

2. A statement to substantiate that the dependent or dependents are Qualifying Individuals, such as the age of the dependent or a statement as to the physical or mental capacity of the dependent;

3. The nature of the services which will generate the Qualified Dependent Care Expenses;

4. Written evidence from an independent third party stating the expenses have been incurred, the amount of such expense, the date of such expense, and such other information as the Plan Administrator in its sole discretion may request;

5. The name of the person, organization or entity to who the expense was paid, including the taxpayer identification number, and the relationship, if any, of the person performing the services to the Participant;

6. A statement as to where the services were performed;

7. If the services are to be performed in a Dependent Care Center, a statement verifying that each of the requirements for a Dependent Care Center specified in Section 2.05 of the Plan are met;

8. A statement indicating whether the services are necessary to enable the Participant to be gainfully employed;

9. If the Participant is married, a statement:

   (a) that the Spouse is employed; or

   (b) if the Spouse is not employed, a statement that he/she is incapacitated or that he/she is a Student within the meaning of Section 2.275 of the Plan.

   If an Employee's Spouse is not employed, not incapacitated, nor a Student as defined in Section 2.275 at the time the expense was incurred, the expense is not a Qualified Dependent Care Expense; and

10. A statement that the Qualified Dependent Care Expenses have not been reimbursed and are not reimbursable under any other plan or by any other entity.

b. The Participant must submit with other required documents a signed statement in such form as determined by the Plan Administrator or designated agent certifying that the expenses for which reimbursement is sought are expenses that the Participant believes in good faith are Qualified Dependent Care Expenses.

c. The Plan Administrator reserves the right to verify to its satisfaction all claimed expenses prior to reimbursement and to refuse to reimburse any amounts which are not Qualified Dependent Care Expenses.

d. All claims for reimbursement must be submitted not later than April 30 following the end of the Plan Year in which the expense was incurred.

7.06 Grace Period for Qualified Health Care Expenses. Amounts remaining in a Participant's Qualified Health Care Expense account at the end of a Plan Year can be used to reimburse the Participant for Qualified Health Care Expenses that are incurred during Grace Period under the following conditions:

a. Applicability. In order for an individual to be reimbursed for Qualified Health Care Expenses incurred during a Grace Period from amounts remaining in his or her Qualified Health Care Expense account at the end of the Plan Year to which that Grace Period relates, he or she must be either (1) a Participant with Health Care Expense account coverage that is in effect on the last day of that Plan Year; or (2) a Qualified Beneficiary (as defined under COBRA) who has COBRA coverage under the Health Care Expense account component on the last day of that Plan Year.

b. No Cash-Out or Conversion. Prior Plan Year Qualified Health Care Expense accounts may not be cashed out or converted to any other taxable or nontaxable benefit. For example, a prior Plan Year Health Care Expense account may not be used to reimburse Qualified Dependent Care Expenses.

c. Reimbursement of Grace Period Expenses. Qualified Health Care Expenses incurred during a Grace Period and approved for reimbursement in accordance with the Plan's claims procedure for the Qualified Health Care Expense account component will be reimbursed and charged first from any available prior Plan Year Qualified Health Care Expense account balance. If a current Plan Year Qualified Health Care Expense should subsequently be submitted, the claims for reimbursement under the Qualified Health Care Expense account component will be paid in the order in which they are approved. Once paid, a claim will not be reprocessed so as to pay it (or treat it as paid) from amounts attributable to a different Plan Year or period of coverage.

d. Run-Out Period and Forfeitures. Claims for reimbursement of Qualified Health Care Expenses incurred during a Plan Year or its related Grace Period must be submitted no later than the April 30 following the close of the Plan Year in order to be reimbursed from prior Plan Year Qualified

Health Care Expense account amounts. Any prior Plan Year Qualified Health Care Expense account amounts that remain after all reimbursement have been made for the Plan Year and its related Grace Period shall not be carried over to reimburse the Participant for expenses incurred after the Grace Period ends.

The Participant will forfeit all rights with respect to such balance, which will be subject to the Plan's provisions regarding forfeitures in Section 6.04 of the Plan.

e. Qualified Health Care Expense Account Balance, Grace Period and Health Savings Accounts. This Plan's Qualified Health Care Expense account operates with a Grace Period. Under IRS rules regarding a Qualified Health Care Expense Account's Grace Period, if a Participant's Qualified Health Care Expense Account is in effect with any balance in that account on the last day of a Plan Year, the Participant (and their Spouse, if married), nor an Employer on behalf of the Participant, can contribute to a Health Savings Account during the first three (3) months following the close of the Plan Year.

f. Employee Participation in a Qualified Health Care Expenses Account Prevents Spouse or Dependent Child from Contributing to an HSA. Since this Plan's Qualified Health Care Expenses account is a general purpose account that permits reimbursement of qualifying medical expenses of Employees, Spouses and Dependent Children, under IRS rules, if the Spouse (or Dependent Child) of the Employee is enrolled in a High Deductible Health Plan with Health Savings Account, the Spouse (and Dependent Child) cannot contribute to an HSA while the Employee is enrolled in a general purpose Qualified Health Care Expenses account.

7.07 Grace Period for Qualified Dependent Care Expenses. Amounts remaining in a Participant's Qualified Dependent Care Expense account at the end of a Plan Year can be used to reimburse the Participant for Qualified Dependent Care Expenses that are incurred during the Grace Period under the following conditions:

a. Applicability. In order for an individual to be reimbursed for Qualified Dependent Care Expenses incurred during a Grace Period from amounts remaining in his or her Qualified Dependent Care Expense Account at the end of the Plan Year to which that Grace Period relates, he or she must be a Participant with Qualified Dependent Care Expense account coverage that is in effect on the last day of that Plan Year.

b. No Cash-Out or Conversion. Prior Plan Year Qualified Dependent Care Expense accounts may not be cashed out or converted to any other taxable or nontaxable benefit. For example, a Prior Plan Year Qualified Dependent Care Expense account may not be used to reimburse Qualified Health Care Expenses.

c. Reimbursement of Grace Period Expenses. Qualified Dependent Care Expenses incurred during a Grace Period and approved for reimbursement

in accordance with the Plan's claims procedure for the Qualified Dependent Care Expense account will be reimbursed and charged first from any available prior Plan Year Qualified Dependent Care Expense account. If a current Plan Year Qualified Dependent Care Expense should subsequently be submitted, the claims for reimbursement under the Qualified Dependent Care Expense account will be paid in the order in which they are approved. Once paid, a claim will not be reprocessed so as to pay it (or treat it as paid) from amounts attributable to a different Plan Year or period of coverage.

d. Run-Out Period and Forfeitures. Claims for reimbursement of Qualified Dependent Care Expenses incurred during a Plan Year or its related Grace Period must be submitted no later than the April 30 following the close of the Plan Year in order to be reimbursed from a prior Plan Year Qualified Dependent Care Expense account balance. Any prior Plan Year Qualified Dependent Care Expense account balance that remain after all reimbursements have been made for the Plan Year and its related Grace Period shall not be carried over to reimburse the Participant for expenses incurred after the Grace Period ends.

The Participant will forfeit all rights with respect to such balance, which will be subject to the Plan's provisions regarding forfeitures in Section 6.04 of the Plan.

e. Grace Period Effect on Dependent Care Expense Account Exclusions. Grace Periods may have an adverse effect on the exclusions or credits that individuals report on their personal income tax return. There may be taxable income to an individual if the Qualified Dependent Care Expense account reimbursements exceed IRS permitted Qualified Dependent Care Expense Account exclusion amounts as a result of the Grace Period. For example, if as a result of the Grace Period, a participant receives Qualified Dependent Care Expense account reimbursements for services incurred in a year that exceed his or her maximum Qualified Dependent Care Expense account exclusion, the excess may be included in the Participant’s taxable income. Individuals should be guided by the advice of their tax professional(s).

ARTICLE VIII. ADMINISTRATION

8.01 Board Powers and Duties. The Board shall interpret the Plan and decide all matters arising thereunder, including the right to remedy possible ambiguities, inconsistencies, or omissions. All determinations of the Board with respect to any matter under the Plan shall be conclusive and binding on all persons. The Board shall:

a. Make and enforce administrative rules or policies.

b. Decide questions concerning the Plan.

c. Provide a review to any Participant whose claim for benefits has been denied in whole or in part.

8.02 Plan Administrator Duties. The Plan Administrator or designated agent shall manage and administer the Plan. The Plan Administrator shall:

a. Require any person to furnish such information as it may request for the purpose of the proper administration of the Plan and as a condition to receiving any benefits under the Plan.

b. Prescribe the use of administrative policies and procedures as it considers necessary for the efficient administration of the Plan.

c. Determine the eligibility of any Employee to participate in the Plan, in accordance with the provisions of the Plan.

d. Determine the amount of benefits which are payable to any person in accordance with the provisions of the Plan.

8.03 Additional Operating Rules. A Participant's salary reduction amount will generally not be subject to federal income tax withholding or to applicable Social Security (FICA) tax withholding. Salary reduction amounts will generally not be subject to any state income tax withholding unless otherwise prohibited by applicable state law.

8.04 Use and Disclosure of Protected Health Information. The Health FSA Plan will use protected health information (PHI) only to the extent of and in accordance with the uses and disclosures permitted by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH). Specifically, the Health FSA Plan will use and disclose PHI for purposes related to health care treatment, payment for health care and health care operations. The Health FSA Plan rarely, if ever, uses or discloses PHI for treatment purposes. In addition, the Health FSA Plan does not use or disclose PHI that is genetic information (as defined in 45 CFR 160.103) for underwriting purposes, as set forth in 45 CFR 164.502(a)(5)(1)).

The Health FSA Plan may disclose PHI to a Benefit Plan for purposes related to administration of these plans, as permitted by law.

The Health FSA Plan will disclose PHI to the Employer only upon receipt of a certification from the Employer that the Employer, as Plan sponsor agrees to:

a. Not use or further disclose PHI other than as permitted or required by the Health FSA Plan document or as required by law;

b. Ensure that any agents to whom the Health FSA Plan sponsor provides PHI received from the Health FSA Plan agree to the same restrictions and conditions that apply to the Health FSA Plan sponsor with respect to such PHI;

c. Not use or disclose PHI for employment-related actions and decisions unless authorized by an individual;

d. Not use or discloses PHI in connection with any other benefit or employee benefit plan of the Health FSA Plan sponsor unless authorized by an individual;

e. Report to the Health FSA Plan any PHI use or disclosure that is inconsistent with the uses or disclosure provided for of which it becomes aware;

f. Make PHI available to an individual in accordance with HIPAA's access requirements;

g. Make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;

h. Make available the information required to provide an accounting of disclosures;

i. Make internal practices, books and records relating to the use and disclosure of PHI received from the Health FSA Plan available to the HHS Secretary for the purposes of determining the Health FSA Plan's compliance with HIPAA;

j. If feasible, return or destroy all PHI received from the Health FSA Plan that the Plan sponsor still maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible); and

k. If a breach of unsecured protected health information (PHI) occurs, the Health FSA Plan will notify affected individuals in accordance with applicable federal law and regulations.

In accordance with HIPAA, only the Executive Director of the Public Employees Retirement System and staff designated by the Executive Director may be given

access to PHI. Such persons may only have access to and use and disclose PHI for Health FSA Plan administration functions that the Plan sponsor performs for the Health FSA Plan. If such persons do not comply with this Section 8.04, the Health FSA Plan sponsor shall provide a mechanism for resolving issues of noncompliance, including disciplinary sanctions.

In addition, the Health FSA Plan sponsor will comply with the following HIPAA security standards:

a. **Safeguards**. The plan sponsor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of the Health FSA Plan, as required under 45 CFR Part 160 and Subparts A and C of Part 164 (the "HIPAA Security Standards").

b. **Agents**. The plan sponsor shall ensure that any agent, including a subcontractor, to whom it provides electronic protected health information agrees to implement reasonable and appropriate safeguards to protect such information

c. **Security Incidents**. The plans sponsor shall report to the Health FSA Plan any security incident under the HIPAA Security Standards of which it becomes aware.

d. **Adequate Separation**. The plan sponsor shall establish reasonable and appropriate security measures to ensure adequate separation between the Health FSA Plan and plan sponsor.

ARTICLE IX. APPEALS PROCEDURE

9.01 **Notice to Employee.** Any person who claims he/she has been denied a benefit under the Plan shall be entitled, upon written request to the Plan Administrator to receive, within sixty (60) days of receipt of such request, a written notice of such action, together with a full and clear statement of the specific reasons therefore, citing pertinent provisions of the Plan and a statement of the procedure to be followed in requesting a review of his/her claim.

9.02 **Late Claim Appeal.** Claims for the reimbursement of Qualified Health Care Expenses incurred in a Plan Year shall be paid as soon after a claim has been filed as is administratively practicable. If a Participant fails to submit a claim within the four (4) month period immediately following end of the Plan Year, those Health Care Expense claims shall not be considered for reimbursement by the Plan Administrator or designated agent; provided however, after four (4) months from the close of the Plan Year and before the end of three hundred sixty (360) days following the close of the Plan Year, a Participant may request the Board to authorize reimbursement of a Qualifying Health Care Expense incurred during the Plan Year by the Participant. The Participant must submit a written request to the Board specifying the request and the reason(s) why the Qualifying Health Care Expense was not submitted on or before the end of the 4th month following the close of the Plan Year. The Board may authorize payment for any reason constituting good cause not involving fault on the part of the Participant if such payment would be permitted under the Plan. Upon authorization of the Board, the Plan Administrator or designated agent shall reimburse the Participant for the amount not to exceed the Qualified Health Care Expense account balance for that Plan Year. The decision of the Board shall be final.

9.03 **Appeal of Denial of Benefit.** If the claimant wishes further consideration of his/her claim, he/she may request a review. The Plan Administrator shall schedule a review by the Board on the issue within sixty (60) days following receipt of the claimant's request for such review. The decision following such review shall be communicated in writing to the claimant and, if the claim is denied, shall set forth the specific reasons for such denial, citing the pertinent provisions of the Plan. The decision of the Board as to all claims shall be final.

ARTICLE X. AMENDMENT OR TERMINATION OF THE PLAN

The Board reserves the power at any time and from time to time (and retroactively if necessary or appropriate to meet the requirements of the Code) to modify or amend, in whole or in part, any or all of the provisions of the Plan provided, however, that no such modifications or amendment shall divest a Participant of a right to a benefit to which ~~he~~the Participant becomes entitled in accordance with the Plan. The Board reserves the power to discontinue or terminate the Plan at any time. Any such amendment, discontinuance or termination shall be effective as of such date as the Board shall determine.

ARTICLE XI. GENERAL PROVISIONS

11.01 No Right to be Retained in Employment. Nothing contained in the Plan shall give any Employee the right to be retained in the employment of any Employer or affect the right of the Employer to dismiss any Employee.

11.02 Alienation of Benefits. No benefit under the Plan is subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to do so is void.

11.03 Use of Form Required. All communications in connection with the Plan made by a Participant are effective only when submitted to the Plan Administrator or designated agent.

11.04 Applicable Law. The provisions of the Plan shall be construed, administered and enforced according to applicable federal law and the laws of the State of North Dakota.

11.05 Statement of Benefits. On or before January 31 of each year, the Board or a designated agent will furnish each Participant who received Qualified Dependent Care Expense account benefits under the Plan a written statement on appropriate forms required by the Internal Revenue Service, showing the amounts paid or incurred by the Plan in providing reimbursement under the Plan for Qualified Dependent Care Expenses with respect to the Participant for the prior Plan Year.

11.06 Effect of Mistake. In the event of a mistake as to the eligibility or participation of an Employee, the allocations made to the account of a Participant, or the amount of benefits paid or to be paid to a Participant or other person, the Plan shall, to the extent it deems administratively possible and otherwise permissible under Code section 125 or the regulations issued thereunder, cause to be allocated or cause to be withheld or accelerated, or otherwise make adjustment of, such amounts as it will in its judgment accord to such Participant or other person the credits to the account or distributions to which he/she is properly entitled under the Plan. Such actions by the Plan may include withholding any amounts due to the Plan or the Employer from compensation paid by the Employer.

North Dakota
Public Employees Retirement System
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Life Insurance Plan Renewal

TO: NDPERS Board

FROM: Katheryne Korom

DATE: September 29, 2026

Effective July 1, 2023, Voya was awarded the bid for the group life insurance plan for the July 1, 2023, through June 30, 2025, contract period. This contract was amended to renew with Voya for the July 1, 2025, through June 30, 2027, contract period. Attachment 1 is Voya's renewal rate proposal for the July 1, 2027, through June 30, 2029, contract period. This time period represents the 3rd two-year period available for contracting as part of the bid process. Please note that their proposal keeps the rates the same as they have been since the bid was awarded to them.

As you may recall as part of their bid in 2023, Voya made several plan enhancements, which included:

- Increased basic life coverage for active employees from $7,000 to $12,000 and for retirees from $1,300 to $1,500 at no additional cost.
- Increased employee supplemental maximum from $400,000 to $600,00 and spouse supplemental maximum from $100,000 to $300,000
- Implemented performance guarantees and included 2% of fees at risk for not meeting targets
- Reduced the rates for age bands where the premium was not divisible by 2, rounding down those that were not, which resulted in a decrease in cost of 1.7% to NDPERS members for employee supplemental life coverage.
- Offered to extend the rate guarantee period for 4 years.

Voya has provided Attachment 2, the Life Client Experience Report – Paid Claims by Incurred Date for 2025 for your information.

Staff recommends that we amend the current contract to renew with Voya for the July 1, 2027, through June 30, 2029, contract period.

If the Board opts to not renew with Voya, staff will begin preparations of the Life Insurance Plan Request for Proposal and will bring it to the Board for approval at a future meeting.

Board Action Requested

Consider Voya's renewal proposal for the July 1, 2027, through June 30, 2029, contract period.

Attachments

Attachment 1

Group Annual Term Life Insurance Renewal Offer

Voya Employee Benefits

Prepared For:

North Dakota Public Employees Retirement

Policy Number

673897

Effective Date

July 1, 2027

ReliaStar Life Insurance Company, a member of the Voya ® family of companies

VOYA Plan. Invest. Protect.

Life Insurance Renewal Offer
North Dakota Public Employees Retirement
Group Benefit Plan: 673897
Class Name: All Employees

New Premium Rate Effective Date: **07/01/2027**

COVERAGE	Current Premium Rates	Renewal Premium Rates
Life Basic Employee, per $1,000	$0.020	$0.020
Life Basic Retiree, per $1,000	$2.867	$2.867
AD&D Basic Employee, per $1,000	$0.035	$0.035
AD&D Basic Retiree, per $1,000	$0.020	$0.020
Life Supplemental Employee, per $1,000		
20-24	$0.020	$0.020
25-29	$0.020	$0.020
30-34	$0.040	$0.040
35-39	$0.060	$0.060
40-44	$0.080	$0.080
45-49	$0.100	$0.100
50-54	$0.160	$0.160
55-59	$0.320	$0.320
60-64	$0.500	$0.500
65-69	$0.980	$0.980
70+	$1.620	$1.620
Life Supplemental Spouse, per $1,000		
20-24	$0.020	$0.020
25-29	$0.020	$0.020
30-34	$0.040	$0.040
35-39	$0.060	$0.060
40-44	$0.080	$0.080
45-49	$0.100	$0.100
50-54	$0.160	$0.160
55-59	$0.320	$0.320
60-64	$0.500	$0.500
65-69	$0.980	$0.980
70+	$1.600	$1.600
Life Supplemental Family, Option 1, per Unit	$0.200	$0.200
Life Supplemental Family, Option 2, per Unit	$0.500	$0.500
Life Supplemental Family, Option 3, per Unit	$0.700	$0.700
Life Supplemental Family, Option 4, per Unit	$1.000	$1.000

Life Insurance Renewal Offer
North Dakota Public Employees Retirement
Group Benefit Plan: 673897

All Premium Rates are Guaranteed from: 07/01/2027 to 07/01/2029

In order for us to process this renewal in a timely manner, please sign below and return the completed form via fax, email, or mail to your Account Manager.

This form only acknowleges acceptance of the renewal rates. Amendments may need to be signed by the Policyholder for any changes to the current Policy and will be sent after acceptance of the renewal.

If Renewal offer is accepted, this document will serve as your premium rate notification for the rate guarantee period outlined above.

This document was produced on 08/26/2026, and is valid for 90 days from that date.

Authorized Signature

Print Name

Notes:

* The cost for Basic Life Insurance may include Voya Travel Assistance, Bereavement Support, Funeral Planning & Will Preparation services.

* Bereavement Support, including Funeral Planning & Will Preparation services are provided by The Empathy Project, Inc., New York, NY.

* Voya Travel Assistance services are provided by International Medical Group, Inc. (IMG), Indianapolis, IN.

* If Portability is elected, individuals who choose to port their coverage may have different rate schedules than those listed above.

* Group Term Life Insurance is underwritten by ReliaStar Life Insurance Company (Minneapolis, MN), a member of the Voya ® family of companies. Policy form ICC LP14GP (may vary by state).

Attachment 2

The information in this report is provided solely for business purposes you have with Voya ® Employee Benefits.
It may contain information on individuals. By accepting this report, you are agreeing not to disclose any private information on an individual to another party without a separate, written authorization from the individual.

PERSONAL AND CONFIDENTIAL

Group: 673897 North Dakota Public Employees Retirement System

Basic Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$220,208.33	$491,909.76	$0.00	$44,800.00	23,116	145,426,642
Totals	**$220,208.33**	**$491,909.76**	**$0.00**	**$44,800.00**	**23,116**	**145,426,642**

Supplemental Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$3,297,504.66	$2,394,806.98	$2,000.00	$867,200.00	10,573	1,571,635,083
Totals	**$3,297,504.66**	**$2,394,806.98**	**$2,000.00**	**$867,200.00**	**10,573**	**1,571,635,083**

Basic AD&D

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$9,536.53	$16,482.21	$0.00	$0.00	23,113	145,362,308
Totals	**$9,536.53**	**$16,482.21**	**$0.00**		**23,113**	**145,362,308**

Supplemental AD&D

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$1,430.24	$0.00	$0.00	$0.00	17	1,951,500
Totals	**$1,430.24**	**$0.00**	**$0.00**		**17**	**1,951,500**

Dependent Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$784,956.63	$908,362.21	$0.00	$0.00	11,748	394,637,167
Totals	**$784,956.63**	**$908,362.21**	**$0.00**		**11,748**	**394,637,167**

Group: 673897 North Dakota Public Employees Retirement System

Account: 1 **NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM**

Basic AD&D

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$9,152.15	$16,482.21	$0.00	$0.00	23,087	145,221,975
Totals	**$9,152.15**	**$16,482.21**	**$0.00**		**23,087**	**145,221,975**

Basic Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$215,047.10	$491,909.76	$0.00	$44,800.00	23,087	145,221,975
Totals	**$215,047.10**	**$491,909.76**	**$0.00**	**$44,800.00**	**23,087**	**145,221,975**

Dependent Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$775,869.30	$908,362.21	$0.00	$0.00	11,730	394,109,833
Totals	**$775,869.30**	**$908,362.21**	**$0.00**		**11,730**	**394,109,833**

Supplemental Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$3,261,727.19	$2,394,806.98	$2,000.00	$867,200.00	10,549	1,569,247,167
Totals	**$3,261,727.19**	**$2,394,806.98**	**$2,000.00**	**$867,200.00**	**10,549**	**1,569,247,167**

Account: 390 **North Dakota Public Employees Retirement System**

Basic AD&D

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$33.54	$0.00	$0.00	$0.00	9	80,500
Totals	**$33.54**	**$0.00**	**$0.00**		**9**	**80,500**

Basic Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$1,291.28	$0.00	$0.00	$0.00	16	117,333
Totals	**$1,291.28**	**$0.00**	**$0.00**		**16**	**117,333**

Dependent Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$1,045.74	$0.00	$0.00	$0.00	10	280,000
Totals	**$1,045.74**	**$0.00**	**$0.00**		**10**	**280,000**

Supplemental AD&D

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$503.86	$0.00	$0.00	$0.00	8	1,200,167
Totals	**$503.86**	**$0.00**	**$0.00**		**8**	**1,200,167**

Supplemental Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$14,147.80	$0.00	$0.00	$0.00	13	1,514,167
Totals	**$14,147.80**	**$0.00**	**$0.00**		**13**	**1,514,167**

Account: 391 **North Dakota Public Employees Retirement System**

Basic AD&D

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$336.98	$0.00	$0.00	$0.00	16	56,500
Totals	**$336.98**	**$0.00**	**$0.00**		**16**	**56,500**

Basic Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$3,640.75	$0.00	$0.00	$0.00	12	83,000
Totals	**$3,640.75**	**$0.00**	**$0.00**		**12**	**83,000**

Dependent Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$7,343.43	$0.00	$0.00	$0.00	7	238,833
Totals	**$7,343.43**	**$0.00**	**$0.00**		**7**	**238,833**

Supplemental AD&D

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$851.20	$0.00	$0.00	$0.00	8	732,833

Totals	**$851.20**	**$0.00**	**$0.00**		**8**	**732,833**

Supplemental Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 12/2025	$20,540.31	$0.00	$0.00	$0.00	10	855,250
Totals	**$20,540.31**	**$0.00**	**$0.00**		**10**	**855,250**

Account: 396 **North Dakota Public Employees Retirement System**

Basic AD&D

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 07/2025	$2.94	$0.00	$0.00	$0.00	1	7,000
Totals	**$2.94**	**$0.00**	**$0.00**		**1**	**7,000**

Basic Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 07/2025	$19.32	$0.00	$0.00	$0.00	1	7,000
Totals	**$19.32**	**$0.00**	**$0.00**		**1**	**7,000**

Supplemental AD&D

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 07/2025	$18.06	$0.00	$0.00	$0.00	1	43,000
Totals	**$18.06**	**$0.00**	**$0.00**		**1**	**43,000**

Supplemental Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
01/2025 to 07/2025	$118.68	$0.00	$0.00	$0.00	1	43,000
Totals	**$118.68**	**$0.00**	**$0.00**		**1**	**43,000**

Account: 399 **North Dakota Public Employees Retirement System**

Basic AD&D

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
02/2025 to 12/2025	$10.92	$0.00	$0.00	$0.00	1	8,667
Totals	**$10.92**	**$0.00**	**$0.00**		**1**	**8,667**

Basic Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
02/2025 to 12/2025	$209.88	$0.00	$0.00	$0.00	1	9,500
Totals	**$209.88**	**$0.00**	**$0.00**		**1**	**9,500**

Dependent Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
02/2025 to 08/2025	$698.16	$0.00	$0.00	$0.00	2	51,000
Totals	**$698.16**	**$0.00**	**$0.00**		**2**	**51,000**

Supplemental AD&D

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
02/2025 to 12/2025	$57.12	$0.00	$0.00	$0.00	1	45,333
Totals	**$57.12**	**$0.00**	**$0.00**		**1**	**45,333**

Supplemental Life

Experience Period	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
02/2025 to 12/2025	$970.68	$0.00	$0.00	$0.00	1	45,333
Totals	**$970.68**	**$0.00**	**$0.00**		**1**	**45,333**

Group: 673897 North Dakota Public Employees Retirement System

Basic Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$18,448.24	$66,115.60	$0.00	$32,800.00	23,108	136,411,700
2025	February	$18,412.83	$78,078.17	$0.00	$32,800.00	23,077	136,301,700
2025	March	$18,464.58	$36,054.70	$0.00	$32,800.00	23,063	136,365,700
2025	April	$18,395.70	$58,590.27	$0.00	$32,800.00	23,081	136,419,700
2025	May	$18,267.15	$36,061.19	$0.00	$32,800.00	23,031	136,307,700
2025	June	$18,253.70	$37,520.09	$0.00	$56,800.00	23,076	245,091,000
2025	July	$18,433.89	$9,013.70	$0.00	$56,800.00	23,093	136,435,700
2025	August	$18,373.23	$34,545.59	$0.00	$56,800.00	23,108	136,334,700
2025	September	$18,423.38	$50,851.68	$0.00	$56,800.00	23,166	136,346,700
2025	October	$18,394.05	$36,027.22	$0.00	$44,800.00	23,178	136,428,700
2025	November	$18,236.60	$33,020.79	$0.00	$44,800.00	23,197	136,334,700
2025	December	$18,104.98	$16,030.76	$0.00	$44,800.00	23,218	136,341,700
Total:		**$220,208.33**	**$491,909.76**	**$0.00**	**$44,800.00**	**23,116**	**145,426,642**

0

Basic Life Total :	**$220,208.33**	**$491,909.76**	**$0.00**	**$44,800.00**	**23,116**	**145,426,642**

Supplemental Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$286,949.15	$556,676.74	$8,000.00	$679,200.00	10,733	1,567,028,750
2025	February	$282,274.83	$216,374.77	$0.00	$679,200.00	10,700	1,578,016,000
2025	March	$279,429.97	$146,099.84	$0.00	$679,200.00	10,679	1,574,537,000
2025	April	$282,928.23	$18,014.52	$0.00	$679,200.00	10,690	1,581,776,250
2025	May	$276,757.49	$101,684.77	$0.00	$679,200.00	10,622	1,573,969,000
2025	June	$274,684.48	$336,743.46	$0.00	$955,200.00	10,587	1,572,250,500
2025	July	$277,084.53	$149,841.41	$0.00	$955,200.00	10,555	1,567,338,750
2025	August	$271,835.15	$354,746.09	$0.00	$955,200.00	10,539	1,571,798,500
2025	September	$267,518.07	$325,039.79	$0.00	$955,200.00	10,471	1,568,763,500
2025	October	$270,739.56	$188,084.79	$0.00	$867,200.00	10,466	1,568,444,250
2025	November	$264,370.53	$0.00	$0.00	$867,200.00	10,425	1,568,971,000
2025	December	$262,932.67	$1,500.80	$0.00	$867,200.00	10,406	1,566,727,500
Total:		**$3,297,504.66**	**$2,394,806.98**	**$8,000.00**	**$867,200.00**	**10,573**	**1,571,635,083**

0

Supplemental Life Total :	**$3,297,504.66**	**$2,394,806.98**	**$2,000.00**	**$867,200.00**	**10,573**	**1,571,635,083**

Basic AD&D

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$832.79	$0.00	$0.00		23,111	136,345,700

2025	February	$772.67	$1,500.78	$0.00		23,071	136,260,700
2025	March	$771.74	$0.00	$0.00		23,055	136,243,700
2025	April	$831.97	$13,480.65	$0.00		23,083	136,352,700
2025	May	$773.10	$0.00	$0.00		23,025	136,265,700
2025	June	$772.74	$0.00	$0.00		23,069	245,003,000
2025	July	$834.43	$0.00	$0.00		23,096	136,374,700
2025	August	$781.26	$0.00	$0.00		23,102	136,292,700
2025	September	$775.96	$0.00	$0.00		23,160	136,270,700
2025	October	$828.26	$1,500.78	$0.00		23,181	136,367,700
2025	November	$780.03	$0.00	$0.00		23,191	136,292,700
2025	December	$781.58	$0.00	$0.00		23,212	136,277,700
Total:		**$9,536.53**	**$16,482.21**	**$0.00**		**23,113**	**145,362,308**

0

Basic AD&D Total :		**$9,536.53**	**$16,482.21**	**$0.00**		**23,113**	**145,362,308**

Supplemental AD&D

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$233.08	$0.00	$0.00		25	2,857,000
2025	February	$58.11	$0.00	$0.00		11	1,104,000
2025	March	$44.78	$0.00	$0.00		9	1,106,000
2025	April	$248.83	$0.00	$0.00		26	3,050,000
2025	May	$44.04	$0.00	$0.00		11	1,099,000
2025	June	$51.36	$0.00	$0.00		11	1,432,000
2025	July	$266.08	$0.00	$0.00		29	3,328,000
2025	August	$73.26	$0.00	$0.00		14	1,384,000
2025	September	$53.00	$0.00	$0.00		12	1,479,000
2025	October	$214.22	$0.00	$0.00		28	3,285,000
2025	November	$62.34	$0.00	$0.00		14	1,622,000
2025	December	$81.14	$0.00	$0.00		13	1,672,000
Total:		**$1,430.24**	**$0.00**	**$0.00**		**17**	**1,951,500**

0

Supplemental AD&D Total :		**$1,430.24**	**$0.00**	**$0.00**		**17**	**1,951,500**

Dependent Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$68,126.31	$215,401.23	$0.00		11,904	393,863,000
2025	February	$67,459.16	$30,013.25	$0.00		11,881	396,983,000
2025	March	$66,527.30	$55,036.09	$0.00		11,849	395,711,000
2025	April	$68,015.81	$57,235.65	$0.00		11,868	396,988,000
2025	May	$65,587.56	$30,023.51	$0.00		11,795	395,253,000
2025	June	$65,170.70	$10,012.17	$0.00		11,763	395,161,000
2025	July	$66,475.44	$15,024.14	$0.00		11,743	394,939,000

2025	August	$64,542.26	$310,505.66	$0.00		11,721	395,496,000
2025	September	$63,372.64	$0.00	$0.00		11,643	393,382,000
2025	October	$64,838.01	$55,024.81	$0.00		11,645	393,269,000
2025	November	$62,470.30	$60,051.67	$0.00		11,575	392,109,000
2025	December	$62,371.14	$70,034.03	$0.00		11,589	392,492,000
Total:		**$784,956.63**	**$908,362.21**	**$0.00**		**11,748**	**394,637,167**

0

Dependent Life Total :	**$784,956.63**	**$908,362.21**	**$0.00**		**11,748**	**394,637,167**

Group: 673897 North Dakota Public Employees Retirement System

Account: NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Basic Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$17,990.29	$66,115.60	$0.00	$32,800.00	23,065	136,160,700
2025	February	$17,988.30	$78,078.17	$0.00	$32,800.00	23,058	136,160,700
2025	March	$17,960.57	$36,054.70	$0.00	$32,800.00	23,043	136,160,700
2025	April	$17,930.47	$58,590.27	$0.00	$32,800.00	23,036	136,160,700
2025	May	$17,908.12	$36,061.19	$0.00	$32,800.00	23,011	136,160,700
2025	June	$17,910.55	$37,520.09	$0.00	$56,800.00	23,054	244,896,000
2025	July	$17,900.48	$9,013.70	$0.00	$56,800.00	23,046	136,160,700
2025	August	$17,922.20	$34,545.59	$0.00	$56,800.00	23,085	136,160,700
2025	September	$17,940.71	$50,851.68	$0.00	$56,800.00	23,144	136,160,700
2025	October	$17,889.11	$36,027.22	$0.00	$44,800.00	23,132	136,160,700
2025	November	$17,871.01	$33,020.79	$0.00	$44,800.00	23,174	136,160,700
2025	December	$17,835.29	$16,030.76	$0.00	$44,800.00	23,197	136,160,700
Total:		**$215,047.10**	**$491,909.76**	**$0.00**	**$44,800.00**	**23,087**	**145,221,975**

0

Basic Life Total :	**$215,047.10**	**$491,909.76**	**$0.00**	**$44,800.00**	**23,087**	**145,221,975**

Account: NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Supplemental Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$281,808.44	$556,676.74	$8,000.00	$679,200.00	10,698	1,563,513,000
2025	February	$280,362.33	$216,374.77	$0.00	$679,200.00	10,684	1,576,577,000
2025	March	$278,184.25	$146,099.84	$0.00	$679,200.00	10,664	1,573,081,000
2025	April	$277,496.04	$18,014.52	$0.00	$679,200.00	10,653	1,578,050,500
2025	May	$275,247.55	$101,684.77	$0.00	$679,200.00	10,605	1,572,508,000
2025	June	$273,425.68	$336,743.46	$0.00	$955,200.00	10,571	1,570,512,500
2025	July	$270,663.94	$149,841.41	$0.00	$955,200.00	10,516	1,563,379,000
2025	August	$269,818.41	$354,746.09	$0.00	$955,200.00	10,519	1,570,052,500
2025	September	$266,059.75	$325,039.79	$0.00	$955,200.00	10,454	1,566,978,500
2025	October	$264,689.58	$188,084.79	$0.00	$867,200.00	10,428	1,564,527,500
2025	November	$262,652.67	$0.00	$0.00	$867,200.00	10,405	1,566,987,000
2025	December	$261,318.55	$1,500.80	$0.00	$867,200.00	10,389	1,564,799,500
Total:		**$3,261,727.19**	**$2,394,806.98**	**$8,000.00**	**$867,200.00**	**10,549**	**1,569,247,167**

0

Supplemental Life Total :	$3,261,727.19	$2,394,806.98	$2,000.00	$867,200.00	10,549	1,569,247,167

Account: NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Basic AD&D

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$761.63	$0.00	$0.00		23,065	136,160,700
2025	February	$761.39	$1,500.78	$0.00		23,058	136,160,700
2025	March	$760.95	$0.00	$0.00		23,043	136,160,700
2025	April	$760.81	$13,480.65	$0.00		23,036	136,160,700
2025	May	$760.00	$0.00	$0.00		23,011	136,160,700
2025	June	$761.53	$0.00	$0.00		23,054	244,896,000
2025	July	$761.28	$0.00	$0.00		23,046	136,160,700
2025	August	$762.60	$0.00	$0.00		23,085	136,160,700
2025	September	$764.65	$0.00	$0.00		23,144	136,160,700
2025	October	$764.41	$1,500.78	$0.00		23,132	136,160,700
2025	November	$765.99	$0.00	$0.00		23,174	136,160,700
2025	December	$766.91	$0.00	$0.00		23,196	136,160,700
Total:		**$9,152.15**	**$16,482.21**	**$0.00**		**23,087**	**145,221,975**

0

Basic AD&D Total :	$9,152.15	$16,482.21	$0.00	23,087	145,221,975

Account: NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Dependent Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$66,998.60	$215,401.23	$0.00		11,878	393,039,000
2025	February	$66,774.40	$30,013.25	$0.00		11,870	396,664,000
2025	March	$66,347.50	$55,036.09	$0.00		11,838	395,389,000
2025	April	$66,085.90	$57,235.65	$0.00		11,839	396,054,000
2025	May	$65,442.80	$30,023.51	$0.00		11,785	394,979,000
2025	June	$64,990.90	$10,012.17	$0.00		11,752	394,839,000
2025	July	$64,399.00	$15,024.14	$0.00		11,712	393,989,000
2025	August	$64,230.30	$310,505.66	$0.00		11,707	395,149,000
2025	September	$63,183.80	$0.00	$0.00		11,630	393,044,000
2025	October	$62,877.60	$55,024.81	$0.00		11,614	392,319,000
2025	November	$62,339.60	$60,051.67	$0.00		11,561	391,759,000
2025	December	$62,198.90	$70,034.03	$0.00		11,575	392,094,000
Total:		**$775,869.30**	**$908,362.21**	**$0.00**		**11,730**	**394,109,833**

0

Dependent Life Total :	$775,869.30	$908,362.21	$0.00	11,730	394,109,833

Account: North Dakota Public Employees Retirement System

Basic Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$101.37	$0.00	$0.00		15	111,000
2025	February	$101.37	$0.00	$0.00		15	111,000
2025	March	$104.27	$0.00	$0.00		16	112,000
2025	April	$104.27	$0.00	$0.00		16	112,000
2025	May	$103.49	$0.00	$0.00		15	106,000
2025	June	$104.69	$0.00	$0.00		16	118,000
2025	July	$114.85	$0.00	$0.00		17	121,000
2025	August	$114.85	$0.00	$0.00		17	121,000
2025	September	$114.85	$0.00	$0.00		17	121,000
2025	October	$107.17	$0.00	$0.00		17	121,000
2025	November	$110.05	$0.00	$0.00		18	133,000
2025	December	$110.05	$0.00	$0.00		17	121,000
Total:		**$1,291.28**	**$0.00**	**$0.00**		**16**	**117,333**

0

Basic Life Total :	**$1,291.28**	**$0.00**	**$0.00**		**16**	**117,333**

Account: North Dakota Public Employees Retirement System

Supplemental Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$1,056.06	$0.00	$0.00		12	1,354,000
2025	February	$1,056.06	$0.00	$0.00		12	1,354,000
2025	March	$1,099.56	$0.00	$0.00		13	1,369,000
2025	April	$1,099.56	$0.00	$0.00		13	1,369,000
2025	May	$1,093.84	$0.00	$0.00		12	1,325,000
2025	June	$1,112.64	$0.00	$0.00		13	1,513,000
2025	July	$1,264.64	$0.00	$0.00		14	1,560,000
2025	August	$1,264.64	$0.00	$0.00		14	1,560,000
2025	September	$1,264.64	$0.00	$0.00		14	1,560,000
2025	October	$1,232.64	$0.00	$0.00		14	1,560,000
2025	November	$1,301.76	$0.00	$0.00		15	1,848,000
2025	December	$1,301.76	$0.00	$0.00		14	1,798,000
Total:		**$14,147.80**	**$0.00**	**$0.00**		**13**	**1,514,167**

0

Supplemental Life Total :	**$14,147.80**	**$0.00**	**$0.00**		**13**	**1,514,167**

Account: North Dakota Public Employees Retirement System

Basic AD&D

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$2.43	$0.00	$0.00		8	70,000
2025	February	$2.43	$0.00	$0.00		8	70,000
2025	March	$2.43	$0.00	$0.00		8	70,000
2025	April	$2.43	$0.00	$0.00		8	70,000
2025	May	$2.43	$0.00	$0.00		8	70,000
2025	June	$2.85	$0.00	$0.00		9	82,000
2025	July	$2.95	$0.00	$0.00		10	85,000
2025	August	$2.95	$0.00	$0.00		10	85,000
2025	September	$2.95	$0.00	$0.00		10	85,000
2025	October	$2.95	$0.00	$0.00		10	85,000
2025	November	$3.37	$0.00	$0.00		11	97,000
2025	December	$3.37	$0.00	$0.00		11	97,000
Total:		**$33.54**	**$0.00**	**$0.00**		**9**	**80,500**

0

Basic AD&D Total :	**$33.54**	**$0.00**	**$0.00**	**9**	**80,500**

Account: North Dakota Public Employees Retirement System

Supplemental AD&D

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$35.65	$0.00	$0.00		7	1,019,000
2025	February	$35.65	$0.00	$0.00		7	1,019,000
2025	March	$35.65	$0.00	$0.00		7	1,019,000
2025	April	$35.65	$0.00	$0.00		7	1,019,000
2025	May	$35.65	$0.00	$0.00		7	1,019,000
2025	June	$42.23	$0.00	$0.00		8	1,207,000
2025	July	$43.87	$0.00	$0.00		9	1,254,000
2025	August	$43.87	$0.00	$0.00		9	1,254,000
2025	September	$43.87	$0.00	$0.00		9	1,254,000
2025	October	$43.87	$0.00	$0.00		9	1,254,000
2025	November	$53.95	$0.00	$0.00		10	1,542,000
2025	December	$53.95	$0.00	$0.00		10	1,542,000
Total:		**$503.86**	**$0.00**	**$0.00**		**8**	**1,200,167**

0

Supplemental AD&D Total :	**$503.86**	**$0.00**	**$0.00**	**8**	**1,200,167**

Account: North Dakota Public Employees Retirement System

Dependent Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$88.60	$0.00	$0.00		9	262,000
2025	February	$88.60	$0.00	$0.00		9	262,000
2025	March	$88.60	$0.00	$0.00		9	262,000
2025	April	$88.60	$0.00	$0.00		9	262,000
2025	May	$88.60	$0.00	$0.00		9	262,000
2025	June	$88.60	$0.00	$0.00		9	262,000
2025	July	$97.64	$0.00	$0.00		11	278,000
2025	August	$97.64	$0.00	$0.00		11	278,000
2025	September	$97.64	$0.00	$0.00		11	278,000
2025	October	$65.64	$0.00	$0.00		11	278,000
2025	November	$74.54	$0.00	$0.00		13	338,000
2025	December	$81.04	$0.00	$0.00		12	338,000
Total:		**$1,045.74**	**$0.00**	**$0.00**		**10**	**280,000**

0

Dependent Life Total :	**$1,045.74**	**$0.00**	**$0.00**	**10**	**280,000**

Account: **North Dakota Public Employees Retirement System**

Basic Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$346.92	$0.00	$0.00		27	133,000
2025	February	$239.16	$0.00	$0.00		3	23,000
2025	March	$399.74	$0.00	$0.00		4	93,000
2025	April	$360.96	$0.00	$0.00		29	147,000
2025	May	$255.54	$0.00	$0.00		5	41,000
2025	June	$212.54	$0.00	$0.00		5	65,000
2025	July	$408.90	$0.00	$0.00		29	147,000
2025	August	$255.54	$0.00	$0.00		5	41,000
2025	September	$367.82	$0.00	$0.00		5	65,000
2025	October	$397.77	$0.00	$0.00		29	147,000
2025	November	$255.54	$0.00	$0.00		5	41,000
2025	December	$140.32	$0.00	$0.00		3	53,000
Total:		**$3,640.75**	**$0.00**	**$0.00**		**12**	**83,000**

0

Basic Life Total :	**$3,640.75**	**$0.00**	**$0.00**	**12**	**83,000**

Account: **North Dakota Public Employees Retirement System**

Supplemental Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume

2025	January	$4,025.31	$0.00	$0.00		22	2,118,750
2025	February	$340.44	$0.00	$0.00		3	42,000
2025	March	$146.16	$0.00	$0.00		2	87,000
2025	April	$4,332.63	$0.00	$0.00		24	2,356,750
2025	May	$416.10	$0.00	$0.00		5	136,000
2025	June	$146.16	$0.00	$0.00		3	225,000
2025	July	$5,096.61	$0.00	$0.00		24	2,356,750
2025	August	$416.10	$0.00	$0.00		5	136,000
2025	September	$193.68	$0.00	$0.00		3	225,000
2025	October	$4,817.34	$0.00	$0.00		24	2,356,750
2025	November	$416.10	$0.00	$0.00		5	136,000
2025	December	$193.68	$0.00	$0.00		2	87,000
Total:		**$20,540.31**	**$0.00**	**$0.00**		**10**	**855,250**

0

Supplemental Life Total :	**$20,540.31**	**$0.00**	**$0.00**	**10**	**855,250**

Account: **North Dakota Public Employees Retirement System**

Basic AD&D

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$67.26	$0.00	$0.00		37	108,000
2025	February	$5.91	$0.00	$0.00		4	23,000
2025	March	$8.36	$0.00	$0.00		4	13,000
2025	April	$68.73	$0.00	$0.00		39	122,000
2025	May	$10.67	$0.00	$0.00		6	35,000
2025	June	$8.36	$0.00	$0.00		6	25,000
2025	July	$68.73	$0.00	$0.00		39	122,000
2025	August	$10.67	$0.00	$0.00		6	35,000
2025	September	$8.36	$0.00	$0.00		6	25,000
2025	October	$60.90	$0.00	$0.00		39	122,000
2025	November	$10.67	$0.00	$0.00		6	35,000
2025	December	$8.36	$0.00	$0.00		4	13,000
Total:		**$336.98**	**$0.00**	**$0.00**		**16**	**56,500**

0

Basic AD&D Total :	**$336.98**	**$0.00**	**$0.00**	**16**	**56,500**

Account: **North Dakota Public Employees Retirement System**

Supplemental AD&D

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$188.40	$0.00	$0.00		17	1,795,000
2025	February	$4.40	$0.00	$0.00		3	42,000

2025	March	$9.13	$0.00	$0.00		2	87,000
2025	April	$213.18	$0.00	$0.00		19	2,031,000
2025	May	$8.39	$0.00	$0.00		4	80,000
2025	June	$9.13	$0.00	$0.00		3	225,000
2025	July	$213.18	$0.00	$0.00		19	2,031,000
2025	August	$8.39	$0.00	$0.00		4	80,000
2025	September	$9.13	$0.00	$0.00		3	225,000
2025	October	$170.35	$0.00	$0.00		19	2,031,000
2025	November	$8.39	$0.00	$0.00		4	80,000
2025	December	$9.13	$0.00	$0.00		2	87,000
Total:		**$851.20**	**$0.00**	**$0.00**		**8**	**732,833**

0

Supplemental AD&D Total :	**$851.20**	**$0.00**	**$0.00**		**8**	**732,833**

Account: **North Dakota Public Employees Retirement System**

Dependent Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$1,039.11	$0.00	$0.00		17	562,000
2025	February	$56.16	$0.00	$0.00		1	12,000
2025	March	$91.20	$0.00	$0.00		2	60,000
2025	April	$1,841.31	$0.00	$0.00		20	672,000
2025	May	$56.16	$0.00	$0.00		1	12,000
2025	June	$91.20	$0.00	$0.00		2	60,000
2025	July	$1,978.80	$0.00	$0.00		20	672,000
2025	August	$56.16	$0.00	$0.00		1	12,000
2025	September	$91.20	$0.00	$0.00		2	60,000
2025	October	$1,894.77	$0.00	$0.00		20	672,000
2025	November	$56.16	$0.00	$0.00		1	12,000
2025	December	$91.20	$0.00	$0.00		2	60,000
Total:		**$7,343.43**	**$0.00**	**$0.00**		**7**	**238,833**

0

Dependent Life Total :	**$7,343.43**	**$0.00**	**$0.00**		**7**	**238,833**

Account: **North Dakota Public Employees Retirement System**

Basic Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$9.66	$0.00	$0.00		1	7,000
2025	July	$9.66	$0.00	$0.00		1	7,000
Total:		**$19.32**	**$0.00**	**$0.00**		**1**	**7,000**

0

Basic Life Total :	$19.32	$0.00	$0.00	1	7,000

Account: North Dakota Public Employees Retirement System

Supplemental Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$59.34	$0.00	$0.00		1	43,000
2025	July	$59.34	$0.00	$0.00		1	43,000
Total:		**$118.68**	**$0.00**	**$0.00**		**1**	**43,000**

0

Supplemental Life Total :	$118.68	$0.00	$0.00	1	43,000

Account: North Dakota Public Employees Retirement System

Basic AD&D

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$1.47	$0.00	$0.00		1	7,000
2025	July	$1.47	$0.00	$0.00		1	7,000
Total:		**$2.94**	**$0.00**	**$0.00**		**1**	**7,000**

0

Basic AD&D Total :	$2.94	$0.00	$0.00	1	7,000

Account: North Dakota Public Employees Retirement System

Supplemental AD&D

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	January	$9.03	$0.00	$0.00		1	43,000
2025	July	$9.03	$0.00	$0.00		1	43,000
Total:		**$18.06**	**$0.00**	**$0.00**		**1**	**43,000**

0

Supplemental AD&D Total :	$18.06	$0.00	$0.00	1	43,000

Account: North Dakota Public Employees Retirement System

Basic Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	February	$84.00	$0.00	$0.00		1	7,000
2025	June	$25.92	$0.00	$0.00		1	12,000
2025	August	$80.64	$0.00	$0.00		1	12,000
2025	December	$19.32	$0.00	$0.00		1	7,000
Total:		**$209.88**	**$0.00**	**$0.00**		**1**	**9,500**

0

Basic Life Total :	**$209.88**	**$0.00**	**$0.00**	**1**	**9,500**

Account: **North Dakota Public Employees Retirement System**

Supplemental Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	February	$516.00	$0.00	$0.00		1	43,000
2025	August	$336.00	$0.00	$0.00		1	50,000
2025	December	$118.68	$0.00	$0.00		1	43,000
Total:		**$970.68**	**$0.00**	**$0.00**		**1**	**45,333**

0

Supplemental Life Total :	**$970.68**	**$0.00**	**$0.00**	**1**	**45,333**

Account: **North Dakota Public Employees Retirement System**

Basic AD&D

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	February	$2.94	$0.00	$0.00		1	7,000
2025	August	$5.04	$0.00	$0.00		1	12,000
2025	December	$2.94	$0.00	$0.00		1	7,000
Total:		**$10.92**	**$0.00**	**$0.00**		**1**	**8,667**

0

Basic AD&D Total :	**$10.92**	**$0.00**	**$0.00**	**1**	**8,667**

Account: **North Dakota Public Employees Retirement System**

Supplemental AD&D

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	February	$18.06	$0.00	$0.00		1	43,000
2025	August	$21.00	$0.00	$0.00		1	50,000
2025	December	$18.06	$0.00	$0.00		1	43,000
Total:		**$57.12**	**$0.00**	**$0.00**		**1**	**45,333**

Supplemental AD&D Total :	**$57.12**	**$0.00**	**$0.00**		**1**	**45,333**

Account: **North Dakota Public Employees Retirement System**

Dependent Life

Year	Month	Premium Paid	Claims by Incurred Date **	Conversion & Port Charges	Waiver Face Amount	Number of Lives	Volume
2025	February	$540.00	$0.00	$0.00		1	45,000
2025	August	$158.16	$0.00	$0.00		2	57,000
Total:		**$698.16**	**$0.00**	**$0.00**		**2**	**51,000**

Dependent Life Total :	**$698.16**	**$0.00**	**$0.00**		**2**	**51,000**

Report Field	Definition
Account	Account number assigned to the employer by Voya Employee Benefits.
Activity Date	Date of activity for a process.
Claimant DOB	Date of birth of the claimant.
Claimant Name	Identifies the name of the individual claimant for which the payment is being made.
Claim ID	A unique number assigned to the claim by Voya Employee Benefits.
Conversion Charges	The total amount of conversion charges that have been charged to a specific EA date.
Coverage Type	Type of coverage the applicant is applying for.
Group	Policy/Plan number assigned to the employer by Voya Employee Benefits.
Incurred Date	Actual date of death or disability.
Number of Lives	Number of covered participants.
Paid Claims by Paid Date	Benefit amount plus interest based on claim paid date. This amount does NOT include pending benefit amounts.
Port Charges	The total amount of port charges that have been charged to a specific EA date.
Premium Paid	Premium payment or fee payment made to Voya Employee Benefits for a group or account.
Status	The current status of the file.
Volume	Amount of coverage assigned to specific individuals.
Waiver Face Amount	Amount stated as payable to the insured.

Placeholder:
III. GROUP INSURANCE / FLEXCOMP
D. Dental Insurance Plan Contract Amendment

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

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

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

Medicare Part D Contract Amendment

TO: NDPERS Board

FROM: Katheryne Korom

DATE: September 29, 2026

At the August meeting, the Board approved renewing the NDPERS Medicare Part D Plan with Humana for the 2027 plan year. Attached is the contract amendment prepared by NDPERS legal counsel and signed by Humana.

Board Action Requested

Consider approval and signature by Chairman Mike Seminary of the contract amendment for the Medicare Part D plan with Humana for the 2027 plan year.

Attachment

Attachment

Fifth Amendment to Medicare Part D Employer Sponsored Group Waiver Plan Prescription Drug Services Agreement

This Fifth Amendment is made to the Medicare Part D Employer Sponsored Group Waiver Plan Prescription Drug Services Agreement (Agreement) between the State of North Dakota, acting through its North Dakota Public Employees Retirement System (Group), and Humana Insurance Company and its affiliates that offer or administer health plans (collectively MAO) (collectively, the Parties), effective January 1, 2027.

The Parties agree to the following terms and conditions and expressly agree that if any of the following terms and conditions conflict with any of the terms and conditions of the Agreement, then, notwithstanding any term in the Agreement, the following terms and conditions govern and control the rights and obligations of the Parties. The Parties further agree that this amendment supersedes all previous amendments to the Agreement.

The Parties agree to amend the Agreement as follows:

1. **ARTICLE IV – TERM AND TERMINATION Agreement Section 4.1, Contract Term**, is hereby amended as follows:

The Agreement commenced on January 1, 2022, for a period of one year with an option to renew the Agreement for successive January 1 to December 31 periods.

The Agreement was previously renewed for four one-year periods from January 1, 2023, to December 31, 2023; January 1, 2024, to December 31, 2024; January 1, 2025, to December 31, 2025; and January 1, 2026, to December 31, 2026.

The parties have agreed to renew the Agreement for an additional one-year term; therefore, the Agreement is amended to change the expiration date to December 31, 2027.

2. To incorporate the amended terms of Attachments A, D, and E into the Agreement for the 2027 renewal term.
3. Attachment A Humana Group Plan – Premium Information to the Agreement is replaced with Attachment A 2027 Humana Group Plan – Premium Information, as attached hereto.
4. Attachment D Humana's Group Medicare Performance Guarantee Agreement to the Agreement is replaced with Attachment D 2027 Humana's Group Medicare Performance Guarantee Agreement, as attached hereto.
5. Attachment E Humana Medicare Employer PDP Plan Design Exhibit to the Agreement is replaced with Attachment E 2027 Humana Medicare Employer PDP Plan Design Exhibit, as attached hereto.
6. This Amendment is effective January 1, 2027.
7. Except as specifically amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their duly authorized officers or representatives as of the date set forth above.

HUMANA

Signature: _____

Printed: Jill Tobin

Title: SVP, Group Medicare

Date: 9/24/2026

State of North Dakota through NDPERS

Signature: _____

Printed: _____

Title: _____

Date: _____

Attachment A

Humana

Humana Medicare Group Plan – Premium Information

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM - PDP

Date: 8/5/2026
Humana Medicare Group Plan
Plan Names: Custom PDP
Rx Formulary: Group Plus Formulary - 27800
Additional Medication Buy-Ups: Coughs and Colds, EDs Enhanced

Plan Year	Final Billed Premium (Per Member Per Month)
1/1/2027 - 12/31/2027	$65.25

PDP 037 161 Rx Benefit Overview

Prescription Drugs (Retail 30 day supply)	Custom PDP $5 copay plus 15% coinsurance / $15 copay plus 25% coinsurance / $25 copay plus 50% coinsurance /$25 copay plus 50% coinsurance from $0 to Catastrophic

See attached sheet for rating assumptions and stipulations. The benefits presented above are a high-level summary. Please consult the Plan Design Exhibit for a more detailed list of covered services, member cost shares, services subject to deductibles and any plan limitations.

Humana's Group Medicare Performance Guarantee Agreement

North Dakota Public Employees Retirement Systems

2027 Group Medicare Performance Standards for PDP Only

Effective January 1, 2027 through December 31, 2027

Minimum Annual Average Membership Requirement: None

Attachment D

Humana®

PG#	Category	Target	Standard & Measurement Criteria	Amount at Risk
1	**Plan Performance Review**	Measurement methodology shall be measured from date of delivery of the plan performance review in calendar days	Within ten (10) calendar days following delivery of performance reviews to NDPERS, vendor shall develop and submit a corrective action plan (CAP) of issues identified for approval by NDPERS, and implement such plan within the time prescribed in the approved CAP.	**Semi- annually** **$1,000 per calendar day beyond the due date**
2.1	**Customer Satisfaction Surveys**	Vendor will provide annual survey results to confirm compliance with performance standard	Member satisfaction surveys will be designed by the vendor and approved by NDPERS. Vendor will invite a random sample of members to participate in the survey to collect a statistically significant number of completed surveys. Member satisfaction rate will meet 90% or higher using a 1-5 scale of Completely Satisfied, Very Satisfied, Satisfied, Dissatisfied, Very Dissatisfied. Final survey questions and methodology will be agreed upon by vendor and NDPERS.	**Annually** **$25,000 per year**
2.2	**Customer Satisfaction Surveys - Illustrative Only**	Illustrative Group Specific Results Only - see 2.1	Illustrative Group Specific Results Only - see 2.1	**Illustrative Group Specific Results Only - see 2.1**
3	**Team Meetings**	Compliance to be monitored and assessed by NDPERS	NDPERS requires monthly team meetings to address all planning / implementation, business, financial, clinical / formulary (including new drug review) and operational needs	**Monthly** **$5,000 for each meeting missed**
4	**NDPERS board meetings**	Compliance to be monitored and assessed by NDPERS	Vendor will participate in quarterly performance reviews to examine operational and financial performance	**Quarterly** **$5,000 for each quarter missed**
5	**Electronic Eligibility**	Vendor will provide quarterly reports to confirm compliance with performance standard	Eligibility files will be installed in an electronic medium, logged within eight (8) hours and status will be effective within vendor's system within eighteen (18) hours from date of receipt, seven (7) days per week.	**Quarterly** **$500 for each missed file deadline**
6	**Manual Eligibility**	Vendor will provide quarterly reports to confirm compliance with performance standard	Manual eligibility will be loaded within eight (8) hours upon receipt or notification and must be applied and active in the vendor's system within one (1) business day.	**Quarterly** **$500 for each missed file deadline**
7	**Error Reports**	Vendor will provide quarterly reports to confirm compliance with performance standard	An error report on all eligibility file updates will be produced within eighteen (18) hours from the update.	**Quarterly** **$500 for each missed file deadline**
8	**Data Files**	Will be available to NDPERS on request	Monthly data files (membership, medical, pharmacy) will be available by the 15th of the following month.	**Monthly** **$1,000 for each month not met**
9	**Claims Financial Accuracy**	Claims Financial Accuracy will be 99% or greater, each year of the biennium. Measured as the absolute value of financial errors divided by the total paid value of audited dollars paid based on quarterly internal audit of statistically valid sample.	Vendor will provide annual reports to confirm compliance with performance standard	**Annually** **$12,500 per year**
10	**Claims Payment Accuracy**	Vendor will provide annual reports to confirm compliance with performance standard	Claims Payment incidence Accuracy will be 98% or greater, each year of the biennium. Measured as the percent of Claims processed without financial payment error.	**Annually** **$12,500 per year**
11	**Claims Processing Accuracy**	Claims Procedural Accuracy will be 95% or greater, each year of the biennium. Measured as the percent of Claims processed without non-financial error.	Vendor will provide annual reports to confirm compliance with performance standard	**Annually** **$12,500 per year**
12	**Claim Timeliness**	Clean claims processing within 14 calendar days will be 95% or greater, each year of the biennium. Measured from the date the claim is received to the date claim is processed	Vendor will provide annual reports to confirm compliance with performance standard	**Annually** **$12,500 per year**
13	**Average Speed to Answer (ASA)**	Vendor will provide semi-annual reports to confirm compliance with performance standard	Average Speed of Answer will be 30 seconds or less, each year of the biennium. Vendor will have an established measurement process that shall be reviewed with NDPERS	**Semi-annually** **$10,000 per year**
14	**Call Abandonment**	Vendor will provide annual reports to confirm compliance with performance standard	Call Abandonment rate will be 5% or less, each year of the biennium	**Annually** **$10,000 per year**

Humana's Group Medicare Performance Guarantee Agreement

North Dakota Public Employees Retirement Systems

2027 Group Medicare Performance Standards for PDP Only

Effective January 1, 2027 through December 31, 2027

Minimum Annual Average Membership Requirement: None

Attachment D

Humana®

PG#	Category	Target	Standard & Measurement Criteria	Amount at Risk
15 a	**Accuracy and Timelines/**	Vendor must evaluate a statistically valid sample of inquiries with reports provided.	a.) 95% percent of callers receive accurate information. Calls requiring additional research is excluded from the computation of this metric.	**15a, 15b, and 15c** **Annually** **$12,500 per year**
15 b	**First Call Resolution**	Vendor must evaluate a statistically valid sample of inquiries with reports provided.	b.) 95% percent of inquiries must be resolved during the initial call (excluding appeals, billing, errors and escalations).	**15a, 15b, and 15c** **Annually** **$12,500 per year**
15 c	**Written Inquiry Response Time**	Vendor must evaluate a statistically valid sample of inquiries with reports provided.	c.) ≥ 90% response to written inquiries within 30 calendar days	**15a, 15b, and 15c** **Annually** **$12,500 per year**
16	**Prescription drug turnaround time – clean prescriptions**	Vendor will provide quarterly reports to confirm compliance with performance standard	98% within two (2) business days if no intervention required	**Quarterly** **Reporting Only**
17	**Prescription drug mail dispensing accuracy**	Vendor will provide annual reports to confirm compliance with performance standard	99.9% Mail service dispensing accuracy rate. Fields measured include member name, drug strength, directions, quantity and prescriber name.	**Annually** **$12,500 per year**
18	**Prescription drug home delivery member notifications**	Vendor will provide annual reports to confirm compliance with performance standard	Vendor is required to notify a member when a mail service prescription is changed or there is any expected shipping delay and provide reporting details to NDPERS capturing all occurrences by member/DOS/Issue	**Annually** **$12,500 per year**
19	**Prescription drug specialty pharmacy delivery**	Vendor will provide annual reports to confirm compliance with performance standard	98% of prescriptions will be delivered and received by patients on the specified date of delivery	**Annually** **$12,500 per year**
20	**Network Pharmacy Access**	Vendor will provide annual reports to confirm compliance with performance standard	Pharmacy network composition will not be reduced by more than 5% in North Dakota compared to the network submitted in the RFP	**Annually** **$12,500 per year**
21	**Data Systems Availability and Adjudication**	Book of business level	Guarantees an annual average 99% system availability of the point-of-sale adjudication system on a book of business basis. This standard excludes downtime attributed to regularly scheduled systems maintenance or systems downtime	**Annually** **$12,500 per year**

Humana agrees to meet the performance standards as outlined above in providing administrative services for North Dakota Public Employees Retirement Systems. This agreement is contingent upon Humana being the only Part D Prescription Drug option for Medicare eligible retirees. The agreement will be for the contract period beginning January 1, 2027. This Performance Guarantee offering is based on a PDP Only plan offering. Performance results will be reported quarterly based upon center results for the member and claims services categories, not client specific results (except where otherwise stated) within 60 days after the end of the reporting period. Results will be assessed based on the annual results with payment of any penalties due following the end of the plan year. Please note that the performance standards are influenced by key market indicators (including changes in rules and standards from CMS) which could impact our performance standard metrics.

During implementation if significant changes to the Client's Plan, or in the event a benefit change notification is not received from the Client on a timely basis, Humana will not be responsible for performance results or penalty amounts as described within this Agreement.

ACCEPTED AND AGREED:

By: _____ Date: _____

In order for this contract to be binding, signatures are required from the client. This signed exhibit must be returned to the Humana Account Executive prior to implementation and no later than 30 days post effective date.

Attachment E

HUMANA MEDICARE EMPLOYER PDP PLAN

2027 PDP for North Dakota Public Employees Retirement System (NDPERS) Plan 037 Option 161
Group Plus Formulary - PDG 50
With Package(s): 2 (Cough/Cold), 7 (Erectile Dysfunction)
Effective Date: 01/01/2027 - 12/31/2027

30 day Supplies

PDP Option Number	30 day Standard Retail from $0 to Catastrophic (1)				30 day Standard Retail from Catastrophic to Unlimited	Part D MOOP (2)
	Tier 1*	Tier 2	Tier 3	Tier 4		
PDP 157	$5 copayment; 15% coinsurance of remaining cost share	$15 copayment; 25% coinsurance of remaining cost share	$25 copayment; 50% coinsurance of remaining cost share	$25 copayment; 50% coinsurance of remaining cost share	$0	$2,400

PDP Option Number	30 day Standard Mail Order from $0 to Catastrophic (1)				30 day Standard Mail Order from Catastrophic to Unlimited	Part D MOOP (2)
	Tier 1*	Tier 2	Tier 3	Tier 4		
PDP 157	$5 copayment; 15% coinsurance of remaining cost share	$15 copayment; 25% coinsurance of remaining cost share	$25 copayment; 50% coinsurance of remaining cost share	$25 copayment; 50% coinsurance of remaining cost share	$0	$2,400

Note: Part D vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) for adults may be available at no cost.
Note: Plan covered insulin products will not exceed $35 for a one-month supply no matter what cost-sharing tier it's on.

*Tier 1: Generic or Preferred Generic - Generic or brand drugs that are available at the lowest cost share for this plan.
Tier 2: Preferred Brand - Generic or brand drugs that Humana offers at a lower cost than Tier 3 Non-Preferred Drug.
Tier 3: Non-Preferred Drug - Generic or brand drugs that Humana offers at a higher cost than Tier 2 Preferred Brand drugs.
Tier 4: Specialty Tier - Some injectables and other higher-cost drugs.

Attachment E

Humana. Group Medicare Advantage

100 day Supplies

PDP Option Number	100 day Standard Retail (3) from $0 to Catastrophic (1)				100 day Standard Retail (3) from Catastrophic to Unlimited	Part D MOOP (2)
	Tier 1*	Tier 2	Tier 3	Tier 4		
PDP 157	$5 copayment; 15% coinsurance of remaining cost share	$15 copayment; 25% coinsurance of remaining cost share	$25 copayment; 50% coinsurance of remainnig cost share	N/A	$0	$2,400

PDP Option Number	100 day Standard Mail Order (3) from $0 to Catastrophic (1)				100 day Standard Mail Order (3) from Catastrophic to Unlimited	Part D MOOP (2)
	Tier 1*	Tier 2	Tier 3	Tier 4		
PDP 157	$5 copayment; 15% coinsurance of remaining cost share	$15 copayment; 25% coinsurance of remaining cost share	$25 copayment; 50% coinsurance of remaining cost share	N/A	$0	$2,400

Note: Part D vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) for adults may be available at no cost.

Footnotes
1 Catastrophic: When a member's Part D Maximum Out-of-Pocket (MOOP) cost reaches $2,400 (enhanced drug coverage claims are excluded from accrual towards the Part D MOOP), Humana then pays 100% of covered Part D Rx claims, including enhanced drug coverage.
2 Part D MOOP: When a member's Part D Maximum Out-of-Pocket (MOOP) cost reaches $2,400 (enhanced drug coverage claims are excluded from accrual towards the Part D MOOP), Humana then pays 100% of covered Part D Rx claims, including enhanced drug coverage.
3 Retail and Mail Order: The benefit for a 100-day supply is limited to Rx formulary Tiers 1-2 and most drugs on Tier 3. Regardless of tier placement, Specialty drugs are limited to a 30-day supply.

Out of Network: Emergency Situations
When a member purchases a drug at an out-of-network pharmacy in an emergency situation:
a. the member will pay the same coinsurance as would have applied at a network pharmacy, but at the out-of-network pharmacy price, and/or,
b. the member will pay the same copayment as would have applied at a network pharmacy, plus the difference between the out-of-network pharmacy price and the network pharmacy price.

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2025 Active Healthcare Report

TO: NDPERS Board

FROM: Katheryne Korom

DATE: September 29, 2026

Please find the NDPERS Active Healthcare Report for the 2025 calendar year attached.

Hospital utilization (55% of total charges) increased 0.02%, physician/clinical utilization (33% of total charges) decreased 0.24%, and pharmacy utilization (12% of total charges) 0.22%.

A similar agency-specific report is developed for the large groups on the NDPERS Health Plan (over 100 employees).

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

Attachment

Attachment

NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

2025 NDPERS Healthcare Report

The NDPERS Healthcare Report provides your agency with a snapshot of your agency's participation and utilization of the Health Insurance Plan.

During 2025, 18,180 active North Dakota state employees were enrolled as the main subscriber in the Plan. These employees have an additional 31,219 dependents.

Hospital

The state's health plan members incurred 691,694 hospital claims/services from January to December 2025. These claims amounted to $457,238,368 in total charges. The NDPERS Health Plan paid $149,330,843.44 toward these charges.

HOSPITAL UTILIZATION

ADMISSION: 01/2025 - 12/2025

	CLAIMS	%	CHARGES	ALLOWED	PAID	SECOND PAYER	MEMBER'S RESPONSIBILTY
OTHER	14,118	2	$42,259,005	$13,835,785	$12,091,472	$899,834	$844,479
IP NEWBORN	2,827	0	$16,301,214	$4,940,913	$4,639,077	$10,149	$291,687
IP MEDICAL	108,697	16	$85,076,432	$26,922,654	$22,842,646	$917,506	$3,162,502
IP MATERNITY	232	0	$911,390	$301,241	$145,179	$33,074	$122,988
IP SURGICAL	11,912	2	$79,974,141	$25,094,063	$23,762,416	$457,777	$873,870
IP PSYCH	2,072	0	$11,150,416	$3,686,069	$2,905,665	$241,572	$538,832
IP CHEM DEP	1,760	0	$3,998,404	$1,106,257	$865,014	$12,606	$228,637
OP SURGICAL	3,571	1	$11,561,575	$6,583,744	$5,007,190	$186,034	$1,390,520
OP MEDICAL	543,791	79	$204,636,916	$90,686,715	$76,160,848	$2,075,578	$12,450,289
SNF, HOSPICE & SWING BED	293	0	$87,163	$45,369	$45,098	$0	$271
HOME HEALTH AG	2,421	0	$1,281,711	$884,835	$866,239	$0	$18,596
TOTAL	691,694	100	$457,238,368	$174,087,644	$149,330,843	$4,834,130	$19,922,671

CHARGES=What the Provider Charges ALLOWED=Contracted rate with Sanford Health Plan & the Provider PAID=What Sanford Health Plan paid on behalf of NDPERS CLAIM TYPE: IP=Inpatient OP=Outpatient

Physician/Clinic

ND active employees incurred 1,193,861 physician/clinic services from January to December 2025. These services amounted to $277,609,203 in total charges. The NDPERS Health Plan paid $127,386,709 toward these charges.

PHYSICIAN/CLINIC UTILIZATION

SERVICE DATE: 01/2025 - 12/2025

	SERVICES	%	CHARGES	ALLOWED	PAID	SECOND PAYER	MEMBER'S RESPONSIBILTY
OTHER	130	0	$12,710	$7,038	$5,090	$0	$1,948
SURGERY-OP	7,842	1	$11,184,974	$5,605,377	$4,348,548	$121,173	$1,135,656
IP VISITS	107,672	9	$53,234,019	$26,488,532	$21,410,480	$450,080	$4,627,972
OP / ER VISITS	26,374	2	$10,815,186	$5,579,501	$4,489,592	$76,308	$1,013,601
OFFICE CALLS	1,011,028	85	$192,508,570	$119,203,199	$94,192,959	$2,191,310	$22,818,930
CHEM/PSYCH	1,050	0	$244,743	$138,740	$117,832	$3,249	$17,659
THERAPIES	30	0	$21,104	$12,750	$12,327	$0	$423
DIAGNOSTIC	39,735	3	$9,587,896	$3,811,778	$2,809,882	$40,182	$961,714
TOTAL	1,193,861	100	$277,609,203	$160,846,913	$127,386,709	$2,882,302	$30,577,902

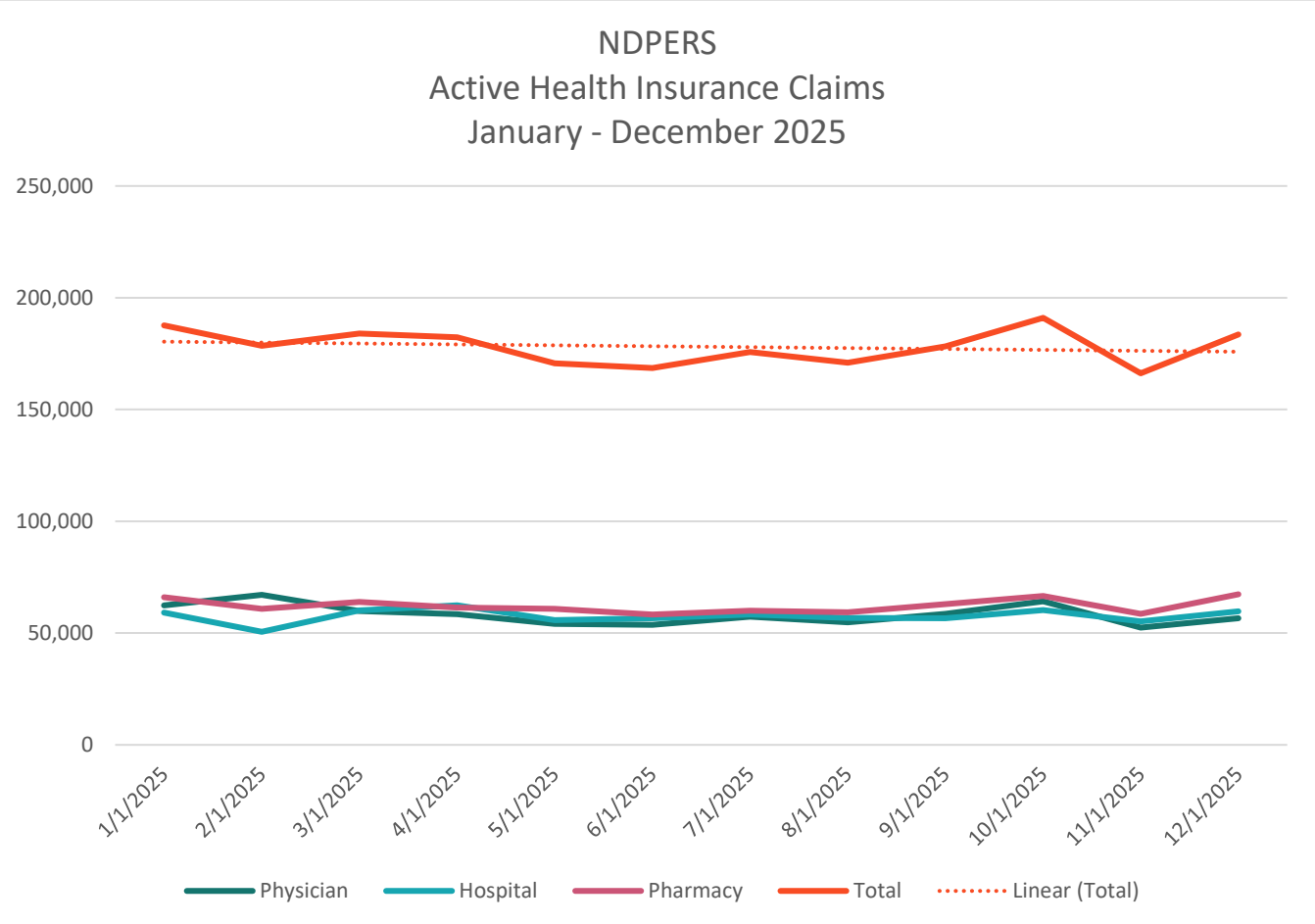
Prescription Drugs

ND active employees incurred 745,973 pharmacy claims from January to December 2025. These claims amounted to $96,135,052.92 in total charges. The NDPERS Health Plan paid $87,838,430.29 toward these charges.

PRESCRIPTION DRUGS UTILIZATION

FILL DATE: 01/2025 - 12/2025

	CLAIMS	%	CHARGES	PAID	MEMBER'S RESPONSIBILTY
NON-GENERIC	115,770	16	$83,051,322	$78,532,068	$4,519,254
GENERIC	630,203	84	$13,083,731	$9,306,362	$3,777,369
TOTAL	745,973	100	$96,135,053	$87,838,430	$8,296,623



Percentages

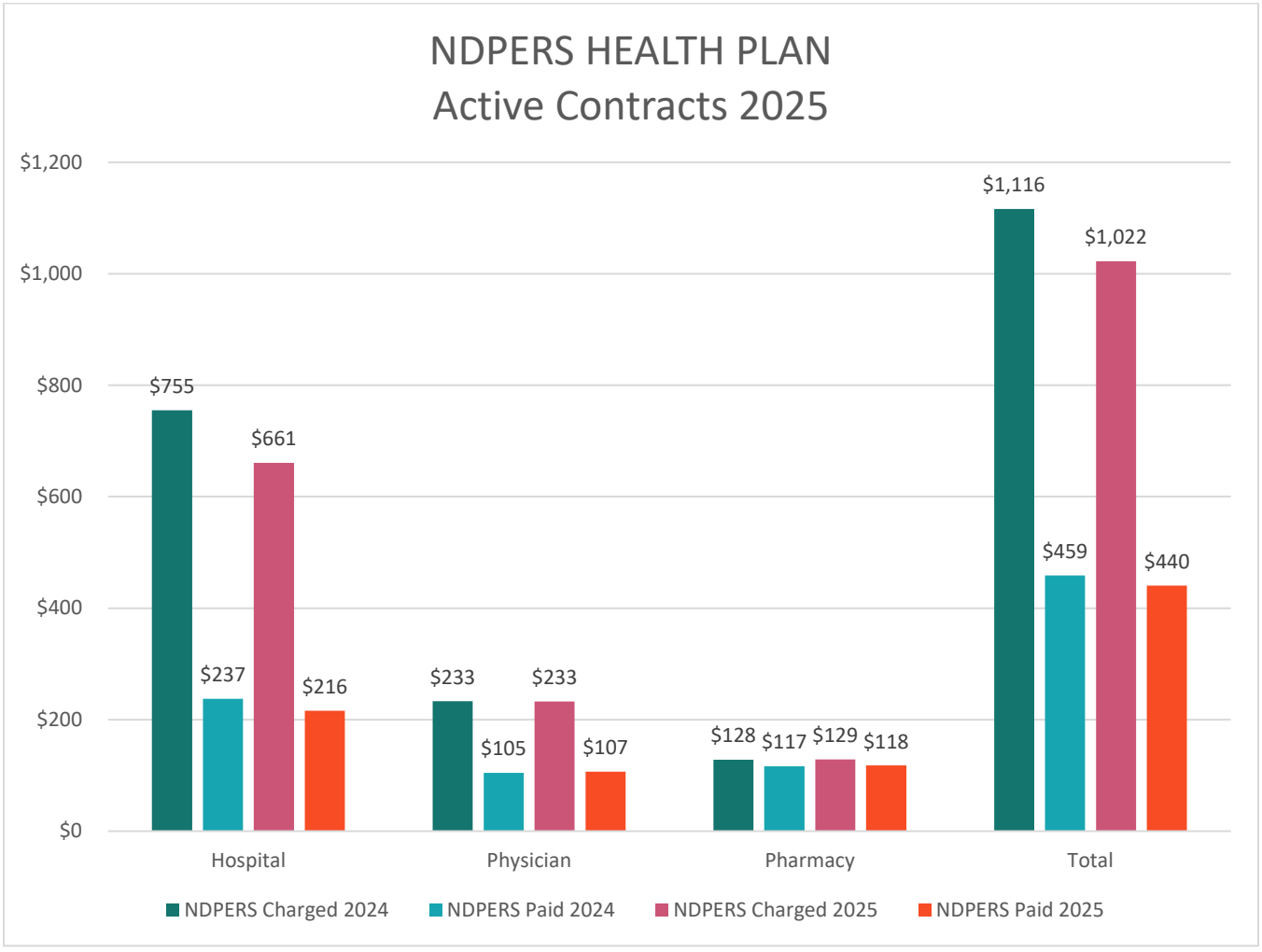
EMPLOYEES, SPOUSES, & CHILDREN BY MEMBERSHIP & CLAIM TYPE

MEMBERSHIP DATE: 01/2025 - 12/2025

	MEMBERSHIP		HOSPITAL CLAIMS		PHYSICIAN SERVICES		PHARMACY CLAIMS	
	Sum	%	Sum	%	Sum	%	Sum	%
CHILDREN	20,090	41	149,563	22	363,821	31	159,065	21
EMPLOYEE	18,180	37	327,775	47	515,412	43	372,377	50
SPOUSE	11,129	22	214,356	31	314,628	26	214,531	29
TOTAL	49,399	100	691,694	100	1,193,861	100	745,973	100

Summary

The following chart shows that the 2025 NDPERS per capita charged and paid claims were lower than in 2024.



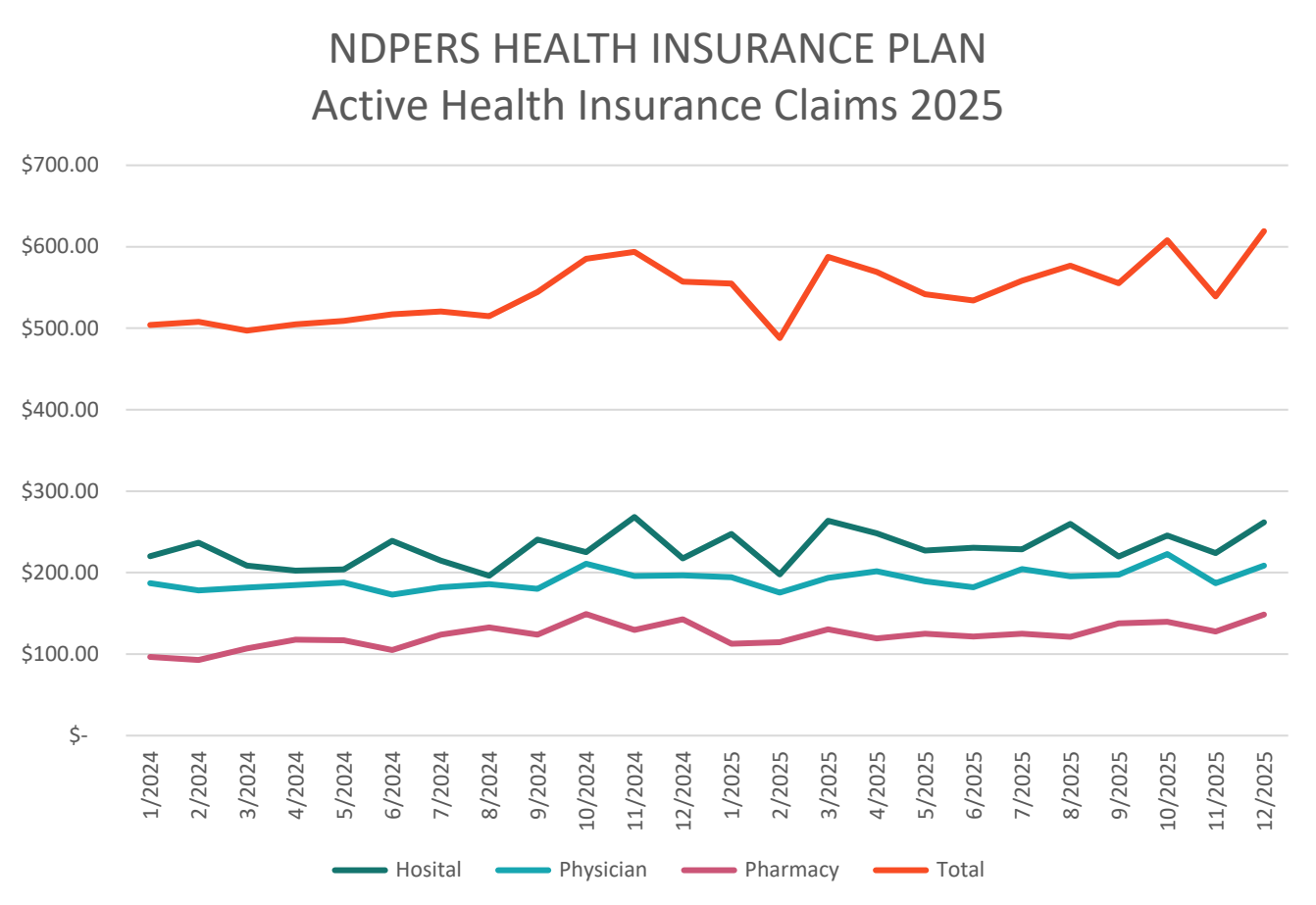
At a Glance

TOTAL NDPERS PLAN PARTICIPATION

This graph depicts the average amount the NDPERS Health Plan paid per member per month (per capita) in the last two years.

Active employees claims and services amount to $789 per capita level. The cost for dependents of active employees in the Plan ranges at about $514 per person per month. The retired membership's per capita costs are close to $294 per retiree and $252 per dependent.

Overall, this graph reflects the 2025 NDPERS health plan cost per person per month stands at $561 per person per month vs $510 in 2024. In addition to this, the NDPERS health plan currently pays $37.97 per month per contract in administration costs.



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Investment Consultant Request for Proposal (RFP)

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: September 29, 2026

Following are the key dates in the proposal process:

1.1 RFP Proposed Timetable

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

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

Staff will present an update in Executive Session on the Investment Consultant RFP and will be available to address questions.

Board Action Requested

1) Consider an award for the Investment Consultant to one of the finalists, subject to successful contract negotiation
   or
2) Provide staff with direction on next steps.

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457 Companion Plan & 401(a) Plan 2nd Quarter 2026 Report

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: September 29, 2026

The attached 2nd Quarter 2026 investment report for the 401(a) & 457 Companion Plans was recently reviewed by the Investment Subcommittee. The reports are available separately on the NDPERS website. The two plans have 15,821 (15,409 in Q1) participants with $346.8 million ($307.4 million in Q1) in assets.

Assets in the 401(a) plan increased to $56.2 million ($44.5 million in Q1) as of June 30, 2026. The number of active participants also increased and is now at 4,823 (4,420 in Q1). The Target Date funds have 70.2% of the plan assets.

Assets in the 457 Companion Plan increased to $290.6 million ($262.9 in Q1) as of June 30, 2026. The number of active participants also increased and is now at 10,998 (10,989 in Q1). The Target Date funds have 65.1% of the plan assets.

Benchmarks:
Fund returns for the quarter were positive for the funds in the core lineup. All 23 funds within the lineup had positive returns. Core fund performance was mixed when compared to benchmarks.

Fund / Investment News:
The Retirement & Investment Office provided an overview of the returns of the Pension Funds as of May 31, 2026. Callan gave a market overview and investment performance report. The NDPERS Investment Subcommittee reviewed the 2nd Quarter 2026 plan review and field activity report with Empower. Empower provided information on participant engagement and educational efforts for the members in our plans. The subcommittee also discussed expanding the options available in our self-directed brokerage account but deferred making any decisions until they receive some insight on their fiduciary obligations surrounding the Empower agreement.

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

Statistics on enrollments as of June 30, 2026 (since the launch of DC 2025) in the Defined Contribution 2025 plan are as follows:

Enrollment Summary	Number of Members Enrolled
New Hires Enrolled since January 2025	5,184
3% Elections	2,697
2% Elections	269
1% Elections	228
0% Elections (Active Choice)	551
457 Plan Match	95
No Election Received	1,305
Election Period Still Open	39

As of June 30, 2026, there were $398,703 of ROTH contributions made for the year.

Contribution activity

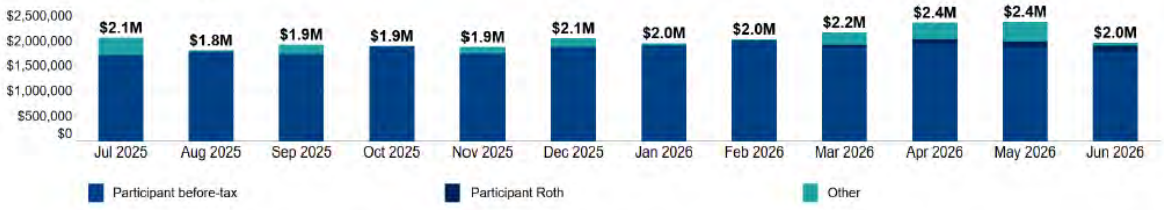
As of 6/30/2026

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

Total contributions at-a-glance[1]

	Participant before-tax	Participant Roth	Other	Total
Year to date	$11,400,695	$398,703	$1,067,295	$12,866,693
Rolling 12 months	$22,151,511	$398,703	$1,935,995	$24,486,208

Total contribution amounts by month



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

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

From April 1, 2026 – June 30, 2026 there were 8 submitted 457 self-certification hardships with all 8 of them being verified as eligible per criteria established by Board for distribution.

ATTACHMENT 1

NDPERS

Quarterly Investment

Report

2nd Quarter

04/01/2026 – 6/30/2026

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		**Capital Preservation**	
Nuveen Lifecycle Retirement		Galliard Stable Value	
		Vanguard Treasury MM	
		Empower IFAS VI	
		New York Life Anchor	
	Core Fixed Income	**Core Plus Fixed Income**	
	Vanguard Total Bond Index	Baird Core Plus Bond	
	U.S. Large-Cap Equity		
	Vanguard Institutional Index		
	Broad Non-U.S. Equity	**Broad Non-U.S. Equity**	
	Vanguard Total Intn'l Index	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 June 30, 2026

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Asset Allocation Funds					
Nuveen Lifecycle Ret. Inc	5.73%	10.68%	9.60%	4.47%	6.16%
LifeCycle Ret Income Cust Bnchm	6.31%	11.70%	10.48%	5.00%	6.70%
Callan Tgt Dt Idx 2010	5.50%	10.57%	9.49%	4.50%	6.02%
Nuveen Lifecycle 2010 Fund	5.28%	10.18%	9.46%	4.39%	6.12%
LifeCycle 2010 Cust Bnchm	5.49%	10.56%	9.77%	4.57%	6.37%
Callan Tgt Dt Idx 2010	5.50%	10.57%	9.49%	4.50%	6.02%
Nuveen Lifecycle 2015 Fund	5.62%	10.61%	9.68%	4.49%	6.41%
LifeCycle 2015 Cust Bnchm	6.20%	11.60%	10.52%	5.03%	6.93%
CAI Tgt Dt Idx 2015	5.76%	10.99%	9.80%	4.70%	6.32%
Nuveen Lifecycle 2020 Fund	6.24%	11.45%	10.33%	4.84%	6.90%
LifeCycle 2020 Cust Bnchm	6.91%	12.63%	11.28%	5.49%	7.53%
CAI Tgt Dt Idx 2020	6.19%	11.68%	10.33%	5.05%	6.82%
Nuveen Lifecycle 2025 Fund	6.82%	12.27%	10.99%	5.24%	7.56%
LifeCycle 2025 Cust Bnchm	7.62%	13.67%	12.09%	6.00%	8.23%
CAI Tgt Dt Idx 2025	6.82%	12.71%	11.19%	5.64%	7.65%
Nuveen Lifecycle 2030 Fund	7.76%	13.68%	12.05%	5.91%	8.43%
LifeCycle 2030 Cust Bnchm	8.70%	15.27%	13.29%	6.78%	9.15%
CAI Tgt Dt Idx 2030	8.52%	15.06%	12.78%	6.70%	8.83%
Nuveen Lifecycle 2035 Fund	8.93%	15.20%	13.27%	6.69%	9.38%
LifeCycle 2035 Cust Bnchm	9.84%	16.94%	14.60%	7.67%	10.16%
CAI Tgt Dt Idx 2035	10.03%	17.38%	14.41%	7.81%	10.03%
Nuveen Lifecycle 2040 Fund	10.35%	17.24%	14.80%	7.71%	10.52%
LifeCycle 2040 Cust Bnchm	11.47%	19.37%	16.38%	8.89%	11.40%
CAI Tgt Dt Idx 2040	11.76%	19.84%	16.00%	8.85%	11.07%
Nuveen Lifecycle 2045 Fund	11.44%	18.78%	15.88%	8.36%	11.38%
LifeCycle 2045 Cust Bnchm	12.70%	21.13%	17.61%	9.65%	12.32%
CAI Tgt Dt Idx 2045	12.93%	21.57%	17.13%	9.59%	11.81%
Nuveen Lifecycle 2050 Fund	12.13%	19.64%	16.45%	8.70%	11.70%
LifeCycle 2050 Cust Bnchm	13.36%	22.06%	18.23%	10.02%	12.67%
CAI Tgt Dt Idx 2050	13.82%	22.77%	17.87%	10.05%	12.23%
Nuveen Lifecycle 2055 Fund	12.31%	19.86%	16.63%	8.81%	11.83%
LifeCycle 2055 Cust Bnchm	13.60%	22.38%	18.45%	10.16%	12.83%
CAI Tgt Dt Idx 2055	14.12%	23.25%	18.19%	10.26%	12.41%
Nuveen Lifecycle 2060 Fund	12.47%	20.08%	16.80%	8.91%	11.97%
LifeCycle 2060 Cust Bnchm	13.78%	22.65%	18.65%	10.30%	12.99%
Callan Tgt Dt Idx 2060	14.27%	23.48%	18.32%	10.34%	12.49%
Nuveen Lifecycle 2065 Fund	12.65%	20.27%	16.93%	9.06%	-
LifeCycle 2065 Cust Bnchm	13.95%	22.91%	18.85%	10.43%	-
Callan Tgt Dt Idx 2065	14.33%	23.57%	18.37%	10.37%	12.51%

Plan Performance Monitoring (continued)

As of June 30, 2026

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Large Cap U.S. Equity					
Vanguard Institutional Index	15.19%	22.28%	20.57%	13.36%	16.04%
S&P 500 Index	15.20%	22.32%	20.61%	13.41%	16.08%
Small/Mid Cap U.S. Equity					
JPMorgan SMID Cap Equity R6	14.64%	11.15%	8.37%	4.15%	7.61%
Russell 2500 Index	20.26%	36.72%	18.40%	8.30%	12.21%
Non-U.S. Equity					
MFS International Diversification R6	9.16%	18.52%	15.44%	7.29%	9.58%
MSCI ACWI xUS (Net)	14.49%	27.66%	18.82%	8.79%	10.16%
Vanguard Total Int'l Stock Adm	11.99%	27.36%	18.68%	8.76%	10.35%
FTSE GI All Cap ex US Idx	13.58%	26.74%	18.60%	8.67%	10.31%
Fixed Income					
Vanguard Total Bond Index Adm	0.70%	3.70%	4.16%	0.07%	1.22%
Blmbg Aggregate Flt Adj	0.69%	3.71%	4.16%	0.09%	1.24%
Baird Core Plus Bond Instl	0.96%	4.09%	4.99%	0.68%	1.96%
Blmbg Universal	0.92%	4.15%	4.70%	0.44%	1.57%
Capital Preservation					
Galliard Stable Value C	0.81%	3.19%	3.02%	2.61%	2.46%
3-month Treasury Bill	0.88%	3.84%	4.64%	3.52%	2.75%
New York Life Ins. Co. Anchor Acct. IV	0.95%	3.93%	3.65%	3.19%	2.92%
3-month Treasury Bill	0.88%	3.84%	4.64%	3.52%	2.75%
Vanguard Treasury MM Inv	0.90%	3.91%	4.67%	3.56%	2.74%
3-month Treasury Bill	0.88%	3.84%	4.64%	3.52%	2.75%
Sector Funds					
Cohen & Steers Realty Shares	10.04%	12.13%	10.01%	4.34%	6.96%
FTSE NAREIT All Eq Index	10.73%	15.43%	10.06%	3.71%	5.86%

Active Manager Monitoring Summary

As of June 30, 2026

Manager	Below Benchmark	Above Benchmark		Above Peer Median		Qualitative Assessment					Overall Eval.
	8 Straight Quarters	3-Year Period	5-Year Period	3-Year Period	5-Year Period	Firm	Team	Process	Perf.	Product	
Small/Mid Cap Equity											
JPMorgan SMID Cap Equity	No	No	No	No	No						Cautionary
International Equity											
MFS International Diversification	No	No	No	No	No						Stable
Fixed Income											
Baird Core Plus Bond	No	Yes	Yes	Yes	Yes						Stable
Stable Value											
Galliard Stable Value	Yes	No	No	Yes	Yes						Stable
Sector Fund											
Cohen & Steers Realty Shares	No	No	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

- JPMorgan SMID trails its benchmark and peer median over 3 and 5 years and remains Cautionary
- MFS International trails its benchmark and peer median over 3 and 5 years, but remains Stable
- Cohen & Steers leads its peer median over both periods and its benchmark over 5 years, but trails over 3 years
- Stable value wrap guarantees continue to cause Galliard to trail the 3-month T-Bill

Assets and participants

As of 6/30/2026

Participant assets

$290,605,501

Trending

Plan-level assets	**$48**
Total assets	**$290,605,549**

Participants with a balance

10,998

Trending

Active participants with a balance	**8,225**
Separated from service participants with a balance	**2,771**

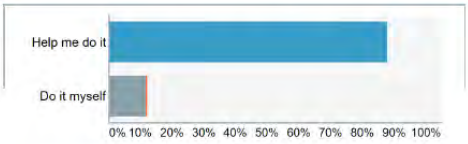
Overview

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

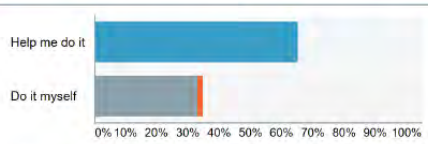
As of 6/30/2026

Participants by strategy



Investment strategy	% of participants	# of participants
Target-date strategy	87.8%	9,658
Risk-based strategy	0.0%	3
Brokerage strategy	0.3%	32
Do-it-yourself strategy	11.9%	1,305

Participant assets by strategy



Investment strategy	% of assets	Assets	Average balance
Target-date strategy	65.1%	$189,240,472	$19,594
Risk-based strategy	0.2%	$468,786	$156,262
Brokerage strategy	1.6%	$4,743,380	$148,231
Do-it-yourself strategy	33.1%	$96,152,862	$73,680

Target-date strategy is the investment strategy utilized by the most participants with **87.8%** of participants using this strategy. However, this strategy holds a smaller share of assets with only **65.1%** 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 6/30/2026

Participant assets

$56,212,246

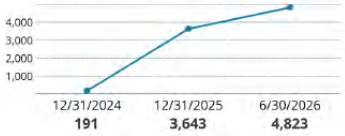
Trending

Plan-level assets	**$52,703**
Total assets	**$56,264,948**

Participants with a balance

4,823

Trending



Active participants with a balance	**4,077**
Separated from service participants with a balance	**746**

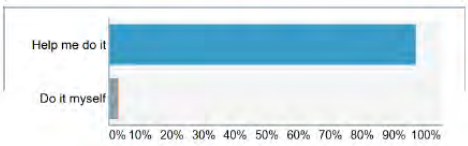
Overview

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

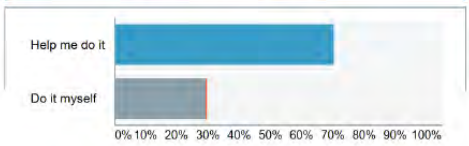
As of 6/30/2026

Participants by strategy



Investment strategy	% of participants	# of participants
Target-date strategy	96.8%	4,671
Brokerage strategy	0.1%	4
Do-it-yourself strategy	3.1%	148

Participant assets by strategy



Investment strategy	% of assets	Assets	Average balance
Target-date strategy	70.2%	$39,485,765	$8,453
Brokerage strategy	0.4%	$237,204	$59,301
Do-it-yourself strategy	29.3%	$16,489,276	$111,414

Target-date strategy is the investment strategy utilized by the most participants with **96.8%** of participants using this strategy. However, this strategy holds a smaller share of assets with only **70.2%** 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
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Rebecca Fricke
Executive Director
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(800) 803-7377

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Audit Committee Report

TO: NDPERS Board

FROM: Shawna Piatz

DATE: September 29, 2026

Attached is the agenda from the meeting on August 17, 2026. Below are a few of the items which were discussed at the meeting.

- 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 August 1, 2026, 65 of the 169 new retirees or $502,670 of the $1,209,990 total gross benefits issued have been audited.

Internal Calculation Accuracy Rate	Compliance / Other Accuracy Rate	Overall Accuracy Rate
98.46%	98.46%	96.92%

  As of August 1, 2026, 30 of the 142 or $1,529,492 of the $4,622,380 total gross refunds issued for FY 2026 were audited.

Internal Calculation Accuracy Rate	Compliance / Other Accuracy Rate	Overall Accuracy Rate
93.33%	100.00%	93.33%

- Outstanding Issues Status Report – The Outstanding Issues Status report reflects new and outstanding issues as of August 1, 2026. Updates were provided on the 10 new recommendations and two existing recommendations. Six existing recommendations were closed.

- Administrative – Various administrative items including an update of progress on the Audit Committee and Internal Audit Charters were reviewed and discussed.

The approved minutes from the May 11, 2026 Audit Committee meeting may be viewed on the NDPERS website at www.ndpers.nd.gov.

The next regular audit committee meeting is scheduled virtually and in person for November 9, 2026 at 3:00 pm. This is for your information.

Attachment

North Dakota
Public Employees Retirement System
Bismarck, North Dakota 58502-1657

Attachment

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(701) 328-3900
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Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Audit Committee Agenda

Location: NDPERS Conference Room, 1600 East Century Avenue, Bismarck ND
By phone: 701.328.0950 Conference ID: 105 655 332#
Date: **Monday August 17, 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. May 11, 2026 Audit Committee Minutes **(Committee Action)**

III. INTERNAL AUDIT REPORTS

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

IV. ADMINISTRATIVE

A. Quality Assessment Update
B. Audit Committee Charter Matrix
C. Internal Audit Charter Matrix
D. Report on Consultant Fees
E. Travel Expenditures
F. CPE, Training and Webinars

*Next Audit Committee meeting: November 9th, 2026

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Website: www.ndpers.nd.gov

Contracts Under $15,000

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: September 29, 2026

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

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

Attachment

Contracts Under $15,000

All Contracts Signed During 2026:

Vendor	Amount	Notes
UHY LLP	$ -	GASB Management Representation Letters
Traill County	$ -	Expanded Public Safety Plan effective 3/1/2026
United Printing	$ 689.15	Member Brochures
NDIT	$ -	ADA Compliance Remediation Work Order Not to Exceed $20,000
OMB Surplus Property	$ -	Surplus Property Designations
Interoffice	$ 70.00	Adjustments to work areas
Docu-Shred	$ 9.00/pickup	State contract switched from Recordkeepers

Contracts Signed Since Last Reported:

Vendor	Amount	Notes
Empower	$ -	Letter of direction for JP Morgan fund change
Empower	$ -	Letter of direction for Power of Attorneys