

MINUTES

North Dakota Public Employees Retirement System Tuesday, September 9, 2025 8:30 A.M.

Members Present: Mr. Jeffry Volk
Mr. Gerald Buck
Mr. Bryan Klipfel
Senator Dick Dever
Mr. Adam Miller
Chairman Mike Seminary
Representative Greg Stemen
Representative Jason Dockter
Mr. Tyler Erickson

Members by Teams: Senator Kyle Davison
Ms. Casey Goodhouse

Others Present: Mr. Derrick Hohbein, NDPERS
Ms. Katheryne Korom, NDPERS
Ms. Marcy Aldinger, NDPERS
Ms. Lindsay Schaf, NDPERS
Mr. Scott Anderson, RIO
Mr. Joe Nankof, NEPC
Mr. Rob Goldthorpe, NEPC
Ms. Kim Haug, SHP
Ms. Audra Ferguson, Ice Miller
Mr. Robert Gauss, Ice Miller

Chairman Mike Seminary called the meeting to order at 8:30 A.M. Roll call was taken, and a quorum was present.

MINUTES

Chairman Mike Seminary called for questions or comments regarding the August 19, 2025, meeting minutes.

MR. JEFFRY VOLK MOVED TO APPROVE THE MINUTES OF THE AUGUST 19, 2025, MEETING. THE MOTION WAS SECONDED BY MR. TYLER ERICKSON. THE MOTION WAS UNANIMOUSLY APPROVED.

CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

None were submitted prior to the meeting, and none were verbally disclosed at the meeting.

PRESENTATIONS

Asset Allocation

At the August 27, 2025 meeting of the Investment Subcommittee, Mr. Joe Nankof and Mr. Rob Goldthorpe from NPEC presented the Asset-Liability analysis for PERS. The purpose of an Asset-Liability Study is to review the current/projected financial status of the plan over

long-term horizon, to determine appropriateness of current asset allocation, to test the sensitivity of plan (Assets and Liabilities) to various range of outcomes, and to consider appropriate asset mixes and expected return on assets.

At today's meeting Mr. Nankof and Mr. Goldthorpe covered the Asset-Liability analysis for the full board. They stated the plans' liability structure, funded status and discount rate (i.e., long-term return assumption) vary and were reviewed. These factors were considered in the final recommendation to the Investment Subcommittee.

They discussed return expectations across the plans. Based on the NEPC March 31, 2025 capital market assumptions, it is reasonable to expect that the long-term (30-year) return expectations could meet or exceed the current assumptions.

NEPC shared their conclusion and recommendation to the Investment Subcommittee to adopt Mix 1 for PERS and phase in over a 5-year period. Mix 1 offers meaningfully better long-term returns than the current policy. Volatility for Mix 1 is like the current policy for PERS. Mix 1 offers improved (combination of lower risk and higher return) plan financials over the long-term relative to the current policy.

Discussion followed.

MR. VOLK MOVED TO APPROVE THE RECOMMENDATION OF THE INVESTMENT SUBCOMMITTEE AND APPROVE UPDATING THE ASSET ALLOCATION TO MIX #1 AS PRESENTED. THE MOTION WAS SECONDED BY MR. BUCK

Ayes: Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Senator Davison, Mr. Klipfel, Mr. Miller, Representative Dockter, and Chairman Seminary.

Nays: None

Absent: None

MOTION PASSED

DEFERRED COMPENSATION / DEFINED CONTRIBUTION

457(b) Deferred Compensation Plan Self-Certification of Unforeseeable Financial Hardships
Ms. Marcy Aldinger presented proposed guidelines allowing self-certification of unforeseeable financial hardships with a maximum withdrawal of \$10,000 once every three months. She outlined the criteria for which a participant may apply for an unforeseen hardship based on IRC 457.

Representatives from Ice Miller (federal law consultants) were available to answer questions as the board reviewed the self-certification guidelines.

The board discussed the proposed guidelines and recommended a change in language referencing a transfer of funds from another eligible plan that may be distributed without a self-certification.

MR. VOLK MOVED TO AMEND THE PROPOSED SELF-CERTIFICATION OF UNFORESEEABLE FINANCIAL HARDSHIP GUIDELINES BY REMOVING THE WORD "TRANSFER" UNDER ITEM #6. THE MOTION WAS SECONDED BY MR. ERICKSON.

Ayes: Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Mr. Klipfel, Mr. Miller, Representative Dockter, and Chairman Seminary.

Nays: None

Absent: Senator Davison

MOTION PASSED

Senator Davison left the meeting at 9:45 A.M.

MR. VOLK MOVED TO APPROVE THE PROPOSED SELF-CERTIFICATION OF UNFORESEEABLE FINANCIAL HARDSHIP GUIDELINES AS AMENDED. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

Ayes: Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Mr. Klipfel, Mr. Miller, Representative Dockter, and Chairman Seminary.

Nays: None

Absent: Senator Davison

MOTION PASSED

457 Companion Plan & 401(a) Plan 2nd Quarter 2025 Report

Mr. Derrick Hohbein shared the 2nd Quarter 2025 investment report for the 401(a) & 457 Companion Plans. The two plans have a total of 12,403 participants (up from 11,604 in Quarter 1) with \$274.8 million in assets (up from \$250.1 million in Quarter 1). He noted that fund returns for the quarter were positive for the funds in the core lineup.

At the NDPERS Investment Subcommittee meeting, Retirement & Investment Office provided an overview of the returns of the Pension Funds. Callan gave a market overview and investment performance report. Empower provided information on participant engagement and educational efforts for the members in our plans. NEPC gave their presentation on the asset allocation recommendation.

Mr. Klipfel left the meeting at 9:55 A.M.

The board took a break from 9:55 AM to 10:00 AM.

GROUP INSURANCE / FLEXCOMP

FlexComp Plan Document

Ms. Lindsay Schaf explained suggested updates made to the FlexComp Plan Document. The federal, One Big Beautiful Bill (OBBA), allows for an increase of the maximum pledge amount of dependent care flexible spending accounts from \$5,000 to \$7,500 for single or married filing a joint tax return, effective January 1, 2026. The updates have been reviewed by ASIFlex and legal counsel. Discussion followed.

MR. VOLK MOVED TO APPROVE THE INCREASED DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT LIMIT AND UPDATES TO THE NDPERS FLEXCOMP PLAN DOCUMENT EFFECTIVE JANUARY 1, 2026. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

Ayes: Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Mr. Miller, Representative Dockter, and Chairman Seminary.

Nays: None

Absent: Senator Davison and Mr. Klipfel

MOTION PASSED

2024 Active Health Care Report

Ms. Katheryne Korom presented the Active Healthcare Report for 2024. She noted that hospital utilization (55% of total charges) decreased 0.6%, physician/clinical utilization (34% of total charges) increased 0.6%, and pharmacy utilization (11% of total charges) was stable. Additionally, a similar agency-specific report is prepared for the large groups, those over 100 employees, on the NDPERS Health Plan. Discussion followed.

OPERATIONS / ADMINISTRATIVE

Audit Committee Report

Ms. Shawna Piatz recapped discussion from the recent Audit Committee Meeting. The board reviewed the Retirement Benefit Payment Status Report, Employer Wage and Census Data Audit Report, and the Outstanding Issues Status Report.

Contracts Under \$10,000

Mr. Hohbein presented an ongoing list of contracts under \$10,000 that she has signed.

The next meeting will be a Special Meeting on Thursday, September 25th at 4:00 P.M. (via Teams). Regular meetings are scheduled for Tuesday, October 14th and Wednesday, October 29th, both beginning at 8:30 AM.

MEMBER

Unforeseeable Financial Hardship Case #943

This agenda item was noticed for Executive Session.

CHAIRMAN SEMINARY CALLED FOR THE BOARD TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC §44-04-19.2, §44-04-19.2(1) AND §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS AND CONFIDENTIAL MEMBER INFORMATION FOR CASE #943.

Board Members Present: Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Mr. Miller, Representative Dockter, and Chairman Seminary.

Board Members Absent: Mr. Klipfel and Senator Davison

All board members named above, Kirsten Tuntland, NDPERS staff members, Derrick Hohbein, Marcy Aldinger, Brittany Berreth, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:14 A.M. The member and spouse were present by phone. The meeting returned to Open Session at 10:26 A.M.

MR. ERICKSON MOVED TO APPROVE THE APPLICANT'S REQUEST FOR A HARSHIP WITHDRAWAL FROM THEIR STATE OF NORTH DAKOTA 457 DEFERRED COMPENSATION PLAN ACCOUNT IN THE AMOUNT OF \$15,786.86 FOR CASE #943. THE MOTION WAS SECONDED BY MR. BUCK.

Ayes: Ms. Goodhouse, Mr. Erickson, Mr. Volk, Senator Dever, Mr. Buck, Representative Stemen, Mr. Miller, Representative Dockter, and Chairman Seminary.

Nays: None

Absent: Senator Davison and Mr. Klipfel

MOTION PASSED

Unforeseeable Financial Hardship Case #953

This agenda item was noticed for Executive Session.

CHAIRMAN SEMINARY CALLED FOR THE BOARD TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC §44-04-19.2, §44-04-19.2(1) AND §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS AND CONFIDENTIAL MEMBER INFORMATION FOR CASE #953.

Board Members Present: Ms. Goodhouse, Senator Dever, Mr. Miller, Representative Dockter, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, and Chairman Seminary

Board Members Absent: Senator Davison and Mr. Klipfel

All members named above, Kirsten Tuntland, NDPERS staff members Derrick Hohbein, Marcy Aldinger, Brittany Berreth, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:30 A.M. The meeting returned to Open Session at 10:41 A.M.

MR. ERICKSON MOVED TO DEFER A DECISION ON CASE #953 UNTIL THE SPECIAL MEETING SCHEDULED FOR SEPTEMBER 25, 2025 TO ALLOW THE MEMBER TO GATHER ADDITIONAL INFORMATION AS REQUESTED. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

Ayes: Ms. Goodhouse, Mr. Erickson, Mr. Volk, Senator Dever, Mr. Buck, Representative Stemen, Mr. Miller, Representative Dockter, and Chairman Seminary.

Nays: None

Absent: Senator Davison and Mr. Klipfel

MOTION PASSED

The meeting was adjourned at 10:43 A.M.

Submitted by:

Jan Lund
Assistant to the NDPERS Board