



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: 528 414 373#
Date: Tuesday, July 8, 2025
Time: 8:30 A.M. [Join the meeting now](#)

I. MINUTES

- A. June 10, 2025

II. CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

III. PRESENTATIONS

- A. 2024 Medicare Part D Annual Report – Humana
- B. Fiduciary Responsibility & Ethics – Allyson Hicks, Office of Attorney General

IV. DEFERRED COMPENSATION / DEFINED CONTRIBUTION

- A. 401(a) Defined Contribution Plan IRS Letter of Determination – Rebecca (Information)
- B. SECURE 2.0 and 457(b) Deferred Compensation Plan Options – Marcy (Board Action)
 - 1. Roth Catch-up Contributions for High Earners
 - 2. Super Catch-up Contributions
 - 3. Self-Certification of Unforeseeable Financial Hardship

V. DEFINED BENEFIT / RETIREE HEALTH INSURANCE CREDIT

- A. Highway Patrol Indexing – MaryJo (Board Action)
- B. Retiree Health Insurance Credit (RHIC) Renewal and Request for Proposal – Katheryne (Board Action)

VI. GROUP INSURANCE / FLEXCOMP

- A. Health Insurance Consultant Renewal and Request for Proposal – Katheryne (Board Action)
- B. Wellness Renewal – Lindsay (Information)

VII. LEGISLATION / ADMINISTRATIVE RULES

- A. Proposed Administrative Rules – Rebecca (Board Action)

VIII. OPERATIONS / ADMINISTRATIVE

- A. Board Self-Evaluation – Rebecca (Information)
- B. Code of Ethical Responsibility – Rebecca (Board Action)
- C. Contracts Under \$10,000 – Rebecca (Information)
- D. Assurance NM – Katheryne (Information)
- E. Next Meeting Date: August 19, 2025

IX. MEMBER *EXECUTIVE SESSION

- A. Unforeseeable Financial Hardship Case #914 – Marcy (Board Action)
- B. Unforeseeable Financial Hardship Case #937 – Marcy (Board Action)
- C. Retirement Benefit Appeal Case #928 – Michaela (Board Action)
- D. Retirement Benefit Appeal Case #936 – Michaela (Board Action)

*Executive Session pursuant to N.D.C.C. §44-04-19.2, §44-04-19.2(1) and/or §54-52-26 to discuss confidential records or confidential member information.



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

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

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

Memorandum

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: July 8, 2025

SUBJECT: 2024 Medicare Part D Annual Report

Representatives from Humana will be attending the meeting to provide the Board with their 2024 Annual Report of the NDPERS Employer Group Waiver Plan, referred to as the Medicare Part D Plan.

The presentation is attached for your reference.

Attachment



Humana.

NDPERS

Part D Prescription Drug Plan
2024 Plan Year Review

NDPERS Board meeting - July 8, 2025





AGENDA

- 01 | Introductions
- 02 | Membership & Utilization
- 03 | Pharmacy Updates
- 04 | Customer Service & Member Engagement
- 05 | 2026 Updates
- 06 | Appendix

ATTENDEES

Humana

- Julie Bodenski, Senior Account Executive
- Mark Powell, Clinical Pharmacy Lead
- Stephanie Heller, Director, Account Management



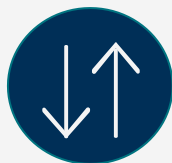
NDPERS –

Membership & Utilization
January – December 2024

Member Demographic Summary



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



9,025 Membership:
June 2025

	2024	2023	Peer
Average Members	9,026	9,064	---
Male/Female Ratio	42/58	42/58	48/52
Average Age	77.1	76.9	75.4

North Dakota
average membership
2024: 7,470
(Prior Period: 7,456)

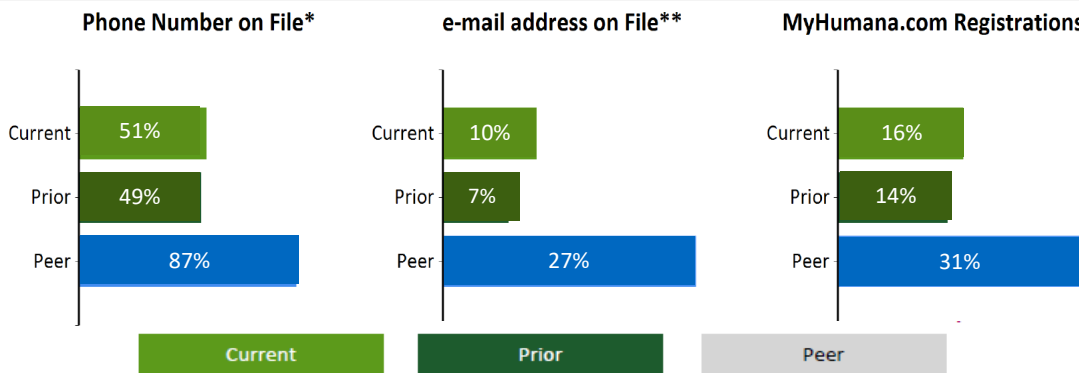
MN: 781 (Prior: 777)
AZ: 187 (Prior: 196)
SD: 93 (Prior: 92)



Adult Females	2024 Ending Members	2024 Population %	2023 Population %	2024 % of Total Rx Spend	2023 % of Total Rx Spend
Total:	5,284	58%	58%	55.2%	54.6%

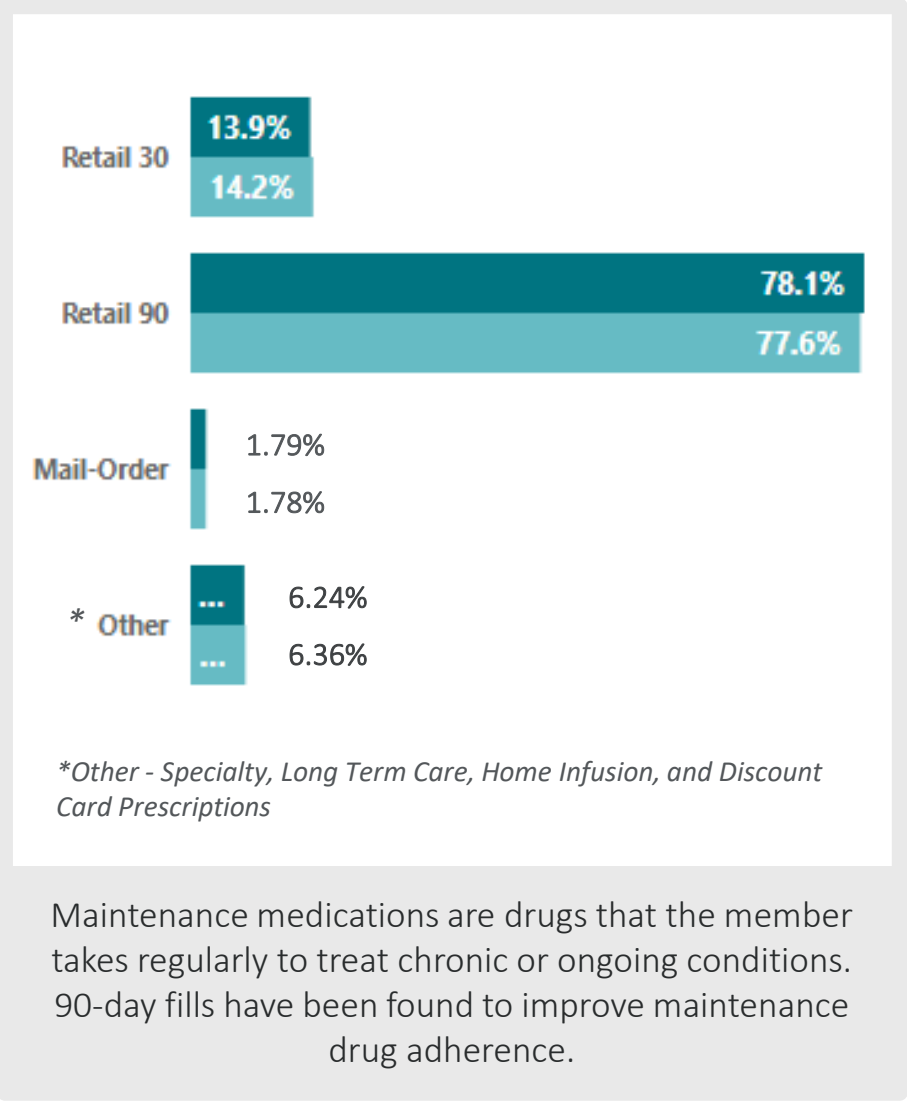
Adult Males	2024 Ending Members	2024 Population %	2023 Population %	2024 % of Total Rx Spend	2023 % of Total Rx Spend
Total:	3,782	42%	42%	45.0%	45.6%

Member Engagement



Humana uses multiple channels to connect with members – phone, mail, e-mail, web, digital – along with encouraging members to utilize our self-service tools like MyHumana.com to learn more about all we have to offer and how their benefits are working for them.

Utilization Channels – Maintenance Medications & Top Pharmacies



Top 20 Pharmacies	Location	Utilization
GATEWAY PHARMACY NORTH	Bismarck	2.7%
PROFESSIONAL PHARMACY	Bismarck	2.6%
CVS PHARMACY 08614	Bismarck	2.0%
WHITE DRUG 009	Grand Forks	2.0%
WALLS MEDICINE CENTER	Grand Forks	1.9%
MAYO PHARMACY	Bismarck	1.7%
THRIFTY WHITE PHARMACY 068	Fargo	1.7%
LINSON PHARMACY	Fargo	1.6%
GATEWAY PHARMACY SOUTH	Bismarck	1.6%
THRIFTY WHITE PHARMACY 081	Grand Forks	1.6%
WHITE DRUG 45	Jamestown	1.5%
CHURCHILL PHARMACY	Bismarck	1.5%
THRIFTY WHITE PHARMACY 047	Grand Forks	1.4%
THRIFTY WHITE PHARMACY 017	Minot	1.4%
CVS PHARMACY 08628	Bismarck	1.4%
CVS PHARMACY 08620	Grand Forks	1.4%
GRAFTON DRUG	Grafton	1.4%
CVS PHARMACY 08612	Fargo	1.4%
THE MEDICINE SHOPPE PHARMACY	Bismarck	1.3%
THRIFTY WHITE PHARMACY 034	Dickinson	1.2%

Pharmacy Utilization and Tier Distribution

Pharmacy Utilization Summary

	Group			Peer		
	Current	Prior	Change	Current	Prior	Change
Average # of Members	9,026	9,064	-0.4%	---	---	---
% Utilizing Members	95.6%	96.0%	-0.4%	---	---	---
# of Scripts	281,599	282,190	-0.2%	---	---	---
Total Net Paid	\$24,990,054	\$22,500,046	11.1%	---	---	---
Total Prescription PMPM	2.60	2.59	0.2%	2.47	2.46	0.4%
Average Days Supply/Script	52.26	51.30	1.9%	57.30	57.03	0.5%
Net Paid/Script	\$88.74	\$79.73	11.3%	\$218.20	\$209.25	4.3%
Net Paid/Script (30 Day Equivalent)	\$50.94	\$46.63	9.2%	\$114.24	\$110.06	3.8%
Net Paid PMPM	\$230.73	\$206.86	11.5%	\$538.90	\$514.75	4.7%
Member Paid PMPM	\$50.84	\$50.13	1.4%	\$30.71	\$30.83	-0.4%
Plan Cost Share	81.9%	80.5%	1.5%	94.6%	94.3%	0.3%

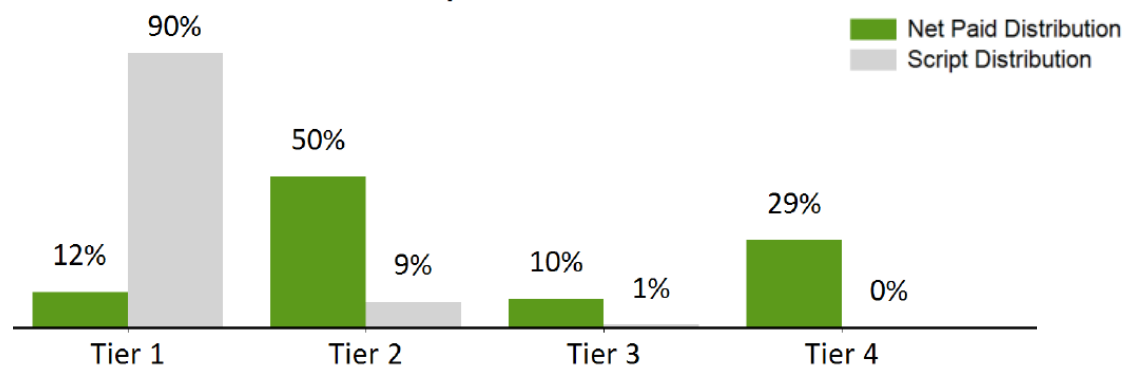
Plan Cost Share:

2024	2023
81.9%	80.5%

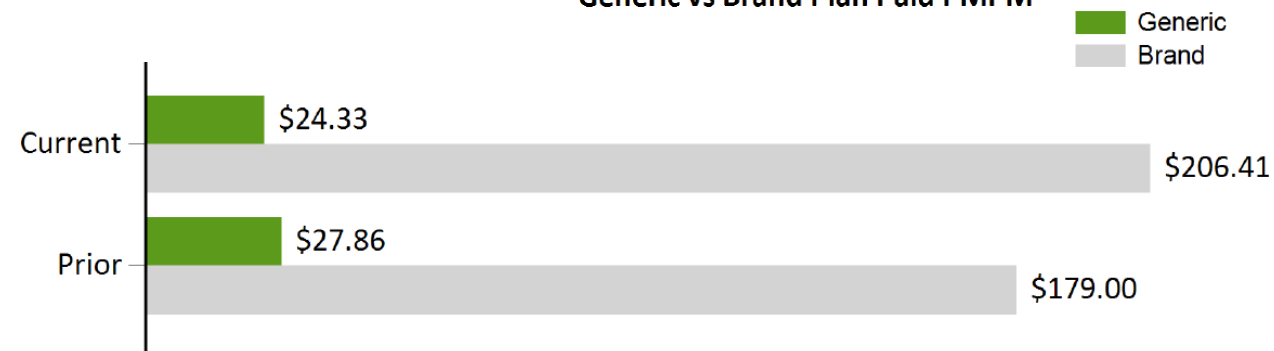
Member Cost Share:

2024	2023
18.1%	19.5%

Prescription and Plan Paid Distribution by Tier



Generic vs Brand Plan Paid PMPM



Generic Drug Usage

Generics Usage		Group			Peer		
		Current	Prior	Change	Current	Prior	Change
Generic Dispensing Rate	→	89.4%	89.6%	-0.3%	86.9%	87.1%	-0.3%
# of Scripts		251,685	252,929	-0.5%	---	---	---
Average Plan Net Paid per RX (30 Day Equivalent)		\$5.83	\$6.80	-14.3%	\$10.31	\$10.84	-5.0%
Average Member Cost per RX (30 Day Equivalent)		\$3.12	\$3.39	-8.2%	\$3.46	\$3.47	-0.2%
Net Paid PMPM	→	\$24.33	\$27.86	-12.7%	\$43.02	\$45.12	-4.6%
Substitution Rate		97.8%	98.0%	-0.2%	---	---	---

Specialty & High Cost Drugs Usage

Specialty and High Cost Drugs Usage		Group			Peer		
		Current	Prior	Change	Current	Prior	Change
# of Scripts	→	766	678	13.0%	---	---	---
% of Scripts		0.3%	0.2%	0.0%	1.6%	1.4%	0.2%
# of Scripts PMPM		.007	.006	13.5%	.039	.034	14.7%
% of Total RX Net Paid		28.9%	23.0%	5.9%	48.7%	44.1%	4.5%
Net Paid PMPM	→	\$66.57	\$47.55	40.0%	\$262.24	\$227.11	15.5%
RX Plan/Member Cost Share		96 / 4	92 / 8	---	99 / 1	98 / 2	---
Net Paid/Script	→	\$9,413	\$7,629	23.4%	\$6,707	\$6,664	0.6%
Total Unique Members		125	103	21.4%	---	---	---

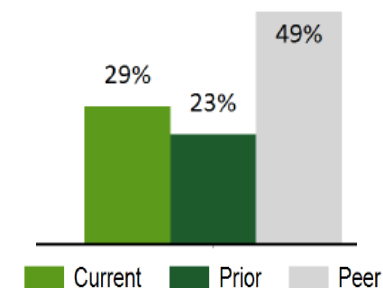
Top 20 Specialty Drugs

Current Rank	Prior Rank	Brand Name	Drug Class	# Mbrs		Net Paid		# Scripts	
				Current	Prior	Current	Prior	Current	Prior
1	1	POMALYST	CHEMOTHERAPY - MULTIPLE MYELOMA	6	7	\$1,331,571	\$701,751	61	36
2	2	JAKAFI	CHEMOTHERAPY	<5	<5	\$371,379	\$445,266	25	29
3	7	VYNDAMAX	CARDIOLOGY	<5	<5	\$359,618	\$217,273	17	11
4	---	XOSPATA	CHEMOTHERAPY	<5	<5	\$353,852	\$0	17	0
5	9	HUMIRA PEN	RHEUMATOID ARTHRITIS	<5	<5	\$351,548	\$180,755	26	14
6	18	OFEV	RESPIRATORY - IPF AGENTS	<5	<5	\$223,761	\$101,232	23	9
7	12	STELARA	DERMATOLOGY - PSORIASIS AGENTS	<5	<5	\$220,804	\$161,599	9	6
8	16	DUPIXENT	DERMATOLOGY	5	<5	\$218,057	\$127,468	62	42
9	28	KISQALI	CHEMOTHERAPY - CDK INHIBITORS	<5	<5	\$217,537	\$40,348	19	3
10	3	OXERVATE	OPHTHALMOLOGY	<5	<5	\$212,453	\$362,144	7	7
11	6	EMFLAZA	STEROIDS	<5	<5	\$206,828	\$243,550	11	14
12	8	NINLARO	CHEMOTHERAPY - MULTIPLE MYELOMA	<5	<5	\$198,235	\$186,713	16	17
13	38	IMBRUVICA	CHEMOTHERAPY	<5	<5	\$191,236	\$11,497	11	1
14	11	LENALIDOMIDE	CHEMOTHERAPY - MULTIPLE MYELOMA	<5	<5	\$181,733	\$165,883	13	12
15	4	XTANDI	CHEMOTHERAPY - ANTIANDROGENS	<5	5	\$175,474	\$356,519	25	44
16	13	RADICAVA ORS	NEUROLOGY	<5	<5	\$170,333	\$154,029	13	13
17	20	CALQUENCE	CHEMOTHERAPY	<5	<5	\$165,018	\$79,234	17	12
18	---	LYNPARZA	CHEMOTHERAPY - PARP INHIBITORS	<5	<5	\$153,735	\$0	10	0
19	---	UPTRAVI	RESPIRATORY - PAH AGENTS	<5	<5	\$152,835	\$0	6	0
20	---	UPTRAVI TITRATI	RESPIRATORY - PAH AGENTS	<5	<5	\$141,104	\$0	4	0

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

For 2024 the specialty tier cost threshold is \$950 per 30-day supply (\$830 in 2023)

RX % of Specialty Net Paid



Top 5 Pharmacies for Specialty Drugs

Pharmacy	Utilization
SANFORD PHARMACY BROADWAY	18.9%
CENTERWELL PHARMACY INC.	11.9%
ONCO360	8.4%
SANFORD BISMARCK RETAIL PHARMACY	6.9%
ACCREDITO HEALTH GROUP INC	5.1%

Current Rank	Prior Rank	Peer Rank	Drug Class	% of RX Spend	% Change of RX Spend	% GDR
1	1	1	DIABETES	22.0%	-8%	44%
2	2	2	CARDIOLOGY - BLOOD THINNERS	16.4%	14%	25%
3	3	7	CHEMOTHERAPY - MULTIPLE MYELOMA AGENTS	14.4%	71%	11%
4	5	3	CHEMOTHERAPY	5.9%	28%	88%
5	4	9	RESPIRATORY - COPD	5.0%	-10%	32%
6	22	11	ANTI-INFECTIVES	2.2%	185%	97%
7	12	6	CARDIOLOGY	2.2%	70%	98%
8	6	31	VACCINES	2.1%	-31%	---
9	16	4	RHEUMATOID ARTHRITIS	2.0%	92%	73%
10	19	14	RESPIRATORY - PAH AGENTS	1.8%	114%	64%
11	7	18	OPHTHALMOLOGY	1.7%	-24%	16%
12	10	12	GENITOURINARY	1.5%	-6%	93%
13	8	23	CARDIOLOGY - HYPERTENSION AGENTS	1.4%	-16%	100%
14	9	8	CHEMOTHERAPY - ANTIANDROGENS	1.4%	-14%	79%
15	11	25	OPHTHALMOLOGY - GLAUCOMA AGENTS	1.3%	-4%	84%
16	20	5	DERMATOLOGY - PSORIASIS AGENTS	1.3%	53%	38%
17	17	10	DERMATOLOGY	1.2%	30%	98%
18	15	15	CARDIOLOGY - HEART FAILURE	1.2%	11%	50%
19	13	20	NEUROLOGY	1.2%	8%	60%
20	23	21	CHOLESTEROL - PCSK9 INHIBITORS	0.9%	23%	---
21	33	16	RESPIRATORY - IPF AGENTS	0.9%	124%	28%
22	14	67	STEROIDS	0.9%	-17%	100%
23	24	13	CHEMOTHERAPY - CDK INHIBITORS	0.9%	14%	---
24	21	27	RESPIRATORY - ASTHMA	0.7%	-11%	90%
25	18	24	CHOLESTEROL	0.7%	-21%	100%
Subtotal of Top 25 Drug Classes				91%		

Top 25 Represents \$210.59 of RX Net Paid PMPM

Drug Class Trend

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

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

Drug Class Trend (all) – Top 3

- 22.6% of spend is Chemotherapy (Prior year: 17.1%)
- 22.0% of spend is Diabetes (Prior year: 26.7%)
- 21.2% of spend is Cardiology (all) (Prior year: 20.5%)



Pharmacy Updates

MTM Program: Eligibility Criteria Comparison

CMS Requirements	2024 Humana Requirements	2025 Humana Requirements			
<p>2024 Multiple Chronic Diseases (Must be 2 or 3 as the minimum; must target 5 of 9 core chronic diseases)¹</p> <p>2025 Multiple Chronic Diseases (Must be a minimum of 2 or 3 of 9 core conditions + HIV/AIDs)</p> <p><u>And</u></p>	<p>Meets 3 of the following 5 chronic diseases:</p> <ul style="list-style-type: none">• Mental Health - Depression• Diabetes• Chronic Obstructive Pulmonary Disease (COPD)• Chronic Heart Failure (CHF)• Osteoarthritis	<p>Meets 3 of the following 10 diseases:</p> <table><tr><td>Alzheimer’s Disease Chronic Heart Failure Diabetes Dyslipidemia ESRD Hypertension HIV/AIDs Bone Disease Osteoarthritis Osteoporosis Rheumatoid Arthritis</td><td>Mental Health Bipolar Depression Schizophrenia Other chronic/disabling mental health condition Respiratory Disease Asthma COPD Other chronic lung disorders</td></tr></table>		Alzheimer’s Disease Chronic Heart Failure Diabetes Dyslipidemia ESRD Hypertension HIV/AIDs Bone Disease Osteoarthritis Osteoporosis Rheumatoid Arthritis	Mental Health Bipolar Depression Schizophrenia Other chronic/disabling mental health condition Respiratory Disease Asthma COPD Other chronic lung disorders
Alzheimer’s Disease Chronic Heart Failure Diabetes Dyslipidemia ESRD Hypertension HIV/AIDs Bone Disease Osteoarthritis Osteoporosis Rheumatoid Arthritis	Mental Health Bipolar Depression Schizophrenia Other chronic/disabling mental health condition Respiratory Disease Asthma COPD Other chronic lung disorders				
<p>Minimum Covered Part D Drugs Any Part D Medications or Any chronic/maintenance drug (must be ≥ 2 and ≤ 8)</p> <p><u>And</u></p>	<p>Minimum of 8 Chronic / Maintenance Drugs</p>	<p>Minimum of 8 Chronic / Maintenance Drugs</p>			
<p>Anticipated Part D Drug costs that meets or exceeds²...</p>	<p>Anticipated Part D drug cost more than \$5,330</p>	<p>Lowered to average annual cost of 8 generic Part D drugs \$1,623</p>			

1- Nine core chronic conditions: Alzheimer's Disease, Chronic Heart Failure (CHF), Diabetes, Dyslipidemia, End-Stage Renal Disease, Hypertension, Respiratory Disease, Bone Disease, Mental Health

2- Changes to the anticipated Part D drug costs is determined by CMS

Medication Therapy Management

Comprehensive Medication Review (CMR)

- Real-time, interactive medication review performed by a qualified provider to assess medication use for presence of medication- related problems and results in the creation of an individualized written summary in CMS’ standardized format

Patient Take Away

- Cover Letter
- Medication Action Plan (MAP)
- Personal Medication List (PML)

	MTM Eligible	CMR’s Completed	CMR Completion Rate
NDPERS 2023	338	172	50.9%
NDPERS 2024	389	188	48.3%
Group PDP			56.5%

CMS Patient Safety Stars Measures

Medication Adherence

Diabetes	2023	2024
NDPERS	86.8%	87.8%
Peer	88.1%	88.3%

Hypertension	2023	2024
NDPERS	90.4%	89.9%
Peer	90.1%	89.8%

Hyperlipidemia	2023	2024
NDPERS	88.8%	88.4%
Peer	88.6%	88.7%

- Greater adherence typically leads to better health outcomes
- Increasing Mail Order and 90-day supply fills at retail improves adherence

Statin Use in Patients with Diabetes (SUPD)

SUPD	2023	2024
NDPERS	83.1%	83.5%
Peer	82.7%	83.9%

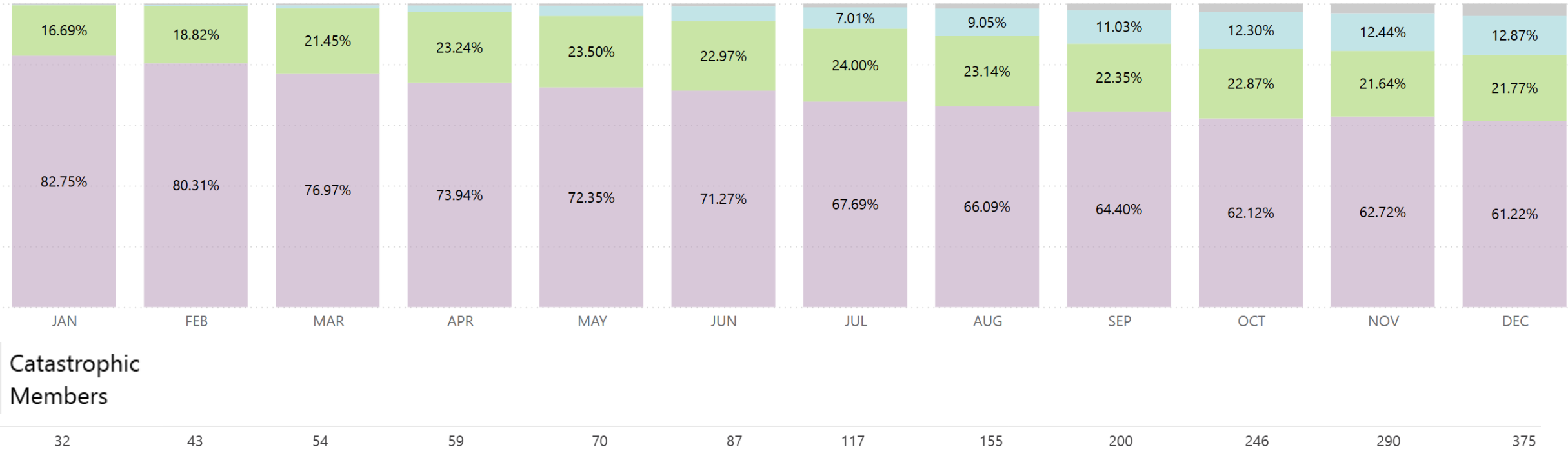
- Compliance for SUPD measure relies on provider prescribing a statin for a member with diabetes

SUPD: Percentage of Medicare Part D beneficiaries ages 40-75 years dispensed medications for diabetes who receive a statin medication.

Member by Phase Report 2024

Phases - CMS Standard Plan	2024
Deductible - Member Pays up to:	\$545
Initial Coverage Limit - Member pays plan % or copays up to:	\$5,030
Coverage Gap - Member pays plan % or copays until TrOOP reaches:	\$8,000
Catastrophic - Member share eliminated	not applicable

● Deductible % ● Initial Coverage % ● Coverage Gap % ● Catastrophic %



Catastrophic
Members

NDPERS Members = **4.1%** reached catastrophic phase by December 2024
Group Medicare PDP Catastrophic December 2024 = **6.0%**

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




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



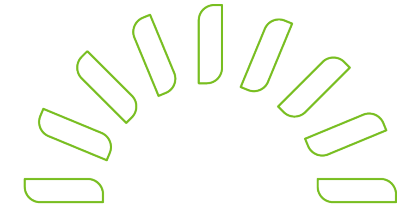
- Same generic drugs with different FDA approved brand name (**Bold**) and indication:
 - Semaglutide (**Ozempic**® = diabetes; **Wegovy**® = weight loss, cardiac prevention)
 - Tirzepatide (**Mounjaro**® = diabetes; **Zepbound**® = weight loss, obstructive sleep apnea)



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



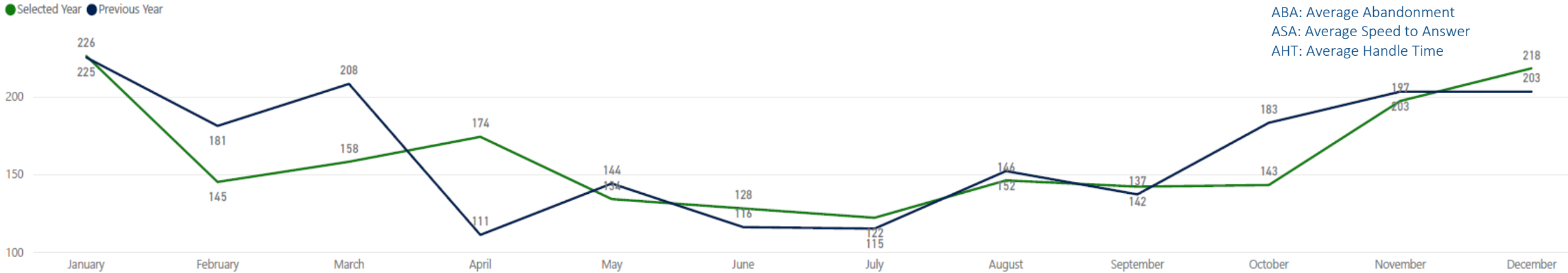
Customer service and Member engagement



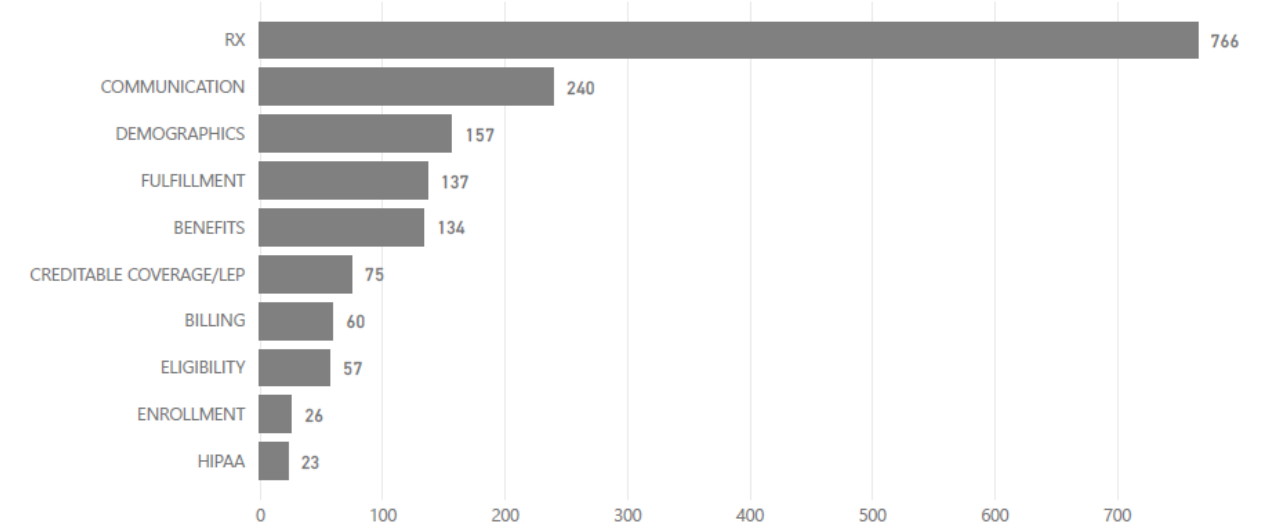
Call Metrics							
Year	Offered	Answered	ABA %	ASA	AHT	Hold	Busy %
2024	1,933	1,932	0.05	8	582	109	0
2023	1,978	1,974	0.20	5	600	68	0
2022	2,827	2,819	0.25	9	748	174	0

Customer Service – 2024 Annual Call Center & Concierge Report

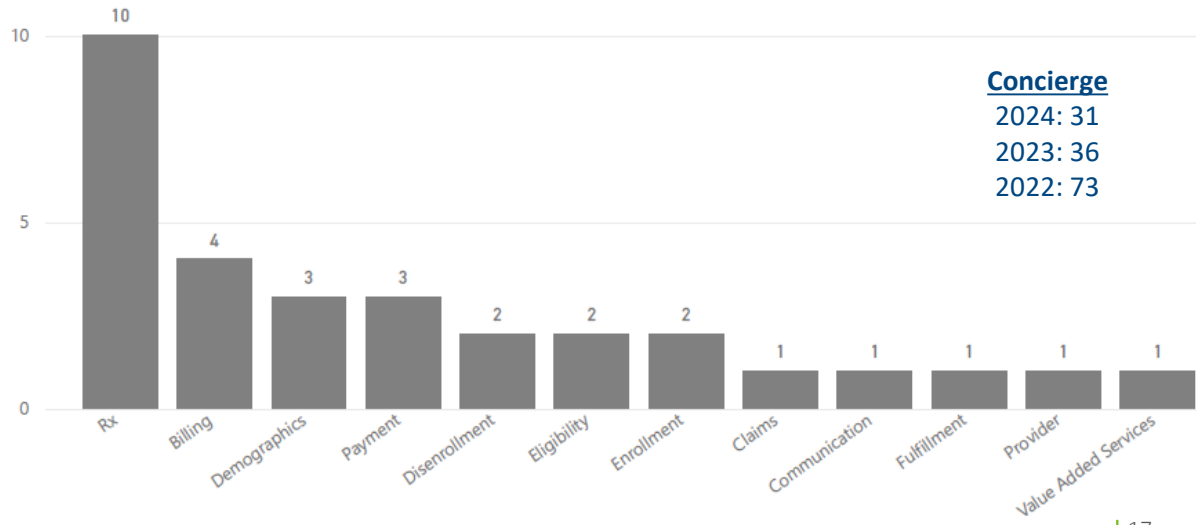
Call Volume by Month



Top Call Drivers



ACS Volume by Classification



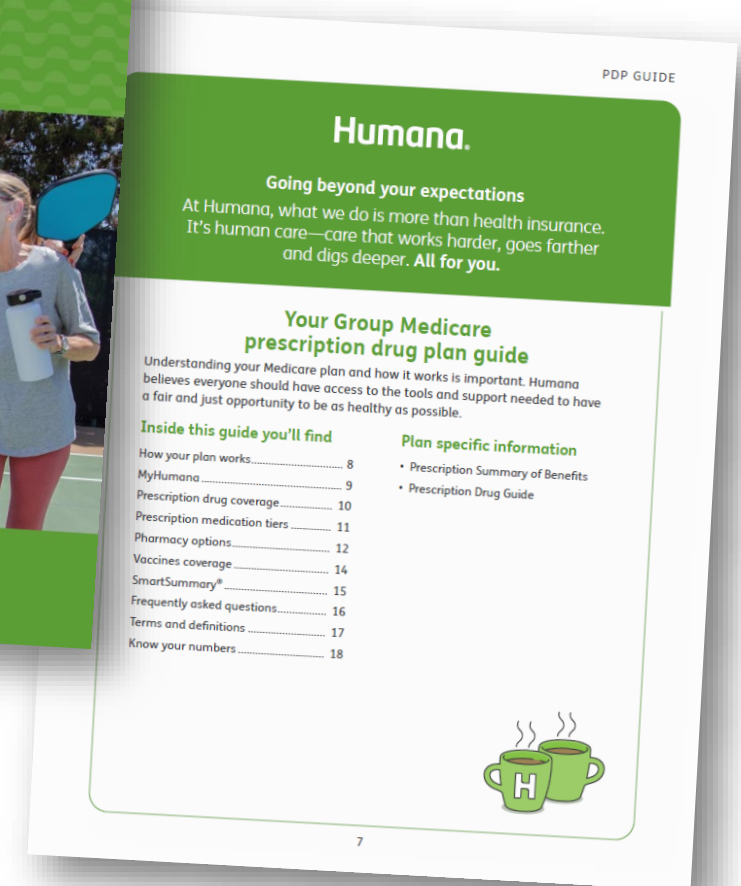
Member Engagement

Humana member messaging continues to include:

- ❖ **Medication Therapy Management**
Compliance-based campaign for eligible members to complete a Comprehensive Medication Review with a pharmacist. (Annual, throughout year)
- ❖ **Additional member messaging** (not all inclusive)
 - Pharmacy utilization messaging (PA, ST, QL)
 - Patient Safety
 - Medication alternatives
 - Operational messaging (ex; refill reminders)
 - Monthly SmartSummary Statement
 - Value Added Items and Services (discount programs, post-enrollment)
 - **2025-New:** Medication Prescription Payment Plan (member letters, monthly statement, etc.)
- ❖ **Humana virtual Neighborhood Center**
NDPERS website posting
- ❖ **Humana Welcome Kit**
Mailed to Age-In members post-enrollment
- ❖ **Annual Brainshark recording**
 - Oct-Dec 2024: 25 views
 - Jan-Apr 2025: 4 views



2025 – Humana Welcome Kit





2026 Updates

How the Inflation Reduction Act will impact costs for certain medications

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

2023

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

2024

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

2025

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

2026-2029

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

2026 Part D Renewal

Important industry headwinds will impact renewals.

- Continued higher trends for pharmacy due to increased utilization and new biosimilar and brand medications to market
- Uncertainty tied to Part D funding because of the IRA Part D changes in 2025 which flow into future years which impact Part D benchmarks and 2026's negotiated drug pricing

Employer Group Waiver Plan (EGWP) payments:

- No significant changes were made specifics to EGWPs.
- CMS maintained the EGWP MA funding methodology used for 2025 payments to determine the 2026 payments.

Part D Parameters	2025	2026
Deductible	\$590	\$615
Initial coverage limit	Not applicable	Not applicable
Out-of-pocket threshold	\$2,000 (required by the IRA)	\$2,100 (required by the IRA)

Renewal timing for NDPERS:

- 2025 rate projection – delivered 4/30/2025
- BAFO rate by the August 15th deadline, in advance of the August 19th Board meeting



Appendix

Medicare Drug Price Negotiation Program

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

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

Negotiations include:

- For 2026: 10 Part D medications
- For 2027: 15 additional Part D medications in 2025
- For 2028: Expect Part B and Part D medications

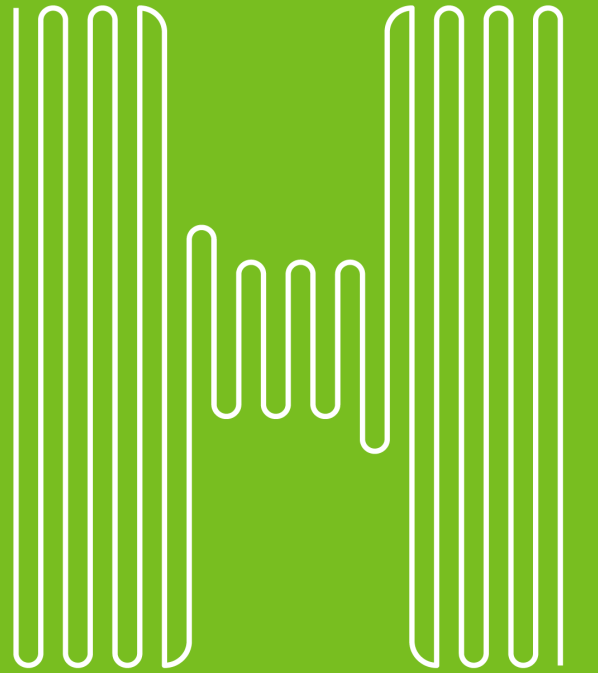
2026 Negotiated cost Medications	2027 Negotiated cost Medications
Eliquis	Ozempic; Rybelsus; Wegovy
Jardiance	Trelegy Ellipta
Xarelto	Xtandi
Januvia	Pomalyst
Farxiga	Ibrance
Entresto	Ofev
Enbrel	Linzess
Imbruvica	Calquence
Stelara	Austedo; Austedo XR
Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog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

2025 Medication Prescription Payment Plan

aka MOOP Smoothing, MP3, M3P, MPPP

Allows beneficiaries to smooth their Part D cost sharing
(aka out-of-pocket costs or OOP)

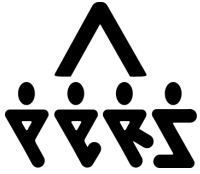
- Potential impacts of M3P include increased utilization, particularly of high-cost specialty treatments
- How does it work for the member at point of sale (POS)
 - For members that opt-in to the program, Part D claims will adjudicate for \$0 at point of sale, and the member will receive a monthly statement regarding their responsibility
 - Monthly statements continue until full repayment is completed or based on MPPP repayment guidance
 - Members are not required to participate in the MPPP program



Humana®

Thank you.

This material is provided for informational use only and should not be construed as medical, legal, financial, or other professional advice or used in place of consulting a licensed professional. You should consult with an applicable licensed professional to determine what is right for you.



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

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

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

Memorandum

TO: NDPERS BOARD

FROM: Rebecca

DATE: July 8, 2025

SUBJECT: Fiduciary Responsibility & Ethics

Allyson Hicks with the Attorney General's Office will provide the Board with its annual fiduciary responsibility and ethics education.



Attachment

BOARD MEMBER ETHICS AND RESPONSIBILITIES

Allyson M. Hicks
Assistant Attorney General
General Counsel Division
Office of Attorney General



Two Questions:

1. What is your "job"?
2. How do you do your "job"?



What is ND PERS's "job"?



The North Dakota Public Employees Retirement plan was established to ***"provide for the payment of benefits to state and political subdivision employees or to their beneficiaries*** thereby enabling the employees to care for themselves and their dependents and which by its provisions will improve state and political subdivision employment, reduce excessive personnel turnover, and offer career employment to high-grade men and women."



- Public employees give PERS (the State) money to participate in a retirement system.
- You (the Board) manage the system and, therefore, public employees' money.
- The employees *trust* you with the management of their money.

IN LEGALESE.....

- The retirement plans are a “**trust**”
- North Dakota created the trust, so it is the “**settlor**”
- The employees who participate benefit from the trust, so they are the “**beneficiaries**”
- ND PERS is entrusted with managing the trust, so it is the “**trustee**”

Now that we know your job....

How do you do your “job”?

Now that we know your job....

How do you do your “job”?

In a normal job, you would consult your employee handbook.... But since this is a state agency, your “handbook” consists of:

ND PERS "EMPLOYEE HANDBOOK"

Laws: North Dakota Century Code
Chs. 54-52 through 54-52.6
Titles 47-36, 59-16, 59-21
Internal Revenue Code, 26 U.S.C. § 401(a)

Rules: North Dakota Administrative Code
Title 71
Title 115

Federal Regulations: IRS Regulations

Policies: Adopted by ND PERS in accordance with statute

Plan documents



GENERALLY:

When you manage someone else's property, you have to manage it *for them, in their best interests.*



GENERALLY:

When you manage someone else's property, you have to manage it *for their benefit*.

Not in yours.



GENERALLY:

When you manage someone else's property, you have to manage it *for their benefit*.

Not yours.

Not your business'.



GENERALLY:

When you manage someone else's property, you have to manage it *for their benefit*.

Not yours.

Not your business'.

Not the State.



GENERALLY:

When you manage someone else's property, you have to manage it *for their benefit*.

Not yours.

Not your business'.

Not the State

Not your constituents.



GENERALLY:

When you manage someone else's property, you have to manage it *for their benefit*.

Not yours.

Not your business'.

Not the State

Not your constituents.

Only for their benefit.

IN LEGALESE....

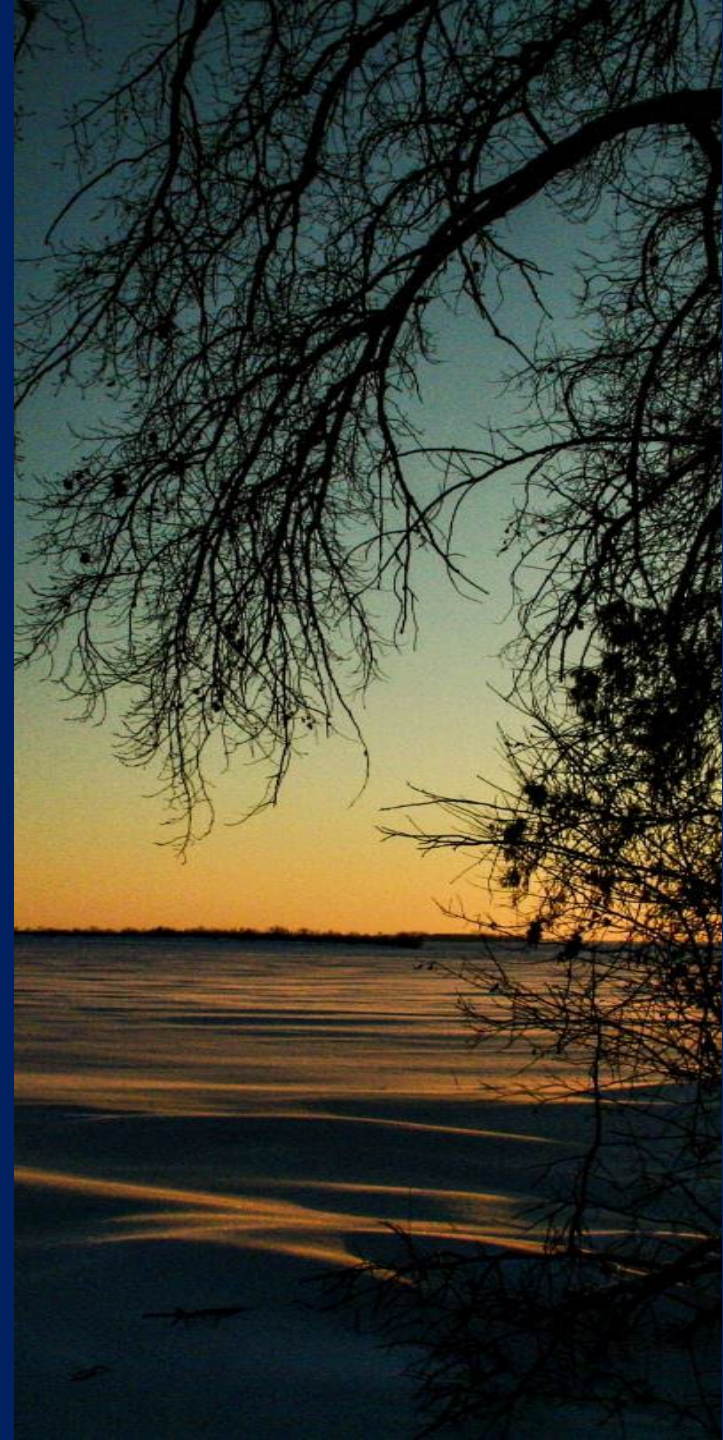
The obligation to administer a trust (the retirement plans) for the benefit of the beneficiaries (the public employees participating in the plan) is called a “**fiduciary duty.**”

It is comprised of several individual fiduciary duties.

FIDUCIARY DUTIES

Who makes these determinations?

How do you determine whether or not an action meets your fiduciary duties?



FIDUCIARY DUTIES

Who makes these decisions? How do you determine whether or not an action meets your fiduciary duties?

THIS IS AN INDIVIDUAL OBLIGATION.



You have to make an assessment of whether a decision meets your fiduciary obligations. You, individually.

Boards are made up of individuals with differing backgrounds and opinions, inherently.



Staff cannot make the
decision for you.

Other board members
cannot make the decision
for you.



Staff cannot make the decision for you.

Other board members cannot make the decision for you.

Only you can make these determinations because some of these will come down to opinion based on facts.





FIDUCIARY DUTIES

- Duty of Loyalty: you will administer the trust in ***only*** the interests of the beneficiaries
- Duty of Care: you will act with the care, skill, prudence, and diligence that a prudent person in a similar role would use.
- Duty of Prudence: you must exercise reasonable caution in decision-making
- Duty of Obedience: follow the “handbook”



FIDUCIARY DUTIES

- **Duty of Loyalty: you will administer the trust in *only* the interests of the beneficiaries**
- Duty of Care: you will act with the care, skill, prudence, and diligence that a prudent person in a similar role would use.
- Duty of Prudence: you must exercise reasonable caution in decision-making
- Duty of Obedience: follow the “handbook”

DUTY OF LOYALTY

“All moneys from any source paid into any public employee retirement system fund created by the laws of this state must be used and invested ***only for the exclusive benefit of the members, retirees, and beneficiaries of that system***, including the payment of system administrative costs.”

DUTY OF LOYALTY: GENERAL PRINCIPLES

- Prioritize PERS's interests over own self- interest
- Avoid conflicts of interest
- Acting with honesty, good faith, and fairness
- Prohibition against self-dealing
 - Fiduciaries cannot engage in transactions where they benefit personally to the detriment of the principal (ND PERS)
- Prohibition against "usurping corporate opportunities"
 - Cannot swoop in and take opportunities that belong to ND PERS

DUTY OF LOYALTY: CONFLICTS OF INTEREST

- Your requirement to disclose conflicts is a product of:
 - Your fiduciary duty
 - Your requirement to comply with Ethics Commission Admin. Rules
 - Your requirement to comply with NDPERS Board policies
 - Your requirement to comply with NDPERS Code of Ethical Responsibility

DUTY OF LOYALTY: CONFLICTS OF INTEREST

- North Dakota Ethics Commission
 - Article XIV of the North Dakota Constitution
 - Chapter 54-66 of the North Dakota Century Code
 - Title 115 of the North Dakota Administrative Code

DUTY OF LOYALTY: CONFLICTS OF INTEREST

Per Ethics Commission Admin. Rules:

2 kinds of Conflicts:

- General Conflicts of Interest
- Quasi-Judicial Bias

Managed in the same way procedurally, only differences are the definitions applied and the standard of review.

DUTY OF LOYALTY: CONFLICTS OF INTEREST: WHAT

- General conflict of interest: regular board stuff
 - Gift from one of the parties
 - Significant financial interest in one of the parties or the outcome
 - Relationship in private capacity
- Quasi-judicial bias: disciplinary or appeal stuff (think: could this lead to an OAH hearing or district court?)
 - Gift from one of the parties
 - Significant financial interest in one of the parties or the outcome
 - Relationship in private capacity
 - Campaign monetary or in-kind support: for any campaign, not just statewide

DUTY OF LOYALTY: CONFLICTS OF INTEREST: HOW

1. Review the agenda: is there anything that you might have a conflict of interest on? If so, contact ED or attorney ASAP.
2. At the meeting: at the start of the agenda item in question, declare the conflict before any discussion.
 - must provide sufficient information to put public on notice of the "material facts" on the matter.
 - must be made prior to taking action.
 - if quasi-judicial, must be made directly to the parties.

DUTY OF LOYALTY: CONFLICTS OF INTEREST: HOW (cont.)

3. You can make the call on whether to recuse or not.
 4. If you decide to recuse, you don't need to use the neutral reviewer. If you decide you do NOT need to recuse, you can decide or you can ask the rest of the Board (neutral reviewer) to decide for you. If you follow their decision, you have safe harbor.
- General conflicts standard: "[W]here the independence of judgment of a reasonable person in the public official's situation would be materially affected" by the disclosed conflict. It is presumed that there is not a disqualifying conflict if the public official would not derive any personal benefit which is greater than that of any other general group affected.
 - Quasi-judicial bias standard: Does the conflict create "an appearance of bias to a reasonable person"?

DUTY OF LOYALTY: CONFLICTS OF INTEREST: HOW (cont.)

What happens if you know someone has a conflict, but they fail to disclose?

- Any board member can raise a **clear** conflict of another board member.
- NDPERS Board through Code of Ethical Responsibility has opted to follow procedure in N.D.C.C. § 44-04-22.*
- The rest of the board votes on whether or not to allow conflicted member to vote, if the conflict is direct and substantial, personal or pecuniary, the member should be recused.

DUTY OF LOYALTY: CONFLICTS OF INTEREST: HOW (cont.)

- *Generally, whether or not a board utilizes N.D.C.C. § 44-04-22 to address undisclosed conflict is not required by state law.
- ND PERS board members, as fiduciaries, have an obligation under the duty of loyalty to have some mechanism to address undisclosed conflicts of interest.
- N.D.C.C. § 44-04-22 is currently the only reference to a conflicts procedure in state law, which is why it is suggested, however, the board could opt to adopt an alternate procedure if it chooses.
- Whatever the procedure, it must be applied uniformly and consistently.



FIDUCIARY DUTIES

- Duty of Loyalty: you will administer the trust in **only** the interests of the beneficiaries
- **Duty of Care: you will act with the care, skill, prudence, and diligence that a prudent person in a similar role would use.**
- Duty of Prudence: you must exercise reasonable caution in decision-making
- Duty of Obedience: follow the "handbook"

DUTY OF CARE: GENERAL PRINCIPLES

- Obligation to act with the care, skill, prudence, and diligence that a prudent person in a similar role would use.
- Make informed decisions about investment, administration, and all aspects of the plan.
- If you feel you lack the expertise, hire qualified experts to advise you.
- Document your decision-making process.

DUTY OF CARE

What would a reasonably prudent person managing a retirement fund do before making a decision?

- Gather and understand the facts; ask questions.
- What are the options available?
- Phone a friend: ask an expert.

DUTY OF CARE

Must be impartial in investing, managing, and distributing the property. Cannot consider one beneficiary's interests over others.



FIDUCIARY DUTIES

- Duty of Loyalty: you will administer the trust in ***only*** the interests of the beneficiaries
- Duty of Care: you will act with the care, skill, prudence, and diligence that a prudent person in a similar role would use.
- **Duty of Prudence: you must exercise reasonable caution in decision-making**
- Duty of Obedience: follow the "handbook"

DUTY OF PRUDENCE

Must exercise reasonable care, skill, and caution if a hypothetical “prudent person” acting in a similar capacity.

Must give appropriate consideration to relevant facts and circumstances when making investment and administration decisions.

Investments of the plan should be diversified to minimize the risk of large losses, unless it is clearly prudent under the circumstances not to do so.

Goes hand-in-hand with Duty of Care.



FIDUCIARY DUTIES

- Duty of Loyalty: you will administer the trust in ***only*** the interests of the beneficiaries
- Duty of Care: you will act with the care, skill, prudence, and diligence that a prudent person in a similar role would use.
- Duty of Prudence: you must exercise reasonable caution in decision-making
- **Duty of Obedience: follow the “handbook”**

DUTY OF OBEDIENCE

You must ensure that the trust is complying with applicable laws, rules, and policies and plan documents.

- What do the specific plan documents require?
- What do the state and federal laws, rules, and regulations require?
- What do your internal policies dictate?

FIDUCIARY LIABILITY

- Personal liability
 - Pay to restore the trust
 - Civil penalties
 - Criminal penalties for willful violations

FIDUCIARY LIABILITY

- “Rat out your friends” duty (i.e. co-fiduciary duty)
 - Even if you are not breaching your fiduciary duty, if you know that someone else is breaching theirs and say nothing, you have now breached your fiduciary duty
 - You have to rat out your friends or risk personal liability.
 - (this is where that conflict of interest issue dovetails in)

MITIGATION OF RISK

What are some steps that can be taken to reduce fiduciary risk?



MITIGATION

- Establish, follow, and document prudent processes
- Maintain good governance structure
 - Thorough decision-making processes
 - Rigorous risk identification and management
 - Clearly defined and understood roles and responsibilities
- Perform on-going oversight
- Establish appropriate reporting and disclosure
- Periodically review procedures and processes; revise as needed
- Offer orientation and continuing education
- Obtain independent expert advice – law, actuarial, benefits, investments, audits

SUMMARY

- Always be asking “is this for the benefit of the participating employees?”
- Are you informed or is there more you could do? Is there an expert you could ask?
- Follow the law.
- Avoid conflicts.



QUESTIONS?

Allyson M. Hicks
Assistant Attorney General
General Counsel Division
Office of Attorney General



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

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

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

Memorandum

TO: NDPERS Board

FROM: Rebecca Fricke

DATE: July 8, 2025

SUBJECT: 401(a) Defined Contribution Plan IRS Letter of Determination

NDPERS has received notice from Ice Miller of an IRS favorable determination letter for the 401(a) Defined Contribution Plan. The notice is dated June 25, 2025 and was issued in response to our request.

According to the IRS letter, this “determination confirms the plan’s qualified status under Internal Revenue Code Section 401(a), based on the information submitted. It applies to the plan as adopted on September 9, 1999, and includes amendments through August 20, 2024.”

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



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

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

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

Memorandum

TO: NDPERS Board

FROM: Marcy Aldinger

DATE: July 8, 2025

SUBJECT: SECURE 2.0 and 457(b) Deferred Compensation Plan Options

Since the June meeting, staff have continued to explore optional provisions of Secure 2.0 related to the 457(b) Deferred Compensation Plan. At this time, staff would like to share additional information specific to Roth contributions and self-certification of unforeseeable financial hardship requests.

Roth Catch-Up Contributions for High Earners

As discussed previously, if our plan were to offer a Roth 457(b) deferral option, it would introduce certain complexities with respect to mandatory provisions under SECURE 2.0. Specifically, continuing to offer age-related catch-ups would trigger the requirement to implement a method to identify all high-income earners. There are three key questions that need to be answered to accurately administer this provision of SECURE 2.0, two of which present significant challenges.

- 1) Is the employee age 50 or older? This is information we have housed in our business system, and does not create any concerns to accurately administer.
- 2) Is the entity subject to Social Security?
 - a. Entities not subject to Social Security are not subject to this provision. (for example, Highway Patrol is not subject to Social Security). NDPERS reached out to Job Service who maintains the State of ND Section 218 Agreement to see if they have a list of employers not subject to Social Security. In order to possibly obtain this information, a formal request for a Release of Information needs to be made to Job Service. This request has not yet been made, and staff is unsure if the

release would provide the information necessary to implement this SECURE 2.0 requirement.

- 3) This provision of SECURE 2.0 applies only to individuals who made gross wages over an indexed threshold set by the IRS each year. Because NDPERS isn't the employer, we do not know what any member's W2 wage was in a given year. Without a way of identifying the employees that would be required to contribute their catch-up contributions on a Roth basis, staff cannot comfortably say we can accurately administer this provision of SECURE 2.0 in our office.

Super Catch-Up Contributions

Super catch-up allows eligible individuals aged 60-63 to contribute more than the standard catch-up limit for those 50 and older. If the super catch-up is offered, SECURE 2.0 makes mandatory that these contributions be made using a Roth for high income earners (those with prior-year FICA wages exceeding \$145,000).

If the super catch-up option is adopted by the NDPERS Board, then beginning January 2026, a Roth option is mandatory for high income earners as defined by the IRS. We cannot offer this provision of SECURE 2.0 to high earners if we do not also incorporate Roth contributions into our plan.

Roth Implementation Options

Because these provisions are optional, the Board could decide not to adopt them. However, in so doing, we would not be able to offer age-related catchups such as the 50+ or the new Super catchup for individuals age 60-63. Given this would restrict individuals from setting aside more contributions the closer they get to retirement, thus reducing the amount they can save for retirement, this may not be the most member-friendly approach.

Therefore, staff have been discussing other options for consideration. Since the June meeting, staff have visited with Ice Miller and also with individuals from two other multi-state employer 457(b) plans that offer Roth contributions to determine how they implemented the provisions while ensuring the challenges outlined above are not a concern. Based upon these discussions, staff feel we can move forward with this provision by obtaining the necessary information from our participating employers specific to 2 and 3 above.

Specifically, NDPERS will:

- 1) Work with OMB and Higher Ed Peoplesoft payroll systems to capture the necessary information annually, each January, following W2 distribution.
- 2) Reach out to our participating 457(b) political subdivision providers and any state employers NOT on Peoplesoft to request that they notify us of any individuals that

- met high-earner threshold in previous year or who are exempt from Social Security reporting. The communication will have a clear deadline and if a response is not received, it will be communicated that it is then our understanding that they do not have any staff that meet either criteria.
- 3) Based upon information provided by OMB, Higher Education, state agencies not on Peoplesoft and political subdivisions, staff will populate a new field that will identify those that were reported as meeting criteria.
 - 4) Programming will be developed to appropriately manage the deferrals to reflect:
 - a. High earner catchup provisions are made on Roth basis
 - b. Employees that do not pay into social security will not be subject to Roth catchup provisions, even if a high earner.
 - 5) The Plan Documents would need to be updated to reflect the option, along with the corrective measures that would be required if an ineligible contribution is made that should have been made as a Roth.
 - 6) There will need to be education prepared and provided to both members and employers.
 - a. High earners in the DC 2025 Plan who do an age-based catchup will need to be informed that employer contributions cannot apply to catchup amounts. Therefore, once they are making catchup contributions, there will not be an employer match into their 457 plan due to IRS regulations.
 - b. Members in the defined benefit plans will need to be informed that Roth contributions are ineligible towards the purchase of service credit.
 - 7) Various plan materials and forms will need to be modified.

Self-Certification of Unforeseeable Financial Hardship

As discussed in June, SECURE 2.0 allows plan administrators to rely on a participant's written self-certification for unforeseeable financial hardship distribution. The certification must confirm that:

1. The participant is experiencing a qualifying hardship or emergency,
2. The amount requested does not exceed the amount necessary to satisfy the need, **and**
3. The participant has no other reasonably available means to meet the financial need.

However, reliance on self-certification is not permitted if the plan administrator has actual knowledge that contradicts the participant's certification.

Ice Miller did not have concerns regarding fiduciary responsibilities of the Board and said that the majority of entities are moving to this, and if this is a provision of SECURE 2.0 the Board would like to move forward on, Ice Miller has offered sample forms to ensure compliance with IRS requirements.

Should the Board wish to adopt the self-certification process, the Board can set restrictions on the amount that can be requested through the self-certification process. The Board can also set restrictions on the frequency that a member can request a hardship withdrawal.

In reviewing information from other states, it appears that some states have put these types of restrictions on self-certification hardship requests. For example:

- Virginia allows up to \$2,500 to be requested through the self-certification process and restricts it to once every two calendar years. Attachment 1 is their self-certification request form.
- New York allows up to \$20,000 to be requested through the self-certification process and restricts it to two requests per calendar year, for a total of \$40,000 in a calendar year. Attachment 2 is their self-certification request form.

If a participant wishes to request more than or more frequent than an established limit, then the participant can still submit a request through the current process, which would then result in Board review and approval/denial of the request.

The following table provides information regarding the hardship requests that were reviewed by the Board since January 1, 2020. In reviewing the list, staff did not find that any members submitted more than one request since this date.

Case ID	Case Type	Amount Requested	Case Status	Case Start Date
603	Financial Hardship	\$3,120.00	Denied	01/07/2020
639	Financial Hardship	\$6,102.68	Approved	08/06/2020
647	Financial Hardship	\$5,000.00	Denied	09/28/2020
715	Financial Hardship	\$3,000.00	Approved	11/22/2021
716	Financial Hardship	\$2,880.20	Approved	11/28/2021
727	Financial Hardship	\$1,234.33	Approved	02/04/2022
756	Financial Hardship	\$7,000.00	Approved	07/11/2022
816	Financial Hardship	\$11,000.00	Approved	06/08/2023
860	Financial Hardship	\$37,738.00	Denied	05/24/2024
881	Financial Hardship	\$3,500.00	Approved	08/23/2024
884	Financial Hardship	\$5,000.00	Approved	09/06/2024
888	Financial Hardship	\$30,000.00	Denied	09/30/2024
899	Financial Hardship	\$30,000.00	Approved	11/14/2024
906	Financial Hardship	\$18,792.89	Approved	01/27/2025

Also, if moving forward with self-certifications, the Board should indicate who is authorized to sign-off on behalf of the Plan Sponsor on these types of hardship requests. Does the Board wish it to be the Board Chair or to delegate the responsibility to staff?

Ice Miller will attend the meeting to assist with questions the Board has on these provisions or implementation efforts.

BOARD ACTION REQUESTED:

1. Consider directing staff to move forward with allowing Roth 457(b) deferrals effective January 1, 2026, including ensuring that any age-related catchups for high earners are made to a Roth 457(b) due to requirements of Secure 2.0.

2. Consider implementing a self-certification process for 457 unforeseeable financial hardship withdrawals. If implemented:
 - a. Provide direction on if the Board wishes to establish a restriction on the dollar amount or frequency that a participant can request a self-certified unforeseeable financial hardship withdrawal.
 - b. Provide direction on who is authorized to sign-off on behalf of the Plan Sponsor.

Based upon this direction, staff will then prepare updates to the Plan Documents and a self-certification form for the Board's review at a later meeting, if necessary.

PERSONAL INFORMATION (please print clearly using black or blue ink)

NAME: _____ SOCIAL SECURITY NUMBER: _____
(last 4 digits only)

ADDRESS: _____ APT: _____

CITY: _____ STATE: _____ ZIP CODE: _____

DAY PHONE: _____ EVENING PHONE: _____

EMAIL: _____ DATE OF BIRTH: ____/____/____

INSTRUCTIONS

1. Review the Unforeseeable Emergency Requirements to determine if you are ELIGIBLE to take an unforeseeable emergency withdrawal.
2. Choose AMOUNT requested, WITHHOLDING, GROSS UP and DELIVERY METHOD.
3. Indicate REASON, SIGN and MAIL your form for processing.
4. All checks issued by Voya Financial are mailed to your current address on record. Before submitting this form, please contact a Customer Service Associate or go online to verify that the Plan has your current address. Failure to do so may result in your check being mailed to an incorrect address. The contact information is available on the last page of this form. If the address on record is incorrect, please contact your employer to update your current address and verify that the Plan has been updated prior to submitting this form.
5. Request for a Self-Certification Unforeseeable Emergency Withdrawal is limited to one every two years in an amount of \$2,500.00 or less. If you have already completed a Self-Certified Unforeseeable Emergency Withdrawal or your request is more than \$2,500, you can complete the Unforeseeable Emergency Withdrawal form or go Online and request the Unforeseeable Emergency Withdrawal in your plan account.

PLEASE NOTE: AN INCOMPLETE APPLICATION WILL CAUSE A DELAY IN RECEIVING YOUR PAYMENT.

UNFORESEEABLE EMERGENCY REQUIREMENTS

1. The amount of the withdrawal cannot exceed the amount necessary to relieve the severe financial hardship. However, you may increase the amount to pay the taxes and penalties that you may incur as a result of the unforeseeable emergency withdrawal.
2. IRS allows unforeseeable emergency withdrawals only when other financial resources are not reasonably available. Since other distributions from the plan are considered other resources, you should take them from all plans maintained by the employer first, if available. If you have any questions regarding other available resources, please contact a Customer Service Associate or go online. The contact information is available on the last page of this form.
3. Only 1 hardship may be processed per 24-month period.

CHOOSE AMOUNT REQUESTED

Amount Requested: Withdraw the following (choose one):

☐ **Maximum available** (not to exceed amount documented) OR ☐ \$_____ (indicate the total dollar amount)

Note: If your available unforeseeable emergency withdrawal amount based on your current account balance is less than the financial need specified above, the unforeseeable emergency will be processed up to the maximum amount available. If you elected an additional tax withholding, we will process using the default withholding rate of 10% for federal taxes and the required state tax, if applicable.

If you elected an additional tax withholding and did not elect to gross up, we will process using the default withholding rate of 10% for federal taxes and the required state tax, if applicable.

VRS Defined Contribution Plans
Virginia Hybrid 457 Deferred Compensation Plan
SELF-CERTIFICATION
UNFORESEEABLE EMERGENCY WITHDRAWAL APPLICATION

FEDERAL AND STATE INCOME TAX WITHHOLDING WITH GROSS UP ELECTION

TAX WITHHOLDING ELECTIONS

Regardless of whether or not federal or state income tax is withheld, you are liable for taxes on the taxable portion of the payment. If you do not have a sufficient amount withheld, you may be subject to tax penalties under the Estimated Tax Payment rules. An election made for a single non-recurring distribution applies only to the payment for which it is being made. For recurring payments, your withholding election will remain in effect until it is changed or revoked. You may change or revoke your election at any time prior to a payment being made by submitting IRS form W4, W-4P, W-4R, as appropriate. U.S. persons having their payment delivered outside the U.S. or its possessions may not make an election of NO withholding or choose withholding that is less than the default. In this case, if you choose no withholding or withholding that is less than the default, the default rate will be applied. Non-resident aliens are subject to a mandatory 30% withholding rate unless they are eligible for a reduced rate or exemption under a tax treaty and the required documentation is submitted.

FEDERAL WITHHOLDING RULES

Non-periodic payments - 10% withholding: Non-periodic, non-rollover eligible payments from pensions, annuities, IRAs and life insurance contracts are subject to a flat 10% federal withholding rate unless you choose not to have federal income tax withheld. These include, for example, required minimum distributions, hardship withdrawals, and distributions from IRAs that are payable on demand. You can choose not to have withholding applied to your non-periodic distribution by checking the applicable box below. You may also elect withholding in excess of the flat 10% rate as a total percentage (no decimals), for example 15%. Dollar amounts are not allowed. You may also submit IRS Form W-4R to make this election. Alternatively, you may request withholding that is less than 10% and more than 0% by submitting IRS Form W-4R with this withdrawal form. To obtain Form W-4R, please go to the www.irs.gov website or call 800-829-3676. Form W-4R also contains Marginal Rate Tables that can be used as a guide to determine how much to have withheld from your payment.

FEDERAL WITHHOLDING INSTRUCTIONS (If you do not check any of the boxes below or provide a Form W-4R, then we will withhold based on the IRS default.)

☐ **DO NOT** withhold any federal income tax unless mandated by law.

☐ **DO** withhold federal taxes at the default percentage or at the following percentage (no decimals) that is different than the standard withholding and **greater** than 0%: _____.0%.

STATE WITHHOLDING INSTRUCTIONS

☐ **DO** withhold state taxes in the amount of \$_____ or _____% (If you make this election, a dollar amount or percentage must be specified and cannot be less than any required withholding.)

☐ **DO NOT** withhold any state income tax unless mandated by law.

Note: If no state withholding election is checked above or if your state requires a greater amount of withholding, we will withhold at the rate specified by your state of residence for the type of payment you are receiving. In some cases, your state specific withholding election form is required to opt out of withholding or to choose a rate other than the state's default rate. Refer to your plan's website and/or your State Department of Taxation for details.

GROSS UP ELECTIONS

You may elect to increase the amount of your withdrawal so that the check you receive will be for the amount you requested after your elected tax withholding are withheld. This is called gross up. If there are no changes to the tax withholding elections above, and you elect to gross up, your withdrawal amount will be increased to cover the default withholding rate of 10% for federal taxes and the required state tax, if applicable. Please choose from each gross up options below:

For example: If your stated withdrawal need was \$1,000, you elected to gross up and have 10% + \$100 withheld for federal taxes, the \$1,000 pre-tax withdrawal amount could be increased to \$1,222.22. You would receive a net check amount of \$1,000; the additional \$222.22 (10% + \$100 of \$1,222.22) would be sent to the IRS to pay taxes. You may only increase the withdrawal amount if there are sufficient funds available in your account.

Gross up for state: ☐ Yes ☐ No

Gross up for federal: ☐ Yes ☐ No

Note: If no gross up election is checked above, we will not gross up your withdrawal.

HOW WOULD YOU LIKE TO RECEIVE YOUR WITHDRAWAL? (select one only)

Once the unforeseeable emergency withdrawal is approved and processed, the funds will be available within 2 - 3 business days for distribution.

☐ **First class mail at no additional charge.**

☐ **Expedited delivery.** I understand I will pay a nonrefundable fee of \$50 which will be deducted from my account.

☐ **Direct Deposit**

Note: You must already have banking information on file with the Plan for at least 7 days in order for this payment to be deposited to your bank. To update Banking Information, go to the Personal Information section of your online account.

REASON FOR UNFORESEEABLE EMERGENCY WITHDRAWAL AND CHECKLIST

You must retain the below required documents to support your reason to substantiate both the nature and the amount of the severe financial hardship in the event of an audit.

The following circumstances are considered for severe financial hardship under the Plan. If you have any questions about the qualifying reasons for an unforeseeable emergency withdrawal, please contact a Customer Service Associate before proceeding. The contact information is available on the last page of this form.

REASON	REQUIRED DOCUMENTATION AND INFORMATION THAT MUST BE REFLECTED ON DOCUMENTATION	UNACCEPTABLE REASONS/ DOCUMENTATION
<input type="checkbox"/> Unreimbursed medical expenses for medical care previously incurred or anticipated by: You Your spouse Your child Your dependent ¹ Your beneficiary ²	<ul style="list-style-type: none"> • Explanation of Benefits (EOB) from provider dated within the past 12 months that reflects the amount paid by the insurance company and reflects the amount owed by the insured, OR • A bill from provider dated within the past 12 months that indicates the amount still owed and indicates the costs not reimbursed by the insurance company, OR • A bill from provider dated within the past 12 months that indicates the amount still owed, and the Explanation of Benefits (EOB) from provider dated within the past 12 months that reflects the amount paid by the insurance company and the amount owed by the insured, OR • A bill dated within the past 12 months that indicates the amount still owed, and a letter written and signed by me to certify that I do not have insurance. 	<ul style="list-style-type: none"> • Medical bills that do not show portion paid by insurance • Collection agency notices • Bills already paid
<input type="checkbox"/> Repair of principal residence, that would qualify as a casualty deduction under the Internal Revenue Code, such as a fire or storm	<ol style="list-style-type: none"> 1) Letter explaining what caused the casualty, and 2) Statement from your insurance company stating the loss is not covered, and 3) Billing statement or cost estimate The above documents must: <ul style="list-style-type: none"> • be dated within last 4 months, and • reflect the amount necessary to repair principal residence, and • include the property address, and • have a future payment due date 	<ul style="list-style-type: none"> • General estimate for repair (no property address, not dated or amount owed) • Routine maintenance, remodeling, additions, non-attached buildings and garages • Bills already paid
<input type="checkbox"/> Prevention of mortgage foreclosure or eviction from your principal residence	<ol style="list-style-type: none"> 1) Proof of pending foreclosure or pending eviction <ul style="list-style-type: none"> • Tax lien, or • Bank/mortgage statement, or • Letter from bank/mortgage company, or • Letter from landlord on company letterhead or notarized, or • Copy of the court document substantiating the eviction or foreclosure legal proceedings The above documents must: <ul style="list-style-type: none"> • be dated within last 4 months, and • reflect the amount necessary to prevent eviction/ foreclosure, and • contain eviction/foreclosure date. This date must be in the future, and • include the property address, and • have a future payment due date 2) If the current address on record is a PO Box, a document from a municipal or government agency providing proof of physical address. (Example: Utility bill or drivers license) 	<ul style="list-style-type: none"> • IRS tax liens that do not specify address of property to be foreclosed • Late payment statements that do not threaten eviction or foreclosure • Lease agreements • Bills already paid • Court, attorney and late fees on the unlawful detainer
<input type="checkbox"/> Funeral/Burial expenses for: Your spouse Your child Your parent Your dependent ¹ Your beneficiary ²	<ol style="list-style-type: none"> 1) Copy of death certificate, and 2) Funeral/burial statement which must: <ul style="list-style-type: none"> • reflect name of deceased, and • reflect date of services provided within the past 90 days, and • reflect your name as individual billed, and • include itemized funeral/burial expenses, and • have a future payment due date 	<ul style="list-style-type: none"> • Pre-purchase of lot or headstone • Bills already paid
<input type="checkbox"/> Lost income (Illness, Accident, or Layoff) You Your spouse Your dependent ¹	<ol style="list-style-type: none"> 1) Last paystub and W2 from previous year, and 2) Letter from employer on letterhead and dated within the last 12 months Must Indicate: <p>Reason employment ended Last date of employment Average amount of hours worked per week (including overtime) Hourly wage at the time employment ended, and, if needed, Date leave began Any unemployment/LTD stubs Proof of dependency</p>	<ul style="list-style-type: none"> • Letter not on letterhead • Lost wages older than one year • Lost wages from disciplinary action

SELF-CERTIFICATION
UNFORESEEABLE EMERGENCY WITHDRAWAL APPLICATION

REASON FOR UNFORESEEABLE EMERGENCY WITHDRAWAL AND CHECKLIST (CONT)

If you selected a severe financial hardship for your dependent or your beneficiary:

¹A dependent is anyone who meets the definition of a Qualifying Child or Qualifying Relative as described in Section 152 of the Internal Revenue Code, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof.

²Your beneficiary must be designated the primary beneficiary of your account.

☐ By checking this box, I hereby certify that the person(s) I am requesting funding for would be considered as a dependent¹ or beneficiary² as stated above. If this box is not checked, I understand my unforeseeable emergency request will be rejected.

AUTHORIZATION

I hereby certify that:

1. My request for an Unforeseeable Emergency Withdrawal from the Plan arises from events beyond my control.
2. I possess valid documentation that substantiates my Unforeseeable Emergency Withdrawal amount requested, and it accurately reflects my outstanding severe financial need.
3. I have exhausted all other means available and meet the Plan requirements.
4. To the best of my knowledge and belief the information I provided, including the Social Security Number or Taxpayer Identification Number, is accurate and complete and the documents I possess are valid and complete and have not been altered or manipulated in any manner.
5. I understand that I must retain all supporting documentation to substantiate my Unforeseeable Emergency Withdrawal request and may be asked to provide such documentation if I am audited by the Internal Revenue Service regarding this request.

PARTICIPANT'S SIGNATURE _____ DATE _____

CHECKLIST

PLEASE REVIEW YOUR APPLICATION CAREFULLY.

- ☐ Verified that the Plan has your current address
- ☐ Reviewed and completed the Unforeseeable Emergency Requirements to determine if you are **ELIGIBLE** to take an unforeseeable emergency withdrawal
- ☐ Indicated your **AMOUNT, TAX WITHHOLDING** and **GROSS UP ELECTIONS**
- ☐ Selected **DELIVERY METHOD**
- ☐ Selected a **VALID REASON** for the withdrawal
- ☐ Confirmed that you have first exhausted all distributions (other than hardship withdrawals) from all plans maintained by the employer
- ☐ Retained the **REQUIRED DOCUMENTATION** for your records
- ☐ Provided authorized **SIGNATURE**

If you have any questions or need to obtain additional plan or account information, please go online at dcp.varetire.org or call the VRS Defined Contribution Plans Service Center at 1-877-327-5261 (TTY/TTD users call 1-800-579-5708). Customer Service Associates are available Monday through Friday, 8:00 A.M. to 9:00 P.M. Eastern Time (excluding stock market holidays).

If your application is complete, please mail or fax the application to:

VIA FAX

Voya Financial
Attn: VRS Defined Contribution Plans
1-844-833-4545

VIA MAIL

Voya Financial
Attn: VRS Defined Contribution Plans
P.O. Box 389
Hartford, CT 06141

VIA OVERNIGHT DELIVERY

Voya Financial
Attn: VRS Defined Contribution Plans
One Orange Way
Windsor, CT 06095



DISCLOSURE INFORMATION

IMPORTANT! THE PLAN ALLOWS A MAXIMUM OF TWO SELF-CERTIFICATION UNFORESEEABLE EMERGENCY REQUESTS IN A CALENDAR YEAR. You cannot exceed \$20,000 per request or \$40,000 in a calendar year. Please also review the information below prior to filling out this form.

Determining if an Unforeseeable Emergency Request is Right for You

We understand you are experiencing certain difficulties and are considering a request for a Self-Certified Unforeseeable Emergency distribution to withdraw funds from your New York State Deferred Compensation Plan account. The Internal Revenue Code and Treasury regulations govern the circumstances in which funds may be withdrawn as an Unforeseeable Emergency. **An Unforeseeable Emergency is a severe financial hardship that occurred in the past 12 months to the participant, the participant's designated beneficiaries or the participant's dependents.**

In general, an unforeseeable emergency relates to a circumstance that you could not have predicted, and you were not able to resolve by any other means of relief. Other means of relief may include but not be limited to the following:

- **Reimbursement or compensation by Insurance or other sources** - When applicable.
- **Cessation of deferrals under the plan** - Decreasing your deferrals even for a moderate amount of time may assist in alleviating a short-term financial need and reduce the need for future emergency distributions. If you stop or decrease your deferral you can restart deferring at any time.
- **Taking a Plan loan** - If you have a minimum balance of \$2,000 and do not have active or defaulted NYSDCP loans, you may be eligible for a loan up to 50% of your account balance not to exceed \$50,000 in a twelve-month period.
- **Small Inactive Account Withdrawal** - To be eligible for this withdrawal, your current account balance cannot exceed \$5,000 and it must be at least two years since your last deferral into the Plan.

How Does Self-Certification Work? Documentation for your records

Supporting documentation is not required at the time of this request. However, you should maintain copies of the documents that substantiate the amount and reason for this withdrawal because they may be needed if the IRS audits you. The Plan will **NOT** review and is **NOT** responsible for validating any supporting documentation related to this request. Each request is unique to that particular situation, and it is your responsibility to maintain your records. The following information represents only general documentation that may be relevant to your emergency.

Circumstance	General Documentation
Medical Bills not covered by Insurance	Explanation of Benefits or statement from Insurance carrier detailing which expenses were NOT covered by Insurance or a doctor's statement demonstrating the medical necessity of the procedure
Loss of Income - Yours or Spousal	Information from your employer or spouse's employer that details the reasons for being out of work. Supporting documentation may also include W-2 forms and your last full paystub. If applicable documentation about Worker's Compensation filing.
Funeral Expenses	Certified Proof of your family member's death and copy of funeral invoice. Documentation of relationship of immediate family member.
Foreclosure	Letter from the mortgage company that provides the address under threat of foreclosure and the amount needed to prevent foreclosure
Eviction	Court ordered eviction notice that provides the amount to avoid eviction proceedings
Utilities Disconnection	Copies of bills threatening disconnection and amount needed to prevent disconnection of your electricity or heating.



REQUIRED PERSONAL DATA

Name (please print): _____

REQUIRED Account Number **OR** Last 4 of SSN: _____ Date of Birth: _____

Street Address: _____

City: _____ State: _____ ZIP: _____

Contact Information

Primary Phone: _____ Primary Phone Type: ☐ Cell ☐ Work ☐ Home

Email: _____

How would you like to be contacted if additional information is required? ☐ Phone ☐ Email

☐ **Alerts (Optional)** – Please send me alerts regarding this distribution via: ☐ Email **OR** ☐ SMS to my cell number*

* By selecting this option, you are opting into receiving text messages from the Plan administrator. Message and data rates may apply.

Distribution Instructions

The Plan allows a maximum of two Self-Certification Unforeseeable Emergency requests in a calendar year.

- In general, an unforeseeable emergency is a circumstance that could not have been predicted, such as unexpected medical expenses, casualty loss, or death of a family member.
- The purchase of a home, bankruptcy or sending a child to college are **NOT** considered unforeseeable emergencies under the IRS Code.

Distribution Amount

Distributions due to an unforeseeable emergency are only permitted for the amount necessary to satisfy the financial need and after reimbursement by insurance and/or other sources have been exhausted. **The Plan does not require or review documentation to support the amount requested. The Plan allows for a maximum of two self-certification Unforeseeable Emergency requests per year and each request cannot exceed \$20,000 per request or \$40,000 in a calendar year.**

I am self-certifying this amount is needed based on the fact that I have exhausted all other means of relief.

☐ Partial Amount Needed \$ _____ **OR** ☐ Full Account Balance
(Cannot exceed \$20,000 per request)

IMPORTANT NOTES:

- **If you request an amount greater than your account balance, we will process your entire account balance.**
- **If you request federal and/or state income taxes,** the Plan will withdraw a gross amount greater than the amount you requested on the form. This will accommodate the taxes and still ensure you receive the net amount you requested.
- **To prevent delays with your request** - If you have a **PCRA** and the balance in your NYSDCP **Core** account will not satisfy this request, please complete any necessary trades from the PCRA to your NYSDCP account prior to submitting this form.

If you have any questions about this process, please contact the Plan's HELPLINE at 1-800-422-8463

Payment Method

- ☐ **Send a check** - Allow 7 to 12 business days from the process date for receipt.
Default option if no other selection is made.

Direct Deposit ACH - A check will be issued if this ACH information cannot be validated or if the funds are returned.
Allow 4 to 6 business days from the process date for receipt in your bank account.

- ☐ **Direct Deposit ACH on file with the plan** - Last 4 digits of Bank Account Number on file: _____

- ☐ **New Direct Deposit ACH** - Send funds to my **bank account** using the information provided below.

Account Type/Verification needed: ☐ Checking Account **OR** ☐ Savings Account

Verification - New Direct Deposit (ACH) information provided to the Plan may require an additional verification. If that verification is needed a NYSDCP representative will contact you to resolve that on a recorded line.

Bank or Credit Union Name: _____

ABA/ Routing Number (First nine digits only): _____

Bank Account Number: _____

Tax Information

Federal Withholding

All distributions are subject to federal, applicable state, and local taxes. An Unforeseeable Emergency Distribution is subject to 10% federal tax withholding. However, this amount is not mandatory and can be adjusted. Payments will be reported as taxable income on tax form 1099-R which will be mailed to you by the end of January of next year.

Please note: Qualified Roth distributions are not subject to income tax. Unqualified Roth distributions will be taxed on the portion that represent earnings above the contributed amount. A qualified distribution is one that occurs when you are over 59.5 years of age and the account has been established for more than 5 years.

Please select one option. (If you do not select an option, the Plan will default to 10% federal withholding.)

- ☐ **No taxes withheld:** Do not withhold federal taxes from my distribution. I will be liable for all federal taxes that may result from this distribution.
- ☐ **10% default withholding:** Withhold the default of 10% to accommodate federal taxes on the taxable portion of my distribution. I will receive the approved amount of my request (by check or direct deposit), and the total distribution amount will be higher to include federal tax withholding.
- ☐ **I want a Federal Income Tax (FIT) different than the standard 10% but more than zero withholding. I understand this FIT percentage must be indicated on IRS Form W-4R and submitted with this form.** The IRS Form W-4R can be obtained under the Distribution tab of the Forms and Publications area on www.nysdcp.com or by contacting the HELPLINE at 1-800-422-8463. By selecting this I am also asking to increase the gross distribution amount from my Plan account in order to accommodate the FIT withholding.

State Withholding

Please select one option below that applies. *New Jersey residents skip to the last item in this section which references New Jersey specifically.

Please note: With either option where applicable the amount you select will be superseded by any mandatory state withholding requirements.

- ☐ I request a withholding rate of \$ _____ **OR** _____ %
(Whole percentage or Even dollar amounts only)

- ☐ Please do not withhold state taxes
(Please note: If you are a resident in a state that mandates state tax withholding at the time of processing that mandatory amount will be withheld even if you select this option)

For New Jersey residents only

- ☐ I request a NJ state tax withholding of \$ _____ (Required: Whole dollar amounts only)

Self-Certification

By signing and submitting this form, I hereby certify that my unforeseeable emergency withdrawal request meets all of the following requirements:

1. My unforeseeable emergency withdrawal request is deemed to be an immediate and heavy financial need.
2. My unforeseeable emergency withdrawal request is not in excess of the amount required to satisfy such financial need.
3. I have no alternative means reasonably to satisfy this financial need.
4. **I understand the Plan allows a maximum of two self-certification unforeseeable emergency requests in a calendar year. Each request cannot exceed \$20,000 or \$40,000 in a calendar year.**
5. **I understand that supporting documentation is not required at the time this self-certification distribution is processed and the Plan will not confirm the documentation that may be required by the IRS.**
6. I understand this distribution is subject to federal and state income tax withholding and the Plan will report the distribution details on tax Form 1099-R. If I request federal and/or state income taxes, the Plan will withdraw a gross amount greater than the amount I requested on the form to ensure I receive the net amount I requested.

Authorization

I attest that the information provided on this form is true. I understand that I may be subject to civil and criminal liability for any false statement on this form or any papers attached or related to this form. I understand that mutual funds may impose a short-term trade fee and that I should read the underlying prospectuses carefully for more information.

Signature: _____ Date: _____

Form Return

Mail: New York State Deferred Compensation Plan
Administrative Service Agency
PO Box 182797
Columbus, OH 43218-2797

Overnight Mail: New York State Deferred Compensation Plan
Administrative Service Agency, 1-LC-F2
1 Nationwide Plaza
Columbus, Ohio 43215-2239

Fax: 1-877-677-4329

When faxing paperwork, please allow two hours for your form to be received. If your fax is sent after 3:00pm your paperwork will be filed on the next business day.



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

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

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

Memorandum

TO: NDPERS Board

FROM: MaryJo Anderson

DATE: July 8, 2025

SUBJECT: Highway Patrol Final Average Salary Indexing for Deferred Members

North Dakota Century Code § 39-03.1-11(5) provides:

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

As provided in statute, it is necessary for the NDPERS Board to set a rate to be used in establishing the index factor for deferred members of the Highway Patrol. Currently, there are 39 members in the system in a deferred vested status.

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

The current assumption for indexing of deferred members as reported in the Gabriel Roeder & Smith (GRS) July 1, 2024 actuarial report is 3.00% ([page E-3](#)). Therefore, a 3.00% increase will result in an actuarially neutral cost to the plan as confirmed by our consultant.

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

Board Action Requested:

Affirm or deny the Highway Patrol Administration's recommendation.



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

Attachment 1

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

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

Memorandum

TO: Major Aaron Hummel
FROM: MaryJo Anderson
DATE: May 19, 2025
SUBJECT: Highway Patrol Indexing

The Highway Patrol indexing for deferred members of the HP system is up for review. There are currently 39 deferred vested members affected.

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

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

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

This item will be scheduled for the July NDPERS Board meeting agenda. We are requesting your written response by June 12, if possible. If you need additional information, please let me know.



Highway Patrol

Attachment 2

RECEIVED

MAY 22 2025

ND PERS

May 20, 2025

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

SUBJECT: HIGHWAY PATROL INDEXING

Dear Ms. Anderson:

The North Dakota Highway Patrol recommends that North Dakota Public Employees Retirement System index in at the rate of 3% for 2025.

Sincerely,

DANIEL J. HAUGEN
Colonel, NDHP
Superintendent

DJH/jlr



600 East Boulevard Avenue Dept 504 | Bismarck ND 58505
PHONE: 701.328.2447 | TOLL-FREE: 1-844-474-6347 | ND.gov/NDHP

VISION ZERO
Zero fatalities. Zero excuses.



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

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

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

Memorandum

TO: NDPERS Board

FROM: Katheryne Korom

DATE: July 8, 2025

SUBJECT: Retiree Health Insurance Credit (RHIC) Renewal & Request for Proposal

Effective January 1, 2022, ASIFlex was awarded the bid for the Retiree Health Insurance Credit (RHIC) program third party administrator. Attachment 1 is ASIFlex's renewal rate proposal for the January 1, 2026, through December 31, 2027 plan years. This time period represents the 3rd two-year period available for contracting as part of the bid process. As you will see from their proposal, ASIFlex is offering the same services and fees for the upcoming 2-year period as we are currently paying.

Also included is Attachment 2, which is the RHIC Request For Proposal (RFP). Should the Board not approve a renewal with ASIFlex, staff will need to release the RFP following the decision so that we can go through the RFP process of awarding the bid and potentially transitioning the program to a new vendor by January 1, 2026.

Staff recommends that we amend the current contract to renew with ASIFlex for the January 1, 2026, through December 31, 2027, contract period based upon their cost proposal as outlined in Attachment 1.

Board Action Requested

Consider ASIFlex's renewal proposal for January 1, 2026 through December 31, 2027.

If the Board does not wish to renew with ASIFlex, staff requests the Board's approval of the Retiree Health Insurance Credit (RHIC) RFP so that we can seek another vendor.

Attachment 1



April 8, 2025

Ms. Rebecca Fricke
North Dakota Public Employees Retirement System
1600 East Century Avenue, Suite 2
Bismarck, ND 58502-1657

Dear Rebecca:

On behalf of ASIFlex team, we are pleased to provide you with our cost proposal for the continued administration and recordkeeping services for the NDPERS RHIC program. As the incumbent provider of services, we have enjoyed and appreciated the opportunity to work with NDPERS since 2015.

ASIFlex believes we have demonstrated a record of delivering high quality, reliable services to NDPERS and to the RHIC participants. Although operating costs such as postage and mailing, as well as staffing, have continued to increase, we are pleased to continue our current pricing and servicing model with no changes for the 2026-2027 plan years.

If you have any questions or require any additional information, please don't hesitate to contact me (573-777-5601; jriddick@asiflex.com).

Thank you for your time and consideration.

Kind regards,

Sincerely,

A handwritten signature in blue ink, appearing to read 'John M. Riddick', is written over a light blue circular background.

John M. Riddick
ASIFlex President/CEO



**NDPERS RHIC Program
ASIFlex Cost Proposal
January 1, 2026 through December 31, 2027**

Exhibit A

**North Dakota Public Employees Retirement System
Administrative and Recordkeeping Services for the
Retiree Health Insurance Credit Program**

ACCOUNT FEES

Per participant per month	\$1.25
---------------------------	--------

DE MINIMIS ACCOUNT FEES

ASIFlex will offer a year-end credit for accounts that have had no reimbursement activity. Accounts with contributions of less than \$20 per month with no reimbursement activity would be eligible for a fee credit at year-end. The fee credit provided to NDPERS would be one-half of the year-to-date fees paid to ASIFlex. This arrangement would reduce the costs to NDPERS while also providing reasonable compensation to ASIFlex for the welcome letter and on-going account maintenance.

SERVICES OUTSIDE SCOPE

\$100 per hour. We anticipate no additional costs to NDPERS as ASIFlex can provide ad hoc or custom reporting at no additional cost.

REQUEST FOR PROPOSAL

FOR

**North Dakota
Public Employees Retirement System**

**Administrative and Recordkeeping Services
For Retiree Health Insurance Credit Program**

July

2025

**Request for Proposal
Table of Contents**

Section 1 – Introduction	3
Section 2 – Background	5
Section 3 – Scope of Services	6
Section 4 – Information Requests	10
Section 5 – Fees/Hours.....	13
Section 6 – Submission of Proposal.....	14
Section 7 – Confidential/Proprietary Information	21
Section 8 – Conflicts of Interest List.....	22
Section 9 – Contract	23

SECTION 1 – INTRODUCTION

The State of North Dakota, acting through its North Dakota Public Employees Retirement System (NDPERS) on behalf of the Public Employees Retirement Board, is soliciting proposals for administrative and recordkeeping functions relating to the North Dakota Public Employees Retirement System (NDPERS) Retiree Health Insurance Credit (RHIC) program. The following is a sequence of activities for this RFP:

Date	Activity
July 10, 2025	RFP is issued.
July 24, 2025	Written questions regarding proposals must be received by NDPERS no later than 5:00 p.m. (Central Time).
August 14, 2025	NDPERS posts responses to all questions received.
August 29, 2025	Proposals must be received by NDPERS no later than 5:00 p.m. (Central Time).
October 2025	Selection and award of contract by NDPERS Board.
January 1, 2026	Contractor begins administration

A. Fees

1. The Board is seeking a proposal on a per participant per month basis. This number should include full payment for all the services requested in this RFP. This is a fee-only contract, no product sales should be part of the pricing. For RHIC accounts that have no activity during the plan year, a year-end credit to NDPERS shall be provided. For example, accounts with RHIC contributions of less than \$10.00 per month with no claims filed shall be eligible for a fee credit at year-end. The fee credit provided to NDPERS shall be one-half of the year-to-date fees paid. This arrangement provides reasonable compensation for the welcome letter and limited plan year account maintenance required.
2. The contract term shall begin on January 1, 2026, upon the execution of the Agreement by NDPERS. The initial contract term will end on December 31, 2027. The NDPERS Board, at its discretion, may extend the contract for up to two additional two-year option periods. The timeline in the table below will apply for the duration of the contract.

Contract Period	Effective Date	Termination Date	Renewal Submission Date
Base Contract	January 1, 2026	December 31, 2027	March 1, 2027 (for Option Period #1)
Option Period 1	January 1, 2028	December 31, 2029	March 1, 2029 (for Option Period #2)
Option Period 2	January 1, 2030	December 31, 2031	N/A

B. Rating

Proposals will be evaluated by a review team of NDPERS staff. The NDPERS staff evaluation will be submitted to the NDPERS Board for its consideration in determining if a contractor should be selected pursuant to this RFP. The ratings are one factor that the NDPERS Board will consider. The Board will consider other factors it deems appropriate and necessary in making a decision, including an interview.

Please submit your Technical Proposal and Cost Proposal/Contracting Terms **separately**.

NDPERS Staff will rate all proposals based on the following criteria:

Technical Proposal:

General Background (Questions Section 4, A.1 to A.4)	10 points
Scope of Work (Questions Section 4, B.1 to B.6)	45 points
Experience	
Organization (Questions Section 4, C.1 to C.4)	7 points
Staffing (Questions Section 4, D.1 to D.3)	8 points

Cost Proposal & Contracting Terms: 30 points

SECTION 2 - BACKGROUND

A. The Agency:

The North Dakota Public Employees Retirement System is responsible for the administration of the State's Employee Assistance Program (EAP), retirement, health, life, dental, vision, deferred compensation, FlexComp, and retiree health insurance credit programs.

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

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

B. RHIC Program:

The RHIC program is authorized under Section 54-52.1-03.3 of the North Dakota Century Code (N.D.C.C.). Additional information on the RHIC program including the associated plan documents can be found at <https://www.ndpers.nd.gov/retired-members/insurance-plans-retired-members/retiree-health-insurance-credit-retired-members>

Presently, NDPERS has retained ASIFlex to administer the reimbursement of a member's RHIC to the member for eligible insurance premiums. To facilitate this process, NDPERS sends weekly eligibility files and claim files to ASIFlex. Eligibility files include eligible retiree participant demographic data, RHIC amount, RHIC effective date, direct deposit information, and participant date of death (if applicable). Claim files include total premiums paid to NDPERS to substantiate eligible claims or reduce premium claims due to death and cancellations. Effective July 1, 2015, the RHIC became portable and may be used for not only the NDPERS health plan but also for other non-NDPERS health and prescription drug plans as well as dental, vision, and long-term care plans.

The following information relates to current RHIC participation as of 6/30/2024:

Average amount of credit applied each month:	\$1,524,802
Average monthly RHIC amount per participant:	\$97.75
Total number of members eligible to receive RHIC	14,131

SECTION 3 - SCOPE OF SERVICES

A. BID SOLICITATION AND EVALUATION FOR THE RHIC PROGRAM

A.1 GENERAL REQUIREMENTS

The contractor selected by the NDPERS Board shall handle all administrative and recordkeeping functions for the NDPERS RHIC Program. The RHIC Program is an employer payment plan as described in IRS Revenue Ruling 61-146 and IRS Notice 2013-54. The contractor will be responsible for setting up and maintaining individual accounts of members based on member indicative data forwarded to the contractor for processing on the contractor's system. Member accounts will be deposit-driven accounts.

A.2 SPECIFIC REQUIREMENTS

The contractor shall provide the following administrative services:

A.2.1 ADMINISTRATIVE ACCOUNT SERVICES

1. The contractor shall meet with NDPERS staff to discuss and develop an implementation plan.
2. All required account services shall be in place prior to January 1, 2026.
3. Set up and maintain individual accounts including processing new accounts, terminations, and account changes.
4. Enroll members for direct deposit based on NDPERS weekly data file submissions. (Currently, over 90% of participant reimbursements are made by direct deposit.)
5. Issue checks for members who do not elect direct deposit. In the case of two or more uncashed checks, the RHIC benefit shall be suspended by the contractor until the direct deposit is established.
6. The contractor shall identify the forms it proposes to use and provide NDPERS an explanation for their use.
7. The contractor shall issue a minimum of three co-branded and customized plan year notices – 1) member plan year enrollment, 2) mid-year statement, and 3) end-of-year statement to members with remaining RHIC balance.
8. The contractor shall mail correspondence to participants for any recovery of overpayments on accounts.
RHIC year-end credit for accounts that have no activity. For example, accounts with RHIC contributions of less than \$10.00 per month with no claims filed would be eligible for a fee credit at year-end. The fee credit provided to NDPERS would be one-half of the year-to-date fees paid. This arrangement provides reasonable compensation for the welcome letter and limited account maintenance.

A.2.2 ONLINE AND TELEPHONE SERVICES

The contractor shall establish a website for the NDPERS RHIC program that members can access to obtain account information, register for direct deposit, and submit premiums for RHIC claim reimbursement. The website shall include general information about seeking reimbursement under the RHIC program. The internet services provided by the contractor shall include (a) the ability to download reimbursement claim forms, (b) access to member account information, including claim payments, pending claims, and account balances; and (c) the ability to file reimbursement claim forms online.

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

A.2.3 CLAIMS PROCESSING SERVICES

NDPERS shall provide the contractor the following information each month:

- A file of all members who are eligible for the RHIC benefit and the amount of the available benefit for each month. This file includes direct deposit information for all newly established retiree accounts, direct deposit information for established retiree accounts, and the effective date for canceled/deceased member accounts. Note that currently, over 90% of the accounts are direct deposit.
- A file of all members who paid the monthly premium(s) for an NDPERS-sponsored insurance plan and the amount of premium(s) eligible for reimbursement. Contractor shall use this file to substantiate the incurred expenses for members enrolled in NDPERS sponsored insurance plans, in lieu of having the member file a reimbursement claim form for these premiums. (For January 2024 – December 2024 plan year claim substantiation, 62% of RHIC claims substantiated by NDPERS file feed, 28% substantiated by annual recurring Medicare claims, and 10% substantiated through manual claim submission (fax, mail, mobile app, website account).

The contractor shall set up individual member accounts to record each member's monthly benefit amount that is available for reimbursement. To ensure RHIC members have immediate access to their funds, the contractor shall post to each member's account the benefit provided by NDPERS and available for reimbursement. The contractor shall process RHIC reimbursements for incurred expenses to member accounts within 1-3 business days of receipt of an eligible claim. The contractor shall also verify that members submit properly completed RHIC reimbursement claim forms, along with required supporting documentation. The contractor shall establish and maintain controls to ensure that only valid claims are processed and that proper documentation to substantiate incurred expenses accompanies submitted claims. The contractor shall confirm that the coverage qualifies as an accident or health insurance plan and substantiate proof of coverage and proof of payment in compliance with Revenue Ruling 61-146.

If the contractor determines that filed claim is invalid or that additional information is required to process a claim, the contractor shall send the member notice within 1-3 days of the determination detailing the reason for the denial of the claim or the specific information needed to process the claim. The contractor shall process claim reimbursements on a daily basis during the work week.

A.2.4 ELECTRONIC FILE TRANSFER REQUIREMENTS:

The contractor shall provide a secure internet site from which eligibility and premium payment files can be safely transferred between the contractor and NDPERS.

A.2.5 END OF YEAR SERVICES

NDPERS shall provide a final RHIC eligibility file and claim file to contractor after NDPERS processes the last check write for the calendar year, which is three days prior to the new plan year set up on January 1. The NDPERS plan year runs from January 1 through December 31. The program's cut-off date for filing reimbursement claims is March 31 following the end of the plan year on December 31. The contractor shall process reimbursement claims received from members for the previous plan year through the March 31 cutoff date.

The contractor shall, within 60 days of the March 31 cutoff date, prepare and send to NDPERS a final reconciliation report of the individual member accounts. This final reconciliation report shall include the member's name, PERSLink ID, last 4 digits of social security number, and account balance.

A.3 REPORTS

The contractor shall compile, on a periodic basis, reports that summarize the claims activity and provide detailed member account information. At a minimum, contractor shall prepare and forward to NDPERS the following reports:

1. A quarterly activity report which includes a detailed listing of members, deposits to date, claims submitted, claims paid, current account balances, and outstanding and/or suspended checks.
2. A final report with member account detail within sixty (60) days following the March 31 claim reimburse cutoff date.
3. A daily detailed report and email summary notification of the funds being withdrawn from the NDPERS bank account.

A.4 CONFIDENTIALITY & HIPAA

The contractor shall comply with the state's confidentiality requirements as set forth in N.D.C.C. §§ 54-52.1-11 and 54-52-26 and all applicable HIPAA requirements.

B. MEETINGS

The contractor shall attend one NDPERS Board meeting each year upon request.

SECTION 4 - INFORMATION REQUESTS

The proposal must contain your organization's response to the following requested information. Please respond by using the following format and answering each request by restating it followed by your response **(proposals not following this format will lose points)**.

A. General Background:

1. Provide a brief description of the size, structure, and services provided by your organization.
2. Generally, provide your understanding of the services NDPERS is requesting.
3. Describe your organization's approach to administrative and recordkeeping services for premium reimbursement plans.
4. Indicate your organization's depth of experience in each of the following areas:
 - ◀ Substantiating claims
 - ◀ Set up and account maintenance
 - ◀ Claims reimbursement
 - ◀ Direct deposit
 - ◀ Dispute Resolution
 - ◀ Appeals Process
 - ◀ Process for returning and correcting funds paid in error
 - ◀ Call center services for responding to member inquiries

B. Scope of Work

1. Detail your understanding of the work effort by restating each of the items in Section 3.A and discuss how you intend to provide services that respond to the work effort identified.
2. It is essential that the contractor move forward quickly upon notification of the award. Detail your mobilization and implementation plan, beginning with the date of notification of contract award. Such mobilization and implementation plan should include the following elements:
 - (a) A detailed timetable for the mobilization and implementation period. The timetable shall be designed to demonstrate how you will have the contract up and operational following the notification of the contract award. In preparing the timetable, the following key elements should be taken into consideration:
 - All plan materials.
 - The timeline and procedure for the importing and exporting of eligibility files must be established with NDPERS. The contractor shall identify when this needs to be in place for a January 1, 2026, effective date.
 - (b) Your plan for the deployment and use of management, supervisory, or

other key personnel during the mobilization and implementation period. The plan should show all management, supervisory, and key personnel that will be assigned to manage, supervise and monitor the mobilization and implementation of the contract.

3. Set forth a summary of any and all challenges/problems that you anticipate during implementation or the term of the contract. For each challenge/problem identified, provide its proposed solution.
4. Identify the location of the office that will be responsible for managing the contract and provided the telephone number and name of the individual to contact.
5. This is a unique program for NDPERS retirees. How will you train your call center staff to respond to member questions/concerns?
6. Provide your changes to the NDPERS performance standards for this contract for each major activity below.

NDPERS Performance Guarantees

Category	Guarantee	Measured/Reported	Refund
Final Implementation	The Final Implementation Plan, will be submitted to NDPERS	Within 2 weeks of the contract award	\$100 per day for each day or partial day during which the Contractor is not in compliance with the Final Implementation Plan.
Turnaround time - All claims	Contractor shall adjudicate at least 95% of all eligible claims which received by the Contractor within 14 calendar days.	The claim turnaround time is measured from the date received by the Contractor to the date adjudicated (paid, denied or pended). Adjudication is considered to be finalized upon the date the check or an Explanation of Benefits (EOB) is issued.	\$2500 per year
Telephone Response - Incoming Calls	80% of Incoming calls will be answered by an attendant within 30 seconds	30 seconds or less	\$300 per quarter
Telephone Response - Abandonment Rate	The telephone abandonment rate will be 3% or less of calls	3% or less	\$300 per quarter

Category	Guarantee	Measured/Reported	Refund
Satisfaction Survey - Customer Service	At least once per year, the Contractor shall measure employee and retiree satisfaction through a customer satisfaction survey. Employees and retirees will indicate their level of satisfaction pertaining to customer service using a five-point scale with one being the lowest rating and five being the highest rating. NDPERS and the Contractor will mutually agree on the number and content of the questions to be included in the survey.	Aggregate score of 85% and higher	\$1200 per year

C. Experience of Organization

1. Provide a listing of similar projects your organization has worked on, names of clients, and contact individuals for each.
2. Include an organizational chart showing your entire organizational structure. This chart should show the relationship of the individuals assigned to the contract to your overall organizational structure.
3. Provide a listing and the experience your organization has with public sector clients and other clients.
4. Discuss your disaster planning procedures for its operations.

D. Staffing

1. Provide a list and resume of staff assigned to this project.
2. Include a list of backup staff that may be called upon to assist or replace primary individuals assigned.
3. Provide the locations where the work will be done on this project and the locations of staff assigned to this project.

SECTION 5 – FEES/HOURS

Offeror's proposal for account fees shall be on a per-participant per-month basis. This fee will include all services identified in this RFP. Separately, please identify the hourly rate for any services that NDPERS may request that are outside the scope of the services requested herein.

Term of the Contract

The contract term will begin on January 1, 2026, and will end on December 31, 2027. The NDPERS Board, at its discretion, may extend the contract for up to two additional two-year option periods.

THE COST PROPOSAL SHALL BE UNDER SEPARATE COVER AND NOT PART OF THE RESPONSES TO THE OTHER INFORMATION REQUESTS.

SECTION 6 - SUBMISSION OF PROPOSAL

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

1. Inquiries Regarding Specifications

Offeror shall have until 5:00 p.m. (Central Time) on July 24, 2025, to submit questions in writing regarding this RFP. All questions shall cite the specific RFP section and paragraph number(s) to which the question refers. Any questions received by NDPERS prior to the date and time above will be answered in a question-and-answer document issued by NDPERS. Only answers provided in writing by NDPERS will be considered official.

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

Questions must be submitted by email to Katheryne Korom of NDPERS, using the contact information found below. NDPERS is not responsible for questions received after the submittal deadline.

Answers to questions will be made available on the NDPERS website at <https://www.ndpers.nd.gov/about/bid-opportunities> by August 14, 2025, at 5:00 p.m. (Central Time).

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

All inquiries regarding these specifications must be in writing and sent via email to:

<p>Katheryne Korom, Research & Project Manager NDPERS Email: ndpersbids@nd.gov</p>
--

2. Rules and Regulations

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

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

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

PLEASE NOTE that proposals should follow the Confidential/Proprietary Information instructions in Section 7. Any provisions of Offeror's proposal that are desired to be confidential must be identified specifically on each page of the proposal and included in the table provided in Section 7. The Request for Redaction chart in Section 7 **MUST** be completed and submitted with the proposal.

4. Addenda, Amendments, and Clarifications to the RFP

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

5. Order of Responses

Responses must be made in the same order as provided in the specifications. Unless a variation from the specifications of the RFP is specifically noted in a response, the Offeror is agreeing to meet all requirements, including the required contract provisions, stated in this RFP (See Section 9). No proposed variation is binding on NDPERS unless and until accepted by NDPERS.

6. Submission of Proposals

To be considered for the award, six (6) printed and bound copies, one (1) unbound copy of the Offeror's technical and price proposal, one (1) electronic, PDF redacted copy of the proposal on a separate USB flash drive labeled "REDACTED", and one (1) electronic, editable, PDF original copy of the proposal on a separate USB flash drive labeled "ORIGINAL" (note that the electronic redacted and original copies

may not be a picture) must be received by NDPERS on or before 5:00 p.m. (Central Time), August 29, 2025. The unbound copy shall bear original signatures and shall be marked as the "Master Copy". The unbound Master Copy shall contain no divider sheets or tabs, and shall be printed on one side only of 8-1/2 in. x 11 in. white paper to enable copying if needed. Colors must reproduce in a legible manner on a black-and-white copier. The unbound original, one (1) copy of the "REDACTED" proposal on a USB flash drive, and one (1) copy of the "ORIGINAL" proposal on a USB flash drive shall be provided in separate sealed envelopes.

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

Copies of the proposal shall be delivered to:

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

- The base contract will be for a two-year period of January 1, 2026, through December 31, 2027. All rates and fees must be firm, fixed, and valid for the duration of the base period. Additionally, NDPERS is seeking two, two-year option periods for a potential total contract period of six years.
- Proposals and any other information submitted by organizations in response

to this RFP shall become the property of NDPERS and will not be returned.

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

7. Conflicts of Interest List

Offeror must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this request for proposals. The Conflicts of Interest List in Section 8 MUST be completed and submitted with the proposal. This list should indicate the name of the entity, the relationship, and a discussion on the conflict.

8. Acceptance of Proposals

NDPERS retains the right to reject all proposals submitted. NDPERS is not required to select the proposal with the lowest fees but will take into consideration statutory guidelines and any factors it considers relevant. It is the intent of NDPERS at this time to enter into a contract effective upon execution with services beginning January 1, 2026, through December 31, 2027. The Board at its discretion may extend the contract for up to two additional two-year periods. The costs and services of these extensions will be subject to negotiations prior to renewal. NDPERS has the right to discontinue the program if the legislature discontinues the program or for any other reason. The Offeror whose proposal is selected will be chosen with the goal of developing a long-term relationship.

9. Non-Responsive Proposals

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

10. References

Each Offeror must provide references from other clients as requested in this RFP. NDPERS or its designated representative may ask these clients to provide information regarding the Offeror's overall record of service in providing services for their participants. Providing references in its proposal constitutes the Offeror's permission for NDPERS to contact these clients.

11. Compliance with HIPAA

As a business associate of NDPERS, the contractor must comply with the privacy, transactions and code set, and security requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as if it were a covered entity, as that term is defined by HIPAA, and the federal regulations implementing HIPAA. The contractor will be required to execute a business associate agreement, which will be an attachment to the Agreement, and abide by the terms of the business associate agreement throughout any contract term. The contractor will also be required to comply with the security requirements of HIPAA.

12. Waiver

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

13. Additional Information from Responding Organizations

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

14. Interview with Responding Organizations

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

15. Modification

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

16. Solicitation

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

17. News Release

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

The contracting organization agrees that it shall not publicize the Contract Documents or disclose, confirm, or deny any details thereof to third parties or use any photographs or video recordings of NDPERS' or participating entities' employees or use NDPERS' name in connection with any sales promotion or publicity event without the prior express written approval of NDPERS.

18. Change Required by Statute, Regulations, Court Orders, or Program Appropriations

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

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

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

19. Contract Award

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

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

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

20. Agreements

Section 9 – Contract, must be signed by a partner or principal of your organization and included with your proposal. Alternatively, Offeror may choose to submit a redlined version of the Contract in Word format.

SECTION 7 - CONFIDENTIAL/PROPRIETARY INFORMATION

Request for Redaction Chart

The Offeror submitting a proposal to the attached RFP is required to complete the following.

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

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

In response to the Request for Proposals entitled ADMINISTRATIVE AND RECORDKEEPING SERVICES FOR RETIREE HEALTH INSURANCE CREDIT PROGRAM (please check one):

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

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

Technical Proposal:				
Specific wording that Responder desires to protect	Page Number, Section Number	Specific reason Responder believes the language should not be disclosed	North Dakota Century Code provision that allows NDPERS to withhold the information if requested	Has this information ever been publicly disclosed? (Yes/No)
<i>Insert rows above as necessary</i>				
Cost Proposal:				
Specific wording that Responder desires to protect	Page Number, Section Number	Specific reason Responder believes the language should not be disclosed	North Dakota Century Code provision that allows NDPERS to withhold the information if requested	Has this information ever been publicly disclosed? (Yes/No)
<i>Insert rows above as necessary</i>				

The above information has been reviewed by Offeror's legal counsel and is attested to by _____ (insert name of Offeror representative who is authorized to contractually bind Offeror), on this _____ day of _____, 2025.

_____ (Signature) _____ (Offeror)

SECTION 8 - CONFLICTS of INTEREST LIST

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

SECTION 9 - CONTRACT

CONTRACT FOR SERVICES BETWEEN (*Insert Name of Contractor*) AND NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

1. PARTIES

The parties to this contract (Contract) are the state of North Dakota, acting through its *North Dakota Public Employees Retirement System* (STATE), and *Name of Business a type of business [Insert Business Name]* having its principal place of business at *principal business address [Insert Business Address]* (CONTRACTOR);

2. SCOPE OF WORK

CONTRACTOR, in exchange for the compensation paid by STATE under this Contract, shall provide the services as specified in Exhibit A – SOW.

3. COMPENSATION – PAYMENTS

a. Contractual Amount

STATE shall pay for the accepted services provided by CONTRACTOR under this Contract an amount not to exceed \$_____ per participant per month for all services specified in Exhibit A.

For each account that has no claims filed during the plan year, CONTRACTOR shall provide STATE a year-end fee credit equal to one-half of the year-to-date fees paid. An account has no activity if the account has contributions of less than \$10.00 per month with no claims filed.

STATE shall pay for additional accepted services not specified in the Exhibit A – SOW at an hourly rate of \$_____. All additional hourly-rate services provided must be pre-authorized by STATE. Any work efforts CONTRACTOR completes or initiates that have not been -pre-authorized will not be reimbursed.

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

b. Payment

- 1) Payment made in accordance with this Compensation section shall constitute payment in full for the services and work performed and the deliverables and work(s) provided under this Contract and CONTRACTOR shall not receive any additional compensation hereunder.
- 2) STATE shall make payment under this Contract within forty-five (45) calendar days after receipt of a correct invoice.
- 3) Payment of an invoice by STATE will not prejudice STATE's right to object to or question that or any other invoice or matter in relation thereto. CONTRACTOR's invoice will be subject to reduction for amounts included in any invoice or payment made which are determined by STATE, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute allowable costs. At STATE's sole discretion, all payments shall be subject to reduction for amounts equal to prior overpayments to CONTRACTOR.
- 4) For any amounts that are or will become due and payable to STATE by CONTRACTOR, STATE reserves the right to deduct the amount owed from payments that are or will become due and payable to CONTRACTOR under this Contract.

c. Travel

CONTRACTOR acknowledges travel costs are covered by the Contractual Amount and shall not invoice STATE for travel costs.

d. Prepayment

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

e. Payment of Taxes by STATE

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

f. Taxpayer ID

CONTRACTOR'S federal employer ID number is: *[Insert FEIN]*.

4. TERM OF CONTRACT

This Contract term (Term or Initial Term) begins on *January 1, 2026*, and ends on *December 31, 2027*.

a. No Automatic Renewal

This Contract will not automatically renew.

b. Renewal Option

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

c. Extension Option

STATE reserves the right to extend this Contract for an additional period, not to exceed 24 months, beyond the current termination date of this Contract.

d. Renegotiation Option

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

5. TIME IS OF THE ESSENCE

CONTRACTOR hereby acknowledges that time is of the essence for performance under this Contract unless otherwise agreed to in writing by the Parties.

6. TERMINATION

a. Termination for Convenience or by Mutual Agreement

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

b. Early Termination in the Public Interest

STATE is entering this Contract for the purpose of carrying out the public policy of the State of North Dakota, as determined by its Governor, Legislative Assembly, Agencies and Courts. If this Contract ceases to further the public policy of the State of North Dakota, STATE, in its sole

discretion, by written notice to CONTRACTOR, may terminate this Contract in whole or in part.

c. Termination for Lack of Funding or Authority

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

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

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

d. Termination for Cause.

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

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

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

7. FORCE MAJEURE

Neither Party shall be held responsible for delay or default caused by fire, riot, terrorism, pandemic (excluding COVID-19), acts of God, or war if the event was not foreseeable through the exercise of reasonable diligence by the affected Party, the event is beyond the Party's reasonable control, and the affected Party gives notice to the other Party promptly upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default. If CONTRACTOR is the affected Party and does not resume performance within fifteen (15) days or another period agreed between the Parties, then STATE may seek all available remedies, up

to and including termination of this Contract pursuant to its Termination Section, and STATE shall be entitled to a pro-rata refund of any amounts paid for which the full value has not been realized, including amounts paid toward software subscriptions, maintenance, or licenses.

8. INDEMNIFICATION

CONTRACTOR agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. This obligation to defend, indemnify, and hold harmless does not extend to professional liability claims arising from professional errors and omissions. The legal defense provided by CONTRACTOR to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08. CONTRACTOR also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred if the State prevails in an action against CONTRACTOR in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this Contract.

9. INSURANCE

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

- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$2,000,000 per occurrence.
- 2) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$500,000 per person and \$2,000,000 per occurrence.
- 3) Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this Contract.
- 4) Employer's liability or "stop gap" insurance of not less than \$2,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
- 5) Professional errors and omissions with minimum limits of \$1,000,000 per claim and in the aggregate, CONTRACTOR shall continuously maintain such coverage during the contract period and for three years thereafter. In the event of a change or cancellation of coverage, CONTRACTOR shall purchase an extended reporting period to meet the time periods required in this section.

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

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

10. WORKS FOR HIRE

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

11. WORK PRODUCT

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

12. NOTICE

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

STATE	CONTRACTOR
Name: Rebecca Fricke	Name [Insert Name]
Title: Executive Director	Title [Insert Title]
Address: 1600 East Century Ave, Suite 2 PO Box 1657	Address [Insert Address]
City, State, Zip: Bismarck, ND 58502-1657	City, State, Zip [Insert City, State, Zip]

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

13. CONFIDENTIALITY

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

Information CONTRACTOR receives from STATE or Participants under this Contract may be subject to Health Insurance Portability and Accountability Act (HIPAA), 45 C.F.R. Part 160 and Subparts A, C, and E of Part 164. To that extent, CONTRACTOR is required to execute a Business Association Agreement, attached herewith and incorporated as Exhibit B.

14. COMPLIANCE WITH PUBLIC RECORDS LAWS

Under the North Dakota public records law and subject to the Confidentiality clause of this Contract, certain records may be open to the public upon request.

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

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

15. INDEPENDENT ENTITY

CONTRACTOR is an independent entity under this Contract and is not a STATE employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act. CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out CONTRACTOR's activities and responsibilities under this Contract, except to the extent specified in this Contract.

16. ASSIGNMENT AND SUBCONTRACTS

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

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

17. SPOILIATION – PRESERVATION OF EVIDENCE

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

18. MERGER AND MODIFICATION, CONFLICT IN DOCUMENTS

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

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

- a. The terms of this Contract, including Exhibit A, Scope of Work, and Exhibit B, Business Associate Agreement.
- b. STATE's Request for Proposal for North Dakota Public Employees Retirement System

Administrative Recordkeeping Services For Retiree Health Insurance Credit Program (“RFP”),

- c. CONTRACTOR’s proposal in response to RFP number.
- d. All automated end-user agreements (e.g., click-through, shrink-wrap, or browse-wrap) are specifically excluded and null and void. Clicking shall not represent acknowledgement or agreement to any terms or conditions contained in those agreements.

19. SEVERABILITY

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

20. APPLICABLE LAW AND VENUE

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

21. ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL

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

22. ATTORNEY FEES

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

23. NONDISCRIMINATION AND COMPLIANCE WITH LAWS

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

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

CONTRACTOR shall have and keep current all licenses and permits required by law during the

Term of this Contract all licenses and permits required by law.

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

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

24. STATE AUDIT

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

25. COUNTERPARTS

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

26. EFFECTIVENESS OF CONTRACT

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

CONTRACTOR	STATE OF NORTH DAKOTA
<i>[Insert Business Name]</i>	Acting through its NDPERS
BY: <i>[Signature]</i>	BY: <i>[Board Chairman Signature]</i>
<i>[Printed Name]</i>	Mike Seminary
<i>[Title]</i>	NDPERS Board Chairman
Date:	Date:

Exhibit A – Scope of Work

A. GENERAL REQUIREMENTS

CONTRACTOR shall handle all administrative and recordkeeping functions for the NDPERS Retiree Health Insurance Credit Program (RHIC Program). The RHIC Program is an employer payment plan as described in IRS Revenue Ruling 61-146 and IRS Notice 2013-54.

CONTRACTOR shall set up and maintain individual deposit-driven accounts of members based on member indicative data provided to CONTRACTOR by NDPERS for processing on the CONTRACTOR system.

B. SPECIFIC REQUIREMENTS

CONTRACTOR shall provide the following administrative services:

1. ADMINISTRATIVE ACCOUNT SERVICES

- a. Meet with NDPERS staff to discuss and develop an implementation plan.
- b. All required account services shall be in place prior to January 1, 2026.
- c. Set up and maintain individual accounts including processing new accounts, terminations, and account changes.
- d. Enroll members for direct deposit based on NDPERS weekly data file submissions.
- e. Issue checks for members who do not elect direct deposit. In the case of two or more uncashed checks, the RHIC benefit shall be suspended by the Contractor until the direct deposit is established.
- f. Identify the forms CONTRACTOR proposes to use and provide NDPERS an explanation for their use.
- g. Issue a minimum of three co-branded and customized plan year notices –
 - 1) member plan year enrollment,
 - 2) mid-year statement, and
 - 3) end-of-year statement to members with remaining RHIC balance.
- h. Mail correspondence to members for any recovery of overpayments on accounts.

2. ONLINE AND TELEPHONE SERVICES

CONTRACTOR shall establish a website for the RHIC Program that members can access to obtain account information, register for direct deposit, and submit premiums for RHIC claim reimbursement.

The website shall include:

- (a) general information about seeking reimbursement under the RHIC program;
- (b) the ability to download reimbursement claim forms;
- (c) access to member account information, including claim payments, pending claims, and account balances; and
- (d) the ability to file reimbursement claim forms online.

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

3. CLAIMS PROCESSING SERVICES

NDPERS shall provide CONTRACTOR the following information each month:

- A file of all members who are eligible for the RHIC benefit and the amount of the available benefit for each month. This file shall include direct deposit information for all newly established retiree accounts, direct deposit information for established retiree accounts, and the effective date for canceled/deceased member accounts.
- A file of all members who paid the monthly premium(s) for an NDPERS-sponsored insurance plan and the amount of premium(s) eligible for reimbursement. CONTRACTOR shall use this file to substantiate the incurred expenses for members enrolled in NDPERS sponsored insurance plans, in lieu of having the member file a reimbursement claim form for these premiums.

CONTRACTOR shall set up individual member accounts to record each member's monthly benefit amount that is available for reimbursement. To ensure RHIC members have immediate access to their funds, CONTRACTOR shall post to each member's account the benefit provided by NDPERS and available for reimbursement. CONTRACTOR shall process RHIC reimbursements for incurred expenses to member accounts within 1-3 business days of receipt of an eligible claim.

CONTRACTOR shall also verify that members submit properly completed RHIC reimbursement claim forms, along with required supporting documentation. CONTRACTOR shall establish and maintain controls to ensure that only valid claims are processed and that proper documentation to substantiate incurred expenses accompanies submitted claims. CONTRACTOR shall confirm that the coverage qualifies as an accident or health insurance plan and substantiate proof of coverage and proof of payment in compliance with Revenue Ruling 61-146.

If CONTRACTOR determines that a filed claim is invalid or that additional information is required to process a claim, CONTRACTOR shall send the member notice within 1-3 days of the determination detailing the reason for the denial of the claim or the specific information needed to process the claim. CONTRACTOR shall process claim reimbursements on a daily basis during the work week.

4. ELECTRONIC FILE TRANSFER REQUIREMENTS:

CONTRACTOR shall provide a secure internet site from which eligibility and premium payment files can be safely transferred between CONTRACTOR and NDPERS.

5. END OF YEAR SERVICES

NDPERS shall provide CONTRACTOR a final RHIC eligibility file and claim file after NDPERS

processes the last check write for the calendar year, which is three days prior to the new plan year set up on January 1. The NDPERS plan year runs from January 1 through December 31. The RHIC Program's cut-off date for filing reimbursement claims is March 31 following the end of the plan year on December 31. CONTRACTOR shall process reimbursement claims received from members for the previous plan year through the March 31 cutoff date.

CONTRACTOR shall, within 60 days of the March 31 cutoff date, prepare and send to NDPERS a final reconciliation report of the individual member accounts. The final reconciliation report shall include the member's name, PERSLink ID, last 4 digits of social security number, and account balance.

C. REPORTS

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

1. A quarterly activity report which includes a detailed listing of members, deposits to date, claims submitted, claims paid, current account balances, and outstanding and/or suspended checks.
2. A final report with member account detail within sixty (60) days of the December 31 plan year end date/the March 31 claim reimburse cutoff date.
3. A daily detailed report and email summary notification of the funds being withdrawn from the NDPERS bank account.

E. MEETINGS

CONTRACTOR shall attend one NDPERS Board meeting each year, upon request.

Exhibit B - Business Associate Agreement

This Business Associate Agreement is entered into by and between, the North Dakota Public Employees Retirement System (“NDPERS”) and the [ENTER BUSINESS ASSOCIATE NAME, ADDRESS OF ASSOCIATE], each individually a “Party” and collectively the “Parties.” This Agreement is hereby incorporated into the underlying Contract, AGREEMENT FOR SERVICES BETWEEN [Insert Name of CONTRACTOR] AND NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM, between the parties dated [insert date of original contract] (hereinafter both the Agreement and underlying Contract shall collectively be referred to as the “Agreement”).

DEFINITIONS

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

Catch-all definitions:

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

Specific definitions:

- a. Business Associate. “Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR § 160.103, and in reference to the party to this Agreement, shall mean [Insert Name of Business Associate].
- b. Covered Entity. “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR § 160.103, and in reference to the party to this Agreement, shall mean NDPERS.
- c. Electronic Protected Health Information. “Electronic Protected Health Information” (ePHI) shall generally have the same meaning as the term “electronic protected health information” at 45 CFR § 160.103.
- d. HIPAA Rules. “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- e. Protected Health Information. “Protected Health Information” (PHI) shall generally have the same meaning as the term “protected health information” at 45 CFR § 160.103 that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity.

OBLIGATIONS OF BUSINESS ASSOCIATE

The Business Associate agrees to:

- a. Not use or disclose PHI other than as permitted or required by this Agreement or as required by law, or as otherwise authorized in writing by Covered Entity;
- b. Use appropriate safeguards, and comply with Subpart C of 45 C.F.R. Part 164 with respect to ePHI, to prevent use or disclosure of PHI other than as provided for by the Agreement;
- c. Not request, use, or disclose PHI in a manner that would violate Subpart E of 45 C.F.R. § 164 if done by Covered Entity, except that Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate.
- d. Not request, use, or disclose more than the minimum amount of PHI necessary to accomplish the purpose of the use, disclosure, or request in accordance with 45 C.F.R. § 164.502(b).
- e. Not share, use, or disclose PHI in any form via any medium with any individual beyond the boundaries and jurisdiction of the United States of America without express written authorization from Covered Entity.
- f. Ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such PHI, in accordance with 45 CFR § 164.502(e)(1) and § 164.308(b).
- g. Within twenty (20) business days of receiving written notice from Covered Entity, make any amendments to PHI in a Designated Record Set, as directed or agreed to by Covered Entity pursuant to 45 CFR § 164.526, or take other measures as necessary to satisfy the Covered Entity's obligations under 45 CFR § 164.526.
- h. PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate.
- i. Report to Covered Entity any use or disclosure of PHI not provided for by the Agreement of which it becomes aware, including breaches of unsecured PHI as required at 45 C.F.R. § 164.410, and any security incident of which it becomes aware;
- j. To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that it creates, receives, maintains or transmits on behalf of the Covered Entity as required by the HIPAA Rules.
- k. To make available to the Secretary the Business Associate's internal practices, books, and records, including policies and procedures relating to the use and disclosure of PHI and

ePHI received from, or created or received by Business Associate on behalf of Covered Entity, for the purpose of determining the Covered Entity's compliance with the HIPAA Rules, subject to any applicable legal privileges.

- l. Provide to Covered Entity within fifteen (15) days of a written notice from Covered Entity, information necessary to permit the Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
- m. To provide, within ten (10) days of receiving a written request, information necessary for the Covered Entity to respond to an Individual's request for access to PHI about himself or herself under 45 C.F.R. § 164.524, in the event that PHI in the Business Associate's possession constitutes a Designated Record Set.

REPORTING OF A VIOLATION TO COVERED ENTITY BY BUSINESS ASSOCIATE

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

- a. Security Incident. "Security Incident" means (as defined by 45 CFR § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system. For purposes of clarification of this Section, Security Incident includes use, disclosure, modification, or destruction of PHI by an employee or otherwise authorized user of its system of which Business Associate becomes aware. Business Associate shall track all Security Incidents and shall report such Security Incidents in summary fashion as may be requested by the Covered Entity.
 - i. Unsuccessful Security Incidents. Business Associate and Covered Entity agree that this Agreement constitutes notice from Business Associate of such Unsuccessful Security Incidents. By way of example, Covered Entity and Business Associate consider the following to be illustrative of Unsuccessful Security Incidents when they do not result in unauthorized access, use, disclosure, modification, or destruction of PHI or interference with an information system:
 1. Pings on Business Associate's firewall;
 2. Port Scans, which are attempts to log on to a system or enter a database with an invalid password or username;
 3. Denial-of-service attacks that do not result in a server being taken off-line; and
 4. Malware (e.g., worms, viruses).

- b. Discovery of a Violation. If the use or disclosure amounts to a breach of Unsecured PHI or ePHI, Business Associate shall ensure its report is made to Covered Entity's Breach Investigation Team (BIT) via email at ndpers-info@nd.gov immediately upon becoming aware of the Breach, and in no case later than ten (10) business days after discovery. The Violation shall be treated as "discovered" on the first day which the Violation is known to the Business Associate or, by exercising reasonable diligence would have been known to the Business Associate. For purposes of clarification of this Section, Business Associate must notify Covered Entity of an incident involving the acquisition, access, use, or disclosure of PHI or ePHI in a manner not permitted under 45 C.F.R. Part E within ten (10) business days after an incident even if Business Associate has not conclusively determined within that time that the incident constitutes a Breach as defined by HIPAA Rules.
- c. Investigation of Breach. Business Associate shall immediately investigate the Violation and report in writing within ten (10) business days to Covered Entity with the following information:
- i. Each Individual whose PHI has been or is reasonably believed to have been accessed, acquired, or disclosed during the Incident;
 - ii. A description of the types of PHI that were involved in the Violation (such as full name, social security number, date of birth, home address, account number);
 - iii. A description of unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or confidential data;
 - iv. A description of where the PHI or confidential data is believed to have been improperly transmitted, sent, or utilized;
 - v. A description of probable causes of the improper use or disclosure;
 - vi. A brief description of what Business Associate is doing to investigate the Incident, to mitigate losses, and to protect against further Violations;
 - vii. The actions Business Associate has undertaken or will undertake to mitigate any harmful effect of the occurrence; and
 - viii. A Corrective Action Plan that includes the steps Business Associate has taken or shall take to prevent future similar Violations.
- d. Breach Notification.
- i. Business Associate shall cooperate and coordinate with Covered Entity in the preparation of any reports or notices to the Individual, required to be made under the HIPAA Rules or any other Federal or State laws, rules or regulations, provided that any such reports or notices shall be subject to the prior written approval of Covered Entity.

- ii. Covered Entity shall make the final determination whether the Breach requires notices to affected Individuals and whether the notices shall be made by Covered Entity or Business Associate.
- iii. For any notice regarding a Breach of Unsecured PHI caused by Business Associate that Covered Entity is required to provide pursuant to 45 C.F.R. §§164.404 – 164.408, Business Associate shall reimburse Covered Entity for all costs associated with Covered Entity's obligation of notifying affected Individuals, the Secretary, and the media.
- e. Mitigation. Business Associate shall mitigate to the extent practicable, and at its sole expense, any harmful effects known to the Business Associate of a use, disclosure, or loss of PHI by Business Associate in violation of the requirements of this Agreement, including, without limitation, any Security Incident or Breach of Unsecured PHI. Business Associate shall reasonably cooperate with the Covered Entity's efforts to seek appropriate injunctive relief or otherwise prevent or curtail such threatened or actual Breach, or to recover its PHI, including complying with a reasonable Corrective Action Plan.

Permitted Uses and Disclosures by Business Associate

- a. General Use and Disclosure Provisions. Business Associate may only use or disclose the minimum PHI and ePHI to perform functions, activities, or services for, or on behalf of, Covered Entity, specifically, as necessary to perform the services set forth in the Agreement. Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth in subsection b below.
- b. Specific Use and Disclosure Provisions. Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI and ePHI:
 - i. As required by law.
 - ii. To make uses, disclosures, and requests for PHI consistent with Covered Entity's minimum necessary policies and procedures.
 - iii. For the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
 - iv. To report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §§ 164.304 and 164.502(j)(1).

Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of:

- i. Any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. § 164.520, to the extent that any such limitation may affect Business Associate's use or disclosure of PHI.
 - ii. Any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that any such changes may affect Business Associate's use or disclosure of PHI.
Any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that any such restriction may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity agrees that it:
 - i. Has included, and will include, in Covered Entity's Notice of Privacy Practices required by the Privacy Rule that Covered Entity may disclose PHI for Health Care Operations purposes.
 - ii. Has obtained, and will obtain, from Individuals any consents, authorizations and other permissions necessary or required by laws applicable to Covered Entity for Business Associate and Covered Entity to fulfill their obligations under the underlying Agreement and this Agreement.
 - iii. Will promptly notify Business Associate in writing of any restrictions on the use and disclosure of PHI about Individuals that Covered Entity has agreed to that may affect Business Associate's ability to perform its obligations under the underlying Agreement or this Agreement.
 - iv. Will promptly notify Business Associate in writing of any change in, or revocation of, permission by an Individual to use or disclose PHI, if the change or revocation may affect Business Associate's ability to perform its obligations under the underlying Agreement or this Agreement.

Permissible Requests by Covered Entity

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

Term and Termination

- a. Term. The Term of this Agreement shall be effective as of January 1, 2026, and shall terminate when all of the PHI and ePHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI and ePHI, protections are extended to any such information, in accordance with the termination provisions in this Section.

- b. Automatic Termination. This Agreement will automatically terminate upon the termination or expiration of the Agreement or expiration of the services provided.
- c. Termination for Cause. Business Associate agrees that if in good faith Covered Entity determines that Business Associate has materially breached any of its obligations under this Agreement, Covered Entity may:
 - 1. Exercise any of its rights to reports, access, and inspection under this Agreement;
 - 2. Require the Business Associate to cure the breach or end the violation within the time specified by Covered Entity;
 - 3. Terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity
 - 4. Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
 - 5. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
 - 6. Before exercising either (c)(2) or (c)(3), Covered Entity shall provide written notice of preliminary determination to Business Associate describing the violation and the action Covered Entity intends to take.
- d. Effect of Termination
 - 1. Upon termination, cancellation, expiration, or other conclusion of this Agreement, Business Associate shall:
 - 1) Return to Covered Entity or, if return is not feasible, destroy all PHI, ePHI, and any compilation of PHI in any media or form. Business Associate agrees to ensure that this provision also applies to PHI and ePHI in possession of subcontractors and agents of Business Associate. Business Associate agrees that any original record or copy of PHI and ePHI in any media is included in and covered by this provision, as well as all originals or copies of PHI or ePHI provided to subcontractors or agents of Business Associate. Business Associate agrees to complete the return or destruction as promptly as possible, but not more than thirty (30) business days after the conclusion of this Agreement. Business Associate will provide written documentation evidencing that return or destruction of all PHI and ePHI has been completed.
 - 2) If Business Associate destroys PHI and ePHI, it shall be done with the use of technology or methodology that renders the PHI or ePHI unusable, unreadable, or undecipherable to unauthorized individuals as specified by the Secretary. Acceptable methods for destroying PHI or ePHI include:

- a. For paper, film, or other hard copy media: shredding or destroying in order that PHI cannot be read or reconstructed; and
- b. For electronic media: clearing, purging, or destroying consistent with the standards of the National Institute of Standards and Technology (NIST).

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

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

Miscellaneous

- a. Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- b. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the HIPAA Rules and any other applicable laws or regulations upon the effective date of such amendment, regardless of whether this Agreement has been formally amended.
- c. Survival. The respective rights and obligations of Business Associate under Section 7(d), related to “Effect of Termination,” of this Agreement shall survive the termination of this Agreement.
- d. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity and Business Associate to comply with the HIPAA Rules.
- e. Headings. Paragraph Headings used in this Agreement are for the convenience of the Parties and shall have no legal meaning in the interpretation of this Agreement.
- f. Severability. With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent permitted by applicable law, and the Parties shall abide by such court's determination. In the event that any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from

this Agreement, but every other provision of this Agreement shall remain in full force and effect.

- g. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything this Agreement confer, upon any person other than the Parties and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
- h. Applicable Law and Venue. This Business Associate Agreement is governed by and construed in accordance with the laws of the State of North Dakota. Any action commenced to enforce this Contract must be brought in the state District Court of Burleigh County, North Dakota.
- i. Contact Persons. Business Associate shall identify “key contact persons” in Attachment A for all matters relating to this Agreement and shall notify Covered Entity of any change in these key contacts during the term of this Agreement in writing within ten (10) business days.
- j. Business Associate agrees to comply with all the requirements imposed on a business associate under Title XIII of the American Recovery and Reinvestment Act of 2009, the Health Information Technology for Economic and Clinical Health (HI-TECH) Act, and, at the request of NDPERS, to agree to any reasonable modification of this Agreement required to conform the Agreement to any Model Business Associate Agreement published by the Department of Health and Human Services.

Entire Agreement

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

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

For Covered Entity:

For Business Associate:

Mike Seminary, Board Chairman
ND Public Employees Retirement System

Signature

Printed Name

Title

Date

Date

ATTACHMENT “A”
BUSINESS ASSOCIATE KEY CONTACT PERSONS

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

Website URL (if applicable):	
------------------------------	--

FIRST POINT OF CONTACT	
Name:	
Title:	
Address:	
Phone Number:	
Fax Number:	
Email Address:	

SECOND POINT OF CONTACT	
Name:	
Title:	
Address:	
Phone Number:	
Fax Number:	
Email Address:	

Business Associate

(Signature): _____

(Print Name): _____

(Title): _____

(Date): _____



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

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

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

Memorandum

TO: NDPERS Board

FROM: Katheryne Korom

DATE: July 8, 2025

SUBJECT: Health Consultant Renewal and Request for Proposal (RFP)

At the December 2023 Board meeting, Deloitte Consulting was awarded the contract for health consulting services for the January 1, 2024, through December 31, 2025, contract period. Attachment 1 is Deloitte's renewal rate confirmation as outlined in their 2024 BAFO. This renewal time period represents the 2nd two-year period available for contracting as part of the bid process.

The scope of services provided under this contract include:

1. Consulting services relating to the group health plan
2. General group insurance consulting
3. Preparation of an RFP for the health plan, conducting the RFP process and analyzing the responses
4. Preparation of an RFP for the Medicare Part D plan, conducting the RFP process and analyzing the responses
5. Preparation of a renewal estimate

Following are the proposed fees for the 2026-2027 contracting period:

FIXED FEE #1: Option Period 1 (2026 -2027) \$ 165,000
Health and PBM RFP
Preparation and Evaluation of the Bids

Services include assistance in developing RFP documents such as the RFP overview, questionnaires, financial templates, and related attachments. Given NDPERS must conduct

an RFP in the contract period, services will also include assistance in facilitating procurements, responses to vendor questions, clarification of vendor responses, analysis of both technical and cost proposals, and support with new vendor implementation. Deloitte will also attend vendor interviews, as needed.

FIXED FEE #2: Option Period 1 (2026-2027) \$ 82,500
Medicare Part D RFP
Preparation and Evaluation of the Bids

Services include assistance in developing Part D RFP documents and facilitation of RFP should NDPERS choose to proceed with procurement. Deloitte will provide the same services that were detailed in the Health and PBM RFP section.

FIXED FEE #3: Option Period 1 (2026-2027) \$ 22,500
Health Premium Estimate
Part D Premium – verification that offered premium is reasonable

Services include the data collection and analysis of NDPERS claims experience, as well as the development of self-insured premium rates that can be used to validate the rates set by the fully-insured carrier. Deloitte may also prepare materials to present in front of the board meeting and attend and present in board meetings, as needed.

All other work will be at an hourly rate.

HOURLY RATE for general consulting: Option Period 1 (2026-2027) \$ 325

HOURLY RATE for legislative consulting: Option Period 1 (2026-2027) \$ 325

This cost proposal assumes continuation of the terms and conditions in place under the current contract ('NDPERS Uniform Group Insurance Consultant') between NDPERS and Deloitte Consulting LLP.

Board Action Requested

Consider Deloitte's renewal proposal for January 1, 2026, through December 31, 2027.

If the Board does not choose to renew with Deloitte, staff requests the Board's approval of the Uniform Group Insurance Consultant RFP (Attachment 2) so we can procure another vendor.



North Dakota Public Employees Retirement System
Uniform Group Insurance Consultant
Deloitte Consulting Renewal Cost Proposal

May 22, 2025



May 22, 2025

Katheryne Korom
Research & Project Manager
North Dakota Public Employees Retirement System
1600 East Century Avenue, Suite 2
PO Box 1657
Bismarck, ND 58502-1657

Subject: Deloitte Consulting Renewal Cost Proposal

Dear Ms. Katheryne Korom

We are pleased to submit our contract's renewal cost proposal to continue providing Actuarial and Consulting Services to the State of North Dakota Public Employees Retirement System (NDPERS). The fees that we have proposed are for the 48-month period between January 1, 2026 and December 31, 2029. The rate schedule for this renewal is consistent with the Best and Final Offer (BAFO) rate schedule included within the current contract between Deloitte Consulting LLP and NDPERS ('NDPERS Uniform Group Insurance Consultant') that was effective January 1, 2024.

We appreciate the opportunity to submit a renewal cost proposal and hope to continue our support of NDPERS with actuarial and consulting assistance.

If you have any questions regarding our proposal, please contact me directly at tiegan@deloitte.com or +1 (612) 397-4463.

Sincerely,

A handwritten signature in blue ink, appearing to read "Timothy J. Egan".

Timothy J. Egan
Managing Director, Deloitte Consulting LLP



RENEWAL COST PROPOSAL

FIXED FEE #1: Option Period 1 (2026 -2027)	\$ 165,000
FIXED FEE #1: Option Period 2 (2028-2029)	<u>\$ 170,000</u>
Health and PBM RFP	
Preparation and Evaluation of the Bids	

Services include assistance in developing RFP documents such as the RFP overview, questionnaires, financial templates, and related attachments. Should NDPERS choose to conduct an RFP in the contract period, services may also include assistance in facilitating procurements, responses to vendor questions, clarification of vendor responses, analysis of both technical and cost proposals, and support with new vendor implementation. Deloitte may also attend vendor interviews, as needed.

FIXED FEE #2: Option Period 1 (2026-2027)	\$ 82,500
FIXED FEE #2: Option Period 2 (2028-2029)	<u>\$ 85,000</u>
Medicare Part D RFP	
Preparation and Evaluation of the Bids	

Services include assistance in developing Part D RFP documents and facilitation of RFP should NDPERS choose to proceed with procurement. Deloitte will provide the same services that were detailed in the Health and PBM RFP section.

FIXED FEE #3: Option Period 1 (2026-2027)	\$ 22,500
FIXED FEE #3: Option Period 2 (2028-2029)	<u>\$ 25,000</u>
Health Premium Estimate	
Part D Premium – verification that offered premium is reasonable	

Services include the data collection and analysis of NDPERS claims experience, as well as the development of self-insured premium rates that can be used to validate the rates set by the fully-insured carrier. Deloitte may also prepare materials to present in front of the board meeting and attend and present in board meetings, as needed.

All other work will be at an hourly rate.

HOURLY RATE for general consulting: Option Period 1 (2026-2027)	\$ 325
HOURLY RATE for general consulting: Option Period 2 (2028-2029)	<u>\$ 335</u>
HOURLY RATE for legislative consulting: Option Period 1 (2026-2027)	
HOURLY RATE for legislative consulting: Option Period 2 (2028-2029)	<u>\$ 335</u>

This cost proposal assumes continuation of the terms and conditions in place under the current contract ('NDPERS Uniform Group Insurance Consultant') between NDPERS and Deloitte Consulting LLP.

REQUEST FOR PROPOSAL

FOR

**North Dakota
Public Employees Retirement System**

Uniform Group Insurance Consultant

July 2025

**Request for Proposal
Table of Contents**

Section 1 – Introduction	3
Section 2 – Background.....	8
Section 3 – Scope of Services	10
Section 4 – Information Requests	17
Section 5 – Cost Proposal (Fees/Hours)	19
Section 6 – Submission of Proposal.....	20
Section 7 – Review Process	27
Section 8 – Confidential/Proprietary Information.....	28
Section 9 – Conflicts of Interest List	29
Section 10 – Offer (Contract).....	30

SECTION 1 – INTRODUCTION

The state of North Dakota, acting through its North Dakota Public Employees Retirement System (NDPERS) on behalf of the Public Employees Retirement Board is soliciting proposals for actuarial and consulting services for a twenty-four-month period (January 1, 2026, through December 31, 2027). NDPERS may renew the contract with the successful Offeror for two subsequent two-year periods if an acceptable agreement can be reached.

RFP Proposed Timetable

The timeline below is provided for informational purposes. NDPERS reserves the right to change the dates.

Date	Activity
July 10, 2025	RFP is issued.
July 24, 2025	Written questions regarding proposals must be received by NDPERS no later than 5:00 p.m. (Central Time).
August 14, 2025	NDPERS posts responses to all questions received.
August 28, 2025	Proposals must be received by NDPERS no later than 5:00 p.m. (Central Time).
October 2025	NDPERS Board review of proposals.
October/November 2025	Finalist interview, if deemed necessary by the NDPERS Board
November 2025	Best and Final Offers due, if deemed necessary by the NDPERS Board
December 2025	Selection and award of contract by NDPERS.

The Board is seeking proposals for three fixed fee services and additional hourly rate services from each Offeror responding to this RFP.

The first fixed fee proposal relates to the health insurance plan. At least every six years, NDPERS issues a Request for Proposal soliciting services on a fully-insured basis and self-insured basis from interested vendors, including bundled with pharmacy benefits and unbundled with pharmacy benefits (separate carve-out PBM RFP). The next NDPERS Health Insurance Plan RFP is scheduled to be issued in the summer of 2026; however, the Health Insurance Plan RFP process may be initiated at any point during a contract period. NDPERS is seeking a fixed fee proposal to conduct a bid process. This proposal must be divided into three tasks. The first is to prepare an RFP for the required services for the Board's consideration and develop a list of firms to solicit. The second is to conduct the bid process if so directed by the Board and analyze the responses if necessary. The third is to review the Health Insurance Plan RFP every two years in the event the Board elects to go out to bid on this plan.

Following is a sequence of major activities for the Health Insurance Plan RFP:

Date	Activity
January 1, 2026	Consultant is available for general program consulting.
January-April 2026	Submit recommended changes to draft Health RFP to NDPERS staff for consideration. Work with staff to develop a final version.
May/June 2026	Health RFP reviewed and approved by NDPERS Board.
June 2026	Issue Health RFP if so determined by the NDPERS Board.
July 2026	Review and provide analysis of health bids if necessary and provide recommendations to the NDPERS Board.
August 2026	NDPERS Board selects health carrier if necessary.
2026 - 2027	Assist with contracting as requested.

The second fixed fee proposal relates to the Medicare Part D plan which is also bid every six years subject to one-year renewals. Similar to the above, the current vendor

will have an opportunity to renew. However, if the Board decides to bid this plan, this task would most likely start in July 2026 with completion by September of 2026. This fixed fee proposal must be divided into three tasks. The first is to prepare an RFP and develop a list of firms to solicit by the end of May 2026. The second is to conduct the RFP process if so directed by the Board and analyze the responses in August/September of 2026 if necessary. The third is to review the Medicare Part D plan RFP on an annual basis.

Following is a sequence of major activities for the Medicare Part D Plan RFP:

Date	Activity
January 1, 2026	Consultant is available for general program consulting.
January-April 2026	Submit recommended changes to draft Medicare Part D to NDPERS staff for consideration. Work with staff to develop a final version.
May/June 2026	Submit Medicare Part D RFP to NDPERS Board for approval if Board opts to not renew.
June/July 2026	Issue Medicare Part D RFP if so determined by the NDPERS Board.
August/September 2026	Review and provide analysis of Medicare Part D bids if necessary and provide recommendations to the NDPERS Board.
August/September 2026	NDPERS Board selects vendor if necessary.
September/October 2026	Assist in contracting with vendor as needed.

The third fixed fee proposal is to prepare an actuarial estimate of the needed health insurance premiums for any additional renewals of the NDPERS Health Insurance Plan. Section 54-52.1-05(2), N.D.C.C., outlines this effort:

The initial term or the renewal term of a uniform group insurance contract through a contract for insurance, health maintenance organization, or self-insurance health plan for hospital benefits coverage, medical benefits coverage, or prescription drug benefits coverage may not exceed two years.

a. The board may renew a contract subject to this subsection without soliciting a bid under section 54-52.1-04 if the board determines the carrier's performance under the existing contract meets the board's expectations, the proposed premium renewal amount does not exceed the board's expectations, and renewal best serves the interests of the state and the state's eligible employees.

b. In making a determination under this subsection, the board shall:

(1) Use the services of a consultant to concurrently and independently prepare a renewal estimate the board shall consider in determining the reasonableness of the proposed premium renewal amount.

(2) Review the carrier's performance measures, including payment accuracy, claim processing time, member service center metrics, wellness or other special program participation levels, and any other measures the board determines relevant to making the determination and shall consider these measures in determining the board's satisfaction with the carrier's performance.

(3) Consider any additional information the board determines relevant to making the determination.

c. The board may determine the carrier's performance under the existing contract does not meet the board's expectations, the proposed premium renewal amount exceeds the board's expectations, or renewal does not best serve the interests of the state or the state's eligible employees and the board therefore may decide to solicit a bid under section 54-52.1-04.

NDPERS is also seeking a proposal for the following services at an hourly rate: 1) general technical and consulting services relating to operations of the uniform group insurance program (health, Medicare Part D, dental, vision, life, and Employee Assistance Program (EAP)); 2) technical and actuarial evaluations of proposed legislation and benefit changes; 3) assistance with special legislative studies; and 4) review of the proposed premium renewals.

Following is a sequence of major activities for the 2027 North Dakota Legislative Session:

Date	Activity
April 2026	Proposed legislation relating to the insurance plan(s) is referred to Consultant to do a technical and actuarial review with a report prepared for the Legislative Employee Benefits Committee by July 2026.
June/July 2026	Submit technical and actuarial analysis for consideration for bills impacting insurance plans(s) to the Legislative Employee Benefits Programs Committee.
July-December 2026	Review any additional bills related to insurance plan(s) that the Legislative Employee Benefits Programs Committee takes jurisdiction over.
January 2026-May 2027	North Dakota interim Legislative session and interim Legislative session. Additional bills submitted during Session will be sent to Consultant for technical and actuarial analysis.

SECTION 2 – BACKGROUND

A. The Agency:

The North Dakota Public Employees Retirement System is responsible for the administration of the State's retirement, health, life, dental, deferred compensation, flex comp, retiree health insurance credit, and EAP programs. This RFP includes general consulting assistance in the health, Medicare Part D, life, dental, vision, and EAP program areas.

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

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

Group Health, Life, Dental, and Vision Insurance:

1. Health:

The Uniform Group Health Insurance Plan is currently a fully insured plan with Sanford Health Plan. The existing plan offered by NDPERS for active members is a PPO Grandfathered Plan and a non-grandfathered HDHP/HSA. A PPO Non-grandfathered plan and an HDHP (without HSA) is available for political subdivisions of the state. The successful vendor will also need to provide an HSA vendor. The retiree plan is the equivalent of a Medicare Supplement Plan F. Pharmacy benefits are bundled with the medical plan. All state employees are eligible to be covered under the plan, including the professional staff at colleges and universities. Political subdivisions may participate in the health plan at their option. Estimated premiums for this biennium (2023-2025) will be approximately \$860,000,000 for about 25,000 contracts.

2. Life:

The Uniform Group Life Insurance Plan is a fully insured term life plan underwritten by Voya. All state employees are covered under the plan, including the professional staff at colleges and universities. Political subdivisions may participate in the life plan at their option. Premiums collected for the past fiscal year totaled approximately \$4,350,000.

The Uniform Group Insurance Program is covered under chapter 54-52.1 of the North Dakota Century Code (N.D.C.C.).

3. Dental:

The Uniform Group Dental Plan is fully insured by Delta Dental. As of January 2025, there were approximately 10,500 active contracts and 4,800 retired contracts. All premiums are paid by the employee. Premiums collected for the past fiscal year were approximately \$14,777,000.

4. Vision:

The Uniform Group Vision Plan is fully insured by Superior Vision. As of January 2025, there were approximately 10,400 active contracts and 4,600 retired contracts. All premiums are paid by the employee. Premiums collected for the past fiscal year were approximately \$1,650,000.

SECTION 3 - SCOPE OF SERVICES

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

A. Consulting Services:

The Consultant will be required to provide the following services. Prior to initiating any efforts in this area, work must be authorized by NDPERS. Any work efforts the Consultant completes or initiates that have not been authorized will not be reimbursed.

1. General Consulting Services. The Consultant will serve on an ongoing basis in an advisory and review capacity to the NDPERS Board, Executive Director, and NDPERS staff. In this capacity, the Consultant will attend meetings and present findings and recommendations as required. The NDPERS Board meets on a monthly basis.

The Consultant must be able to provide the following:

- The actuarial and administrative implications of particular interpretations of the group health, Medicare Part D Plan, life, vision, dental, and EAP insurance statutes and administrative rules.
- The effect of existing and proposed state and federal laws that affect, or may affect the group health, Medicare Part D Plan, life, vision, dental, and EAP insurance programs.
- General assistance to NDPERS, as requested, regarding the ongoing administration of the group health, Medicare Part D Plan, life, vision, dental, and EAP plans including the review of premiums and the development of procedures and forms.
- Technical assistance relating to COBRA administration.
- Technical assistance relating to plan design, Pharmacy Benefit Managers (PBM), disease management programs, wellness programs, provider negotiations, and plan documents.
- Assistance with ACA compliance
- Assistance with HIPAA compliance
- Assistance with Federal and State compliance
- Other necessary compliance assistance

2. Bid Solicitation and Evaluation for the Health Programs (if necessary):

If necessary and as discussed above, NDPERS is seeking consulting services for the health insurance plan and the Medicare Part D plan RFPs. The Consultant shall take a lead role in developing and issuing the RFPs and analyzing any proposals received. This includes the development and analysis of carved-out pharmacy benefits. NDPERS is not requesting RFP preparation for Life, Dental, Vision, or EAP plans as part of this bid.

Bid Process – Health Insurance Plan

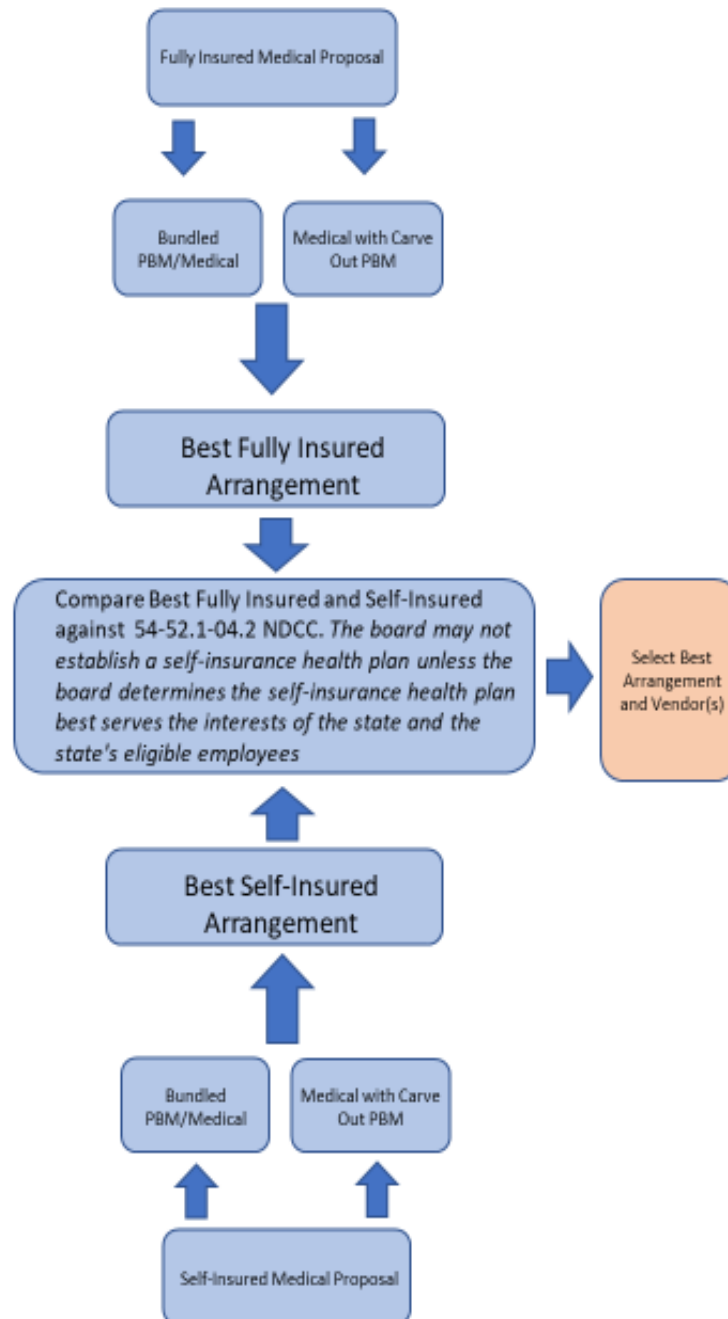
The North Dakota Century code directs in N.D.C.C. § 54-52.1-04:

54-52.1-04. Board to contract for insurance.

- 1. The board shall receive bids for the providing of hospital benefits coverage, medical benefits coverage, life insurance benefits coverage for a specified term, and employee assistance program services; may receive bids separately for all or part of the prescription drug benefits coverage component of medical benefits coverage; and shall accept one or more bids of and contract with the carriers the board determines best serve the interests of the state and the state's eligible employees. Solicitations must be made not later than ninety days before the expiration of an existing uniform group insurance contract. Bids must be solicited by advertisement in a manner selected by the board which will provide reasonable notice to prospective bidders. In preparing bid proposals and evaluating bids, the board may utilize the services of consultants on a contract basis in order that the bids received may be uniformly compared and properly evaluated. In determining which bid, if any, will best serve the interests of eligible employees and the state, the board shall give adequate consideration to the following factors:*
 - a. The economy to be effected [sic].*
 - b. The ease of administration.*
 - c. The adequacy of the coverages.*
 - d. The financial position of the carrier, with special emphasis on the solvency of the carrier.*
 - e. The reputation of the carrier and any other information available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.*
- 2. The board may reject any or all bids received under this section. If the board rejects all bids received, the board shall again solicit bids as provided in this section.*
- 3. Under sections 54-52.1-04.1 and 54-52.1-04.2 the board may contract for health benefits coverage through a health maintenance organization or establish a self-insurance health plan.*

Pursuant to this direction, NDPERS is soliciting a proposal for one RFP to be developed for both a fully insured and self-insured plan. The first step in the process is to review the proposals. As directed in North Dakota statute, these proposals will be reviewed to determine if any of the proposals best serves the interests of the state and the state's eligible employees. The findings will be reported to the NDPERS Board and the proposal that is most responsive to the review criteria will be selected by the Board.

Both the fully insured and self-insured proposals must be bid as a “bundled product” with the medical and Rx service combined and awarded to one vendor, and then as an “unbundled product” with the medical and Rx service awarded separately. The following chart is an outline of the process.



Bid Preparation and Evaluation for the Health Insurance Plan Bids

The Consultant will be expected to take a lead role in developing and issuing RFPs, and analyzing any proposals for the health insurance plan.

Information on the existing Grandfathered PPO/Basic plan is available at: <https://ndpers.nd.gov/active-members/insurance-plans/group-health-plan/ppobasic-grandfathered/>. The existing plan offered by NDPERS for active state employees is a PPO Grandfathered Plan and a non-grandfathered HDHP/HSA. Information on the High Deductible Health Plan can be found at: <https://www.ndpers.nd.gov/active-members/insurance-plans-active-members/health-insurance-plans-active-members/high-deductible>. The successful health insurance vendor will also need to provide an HSA vendor, which is part of the health insurance plan vendor RFP.

Information on the retiree plan can be found at: <https://www.ndpers.nd.gov/retired-members/insurance-plans-retired-members>. The retiree plan is the equivalent of a Medicare Supplement Plan F.

Information on the retiree PDP can be found at: <https://www.ndpers.nd.gov/retired-members/insurance-plans-retired-members/health-insurance-plans-retired-members/medicare>.

A PPO Non-grandfathered PPO plan and the HDHP (without HSA) are available for political subdivisions of the state. Information on the PPO Non-grandfathered PPO plan can be found at: <https://www.ndpers.nd.gov/active-members/insurance-plans-active-members/health-insurance-plans-active-members/ppobasic-non>.

Pursuant to N.D.C.C. § 54-52.1-14 the group insurance program has a wellness program. Information on that program can be found at: <https://ndpers.nd.gov/employers/employer-resources/employer-based-wellness/>

The Consultant must provide the following service for all of the above efforts:

1. Section 54-52.1-04, N.D.C.C., requires that the NDPERS Board solicit bids for the insurance programs. The Consultant must prepare all necessary RFP documents to replicate the existing plans pursuant to the schedule outlined in Section 1. The Consultant will also be responsible for developing a list of providers to be contacted. This list will be supplemented by requests NDPERS has received and those additional requests that come in as a result of a notice appearing in local newspapers in North Dakota.
2. The Board and NDPERS staff will review draft RFPs pursuant to the

schedule outlined in Section 1.

3. The Consultant shall review all proposals within the timeframes outlined in Section 1. The analysis shall include the following:
 - a) Confirm that all bidders meet the minimum requirements and eliminate any non-qualified bidders.
 - b) Evaluate the financial implications of each proposal (quantitative factors). Section 54-52.1-04 of N.D.C.C. requires the Board to give adequate consideration to the following factors:
 - (1) The economy to be effected [sic].
 - (2) The ease of administration.
 - (3) The adequacy of the coverages.
 - (4) The financial position of the carrier, with special emphasis on the solvency of the carrier
 - (5) The reputation of the carrier and any other information available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.
 - c) Review the technical aspects of each proposal (qualitative factors).
 - d) Review the health insurance plan proposals when received for fully insured and self-insured offers. The Consultant shall prepare a recommendation to the Board as to the merits of each fully insured and self-insured offer and provide a recommendation.
 - e) The Board may not establish a self-insurance health plan unless the Board determines the self-insurance health plan best serves the interests of the state and the state's eligible employees. Except for prescription drug coverage under subdivision c of subsection 1 of N.D.C.C. 54-52.1-04.2 , if the Board determines it is in the best interest of the plan, individual stop-loss coverage insured by a carrier authorized to do business in this state may be made part of a self-insurance health plan.
 - f) Complete all other analyses required based on the outcome of the review of the bidding methodology.
4. Present findings to the Board pursuant to the schedule outlined in Section 1.
5. The Consultant shall assist in developing contracts with the successful bidder and with the implementation of the plan.

Bid Process, Solicitation Evaluation of Part D Plan (if necessary)

Section 54-52.1-04, N.D.C.C., requires that the NDPERS Board solicit bids for the insurance programs. The Consultant must prepare draft bid proposals to replicate the existing plans pursuant to the schedule outlined in Section 1. The Consultant will also be responsible for developing a list of firms to be solicited. This list will be supplemented by requests NDPERS has received and those additional requests that come in as a result of a notice appearing in local newspapers in North Dakota.

1. The Board and staff will review draft RFPs pursuant to the schedule outlined in Section 1.
2. The Consultant shall review all bids within the timeframes outlined in Section 1. The analysis shall include the following:
 - a) Confirm that all bidders meet the minimum requirements and eliminate any non-qualified bidders.
 - b) Evaluate the financial implications of each proposal (quantitative factors).

Section 54-52.1-04, N.D.C.C., requires the Board to give adequate consideration to the following factors:

- (1) The economy to be effected [sic].
- (2) The ease of administration.
- (3) The adequacy of the coverages.
- (4) The financial position of the carrier, with special emphasis on the solvency of the carrier.
- (5) The reputation of the carrier and any other information available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.

- c) Review the technical aspects of each proposal (qualitative factors).
3. Present findings to the Board pursuant to the schedule outlined in Section 1.
4. The Consultant shall assist in developing contracts with the successful bidder and with the implementation of the plan.

Premium Calculation for 2027-2029

The Consultant shall estimate the required premiums for the health insurance plan for a twenty-four (24) month period beginning July 1, 2027, and ending June 30, 2029. The Consultant and NDPERS will agree upon

the timeline to prepare the estimate. The purpose of this effort is to provide the Board with an estimate to be used in analyzing the merits of renewing with the existing carrier.

In addition, the Consultant must verify that the premium being proposed by the Medicare Part D vendor for the upcoming plan year is reasonable based on plan design, the CMS subsidy for the upcoming calendar year, and trends impacting Part D plans.

B. Proposed Legislation:

The Consultant will be required to assist in the following areas relating to proposed legislation at an hourly rate. Prior to initiating any efforts in this area, work must be authorized by the Executive Director on a not-to-exceed basis. Any work efforts the Consultant completes or initiates that have not been authorized will not be reimbursed. The services under this task area include:

- Provide consultation on, and perform certain work in pricing, proposed legislation, or plan benefit modifications.
- Assist in the preparation and review of proposed changes to the governing laws.
- Pricing or general review work on legislation or plan benefit modifications shall specifically address each issue and give the basis for each finding. The Consultant shall furnish its review in writing and, for pricing efforts, show the assumptions, pricing base, and actuarial implications on the total program, cost, and alternatives, if appropriate.

SECTION 4 - INFORMATION REQUESTS

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

1. Provide a brief description of the size, structure, and services provided by your organization.
 - a. Outline your organization's depth of experience in each of the following areas:
 - ◀ Benefit Design (health, life, dental, vision, and EAP)
 - ◀ Retiree Health Insurance
 - ◀ Preparation of Plan Documents
 - ◀ Preparation of Member Booklets
 - ◀ Provider Contract Negotiations
 - ◀ Value-Based Care Arrangements
 - ◀ PPO Formulation and Development
 - ◀ Actuarial Analysis and Reporting
 - ◀ Preparation of Contracts, Bid Specifications, and RFPs
 - ◀ COBRA Administration and Interpretation
 - ◀ Legal Issues
 - ◀ Disease Management Programs
 - ◀ Wellness Programs
 - ◀ RX Carve out Programs
 - ◀ Legal Assistance
 - ◀ ACA Compliance
2. Provide your understanding of the services NDPERS is requesting and discuss how you would approach the work for the following:
 - a. Requirements outlined in 3.A.1.
 - b. Requirements outlined in 3.A.2., including the method used by your firm to project expected claims. Also, provide specific details of how your firm decides the appropriate medical trend; what factors are considered; (i.e., historical claims trends, cost shifting, leveraging, intensity, etc.), and how these factors are weighted or allocated in the final decision. Please discuss how this relates to the NDPERS renewal.
 - c. Requirements outlined in 3.B. In addition, describe your organization's experience and availability regarding legislative hearings and testimony
3. Describe your organization's approach to actuarial consulting for group health, life, dental, vision, and EAP insurance programs.

4. Detail your understanding of the renewal work effort and the timeframes for its accomplishment.
5. Provide a listing of public and private large-sector clients for whom your organization provides group health, life, dental, vision, and EAP insurance program consulting and actuarial services. References should identify the appropriate contact person(s), addresses, and telephone numbers. Specifically, discuss your responsibilities in similar projects with other public or private clients. Discuss your understanding of the difference between a public bid process versus a private bid process.
6. To what extent does your organization provide timely information and insight into current or pending federal legislation, and other national events or trends?
7. Explain how your organization develops premium rates for health insurance plans.
8. Describe your data security policies and procedures.
9. What new cost containment programs does your organization foresee being implemented in the next 2-3 years?
10. Provide the resumes of key personnel in your firm who will be providing the services. Also specifically identify their assignment as it relates to the efforts requested in the RFP.
11. Provide a flow chart depicting major work efforts and timeframes for beginning and completing tasks.

SECTION 5 – COST PROPOSAL (FEES/HOURS)

We are requesting that you price this project on a fixed-fee basis for certain services and at an hourly rate for other services as identified below. NDPERS is under no obligation to reimburse the Consultant if no approval was given.

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

FIXED FEE #1: \$ _____
Health and PBM RFP
Preparation and Evaluation of the Bids

FIXED FEE #2: \$ _____
Medicare Part D RFP
Preparation and Evaluation of the Bids

FIXED FEE #3: \$ _____
Health Premium Estimates
Part D Premium – verification that offered premium is reasonable

All other work will be at an hourly rate.

HOURLY RATE for general consulting: \$ _____

HOURLY RATE legislative consulting: \$ _____

SECTION 6 - SUBMISSION OF PROPOSAL

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

1. Inquiries Regarding Specifications

Offeror will have until 5:00 p.m. (Central Time) on July 24, 2025, to submit questions in writing regarding this RFP. All questions shall cite the specific RFP section and paragraph number(s) to which the question refers. Any questions received by NDPERS prior to the date and time above will be answered in a question-and-answer document issued by NDPERS. Only answers provided in writing by NDPERS will be considered official.

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

Questions must be submitted by email to Katheryne Korom of NDPERS, using the contact information found below. NDPERS is not responsible for questions received after the submittal deadline.

Answers to questions will be made available on the NDPERS website at <https://www.ndpers.nd.gov/about/bid-opportunities> by August 14, 2025, at 5:00 p.m. (Central Time).

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

All inquiries regarding these specifications must be in writing and sent via email to:

<p>Katheryne Korom, Research & Project Manager NDPERS Email: ndpersbids@nd.gov</p>
--

2. Rules and Regulations

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

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

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

PLEASE NOTE that proposals should follow the Confidential/Proprietary Information instructions in Section 8. Any provisions of Offeror's proposal that are desired to be confidential must be identified specifically on each page of the proposal and included in the table provided in Section 8.

4. Addenda, Amendments, and Clarifications to the RFP

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

5. Order of Responses

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

6. Submission of Proposals

To be considered for award, six (6) printed and bound copies, one (1) unbound copy of the Offeror's technical and price proposal, one (1) electronic, PDF redacted copy of the proposal on a separate USB flash drive labeled "REDACTED", and one (1) electronic, editable, PDF original copy of the proposal on a separate USB flash drive labeled "ORIGINAL" (note that the electronic redacted and original copies may not be a picture) must be received by NDPERS on or before 5:00 p.m. (Central Time) on August 28, 2025. The unbound copy shall bear original

signatures and shall be marked as the "Master Copy". The unbound Master Copy shall contain no divider sheets or tabs, and shall be printed on one side only of 8-1/2 in. x 11 in. white paper to enable copying if needed. Colors must reproduce in a legible manner on a black-and-white copier. The unbound original, one (1) copy of the "REDACTED" proposal on a USB flash drive, and one (1) copy of the "ORIGINAL" proposal on a USB flash drive shall be provided in separate sealed envelopes.

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

Copies of the proposal shall be delivered to:

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

- The base contract will be for a two-year period of January 1, 2026, through December 31, 2027. All rates and fees must be firm, fixed and valid for the duration of the base period. Additionally, NDPERS is seeking two, two-year option periods for a potential total contract period of six years.
- Proposals and any other information submitted by organizations in response to this RFP shall become the property of NDPERS and will not be returned.

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

7. Conflicts of Interest List

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

8. Acceptance of Proposals

NDPERS retains the right to reject all proposals submitted. NDPERS is not required to select the proposal with the lowest fees but will take into consideration statutory guidelines and any factors it considers relevant. It is the intent of NDPERS at this time to enter into a contract effective upon execution with services beginning January 1, 2026, through December 31, 2027. The Board at its discretion may extend the contract for up to two additional two-year periods. The proposed costs and services of these extensions will be subject to negotiations prior to renewal. The timeline in the table below will apply for the duration of the contract.

Contract Period	Effective Date	Termination Date	Renewal Submission Date
Base Contract	January 1, 2026	December 31, 2027	March 1, 2027 (for Option Period #1)
Option Period 1	January 1, 2028	December 31, 2029	March 1, 2029 (for Option Period #2)
Option Period 2	January 1, 2030	December 31, 2031	N/A

The Offeror whose proposal is selected will be chosen with the goal of developing a long-term relationship.

9. Non-Responsive Proposals

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

10. References

Each Offeror must provide references from other clients as requested in this RFP. NDPERS or its designated representative may ask these clients to provide information regarding the Offeror's overall record of service in providing services for their participants. Providing references in its proposal constitutes the Offeror's permission for NDPERS to contact these clients.

11. Compliance with HIPAA

As a business associate of NDPERS, the Contractor must comply with the privacy, transactions and code set, and security requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as if it were a covered entity, as that term is defined by HIPAA, and the federal regulations implementing HIPAA. The Contractor will be required to execute a business associate agreement, which will be an attachment to the Agreement, and abide by the terms of the business associate agreement throughout any contract term. The Contractor will also be required to comply with the security requirements of HIPAA.

12. Waiver

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

13. Additional Information from Responding Organizations

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

14. Interview with Responding Organizations

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

15. Modification

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

16. Solicitation

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

17. News Release

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

18. Change Required by Statute, Regulations, Court Orders, or Program Appropriations

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

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

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

19. Contract Award

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

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

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

20. Agreements

Section 10 – Offer (Contract), must be signed by a partner or principal of the firm and included with your proposal. Alternatively, Offeror may choose to submit a redlined version of the Contract in Word format.

SECTION 7 - REVIEW PROCESS

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

The proposals that pass the initial screening will then be reviewed by the same review team. Each individual will review the proposal for all areas but price & contract terms. Every proposal will be awarded points for specified areas by the reviewers. Points for price & contract terms are pro-rated based on competitiveness automatically. Following is the weighting factor for each area:

<u>GENERAL</u>	<u>POINTS</u>
Consultant followed required format in Section 4	6 points
Technical Understanding	44 points
Qualifications, Experience, and Staffing	20 points
Price & Contract Terms	30 points

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

SECTION 8 - CONFIDENTIAL/PROPRIETARY INFORMATION

Request for Redaction Chart

The Offeror submitting a proposal to the attached RFP is required to complete the following.

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

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

In response to the Request for Proposals entitled **Uniform Group Insurance Consultant** (please check one):

- _____ Offeror asserts that the information noted in the table below constitutes proprietary, trade secret, commercial, or financial information as defined by North Dakota Century Code section 44-04-18.4, and desires that the information noted in the table below not be disclosed if requested pursuant to the North Dakota Open Records law. **Offeror has submitted a redacted copy of the proposal on a flash drive labeled "REDACTED" that accurately and completely redacts the information noted in the table below.**
- _____ Offeror makes NO assertion that any information in its Proposal, in whole or in part, should be protected from disclosure under the North Dakota Open Records law.

Technical Proposal:				
Specific wording that Responder desires to protect	Page Number, Section Number	Specific reason Responder believes the language should not be disclosed	North Dakota Century Code provision that allows NDPERS to withhold the information if requested	Has this information ever been publicly disclosed? (Yes/No)
<i>Insert rows above as necessary</i>				
Cost Proposal:				
Specific wording that Responder desires to protect	Page Number, Section Number	Specific reason Responder believes the language should not be disclosed	North Dakota Century Code provision that allows NDPERS to withhold the information if requested	Has this information ever been publicly disclosed? (Yes/No)
<i>Insert rows above as necessary</i>				

The above information has been reviewed by Offeror's legal counsel and is attested to by _____ (insert name of Offeror representative who is authorized to contractually bind Offeror), on this _____ day of _____, 2025.

_____ (Signature) _____ (Offeror)

SECTION 9 - CONFLICTS of INTEREST LIST

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

SECTION 10 - OFFER (Contract)

CONTRACT FOR SERVICES BETWEEN *(Insert Name of Contractor)* AND NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

1. PARTIES

The parties to this contract (Contract) are the state of North Dakota, acting through its *North Dakota Public Employees Retirement System* (STATE), and *Name of Business a type of business [Insert Business Name]* having its principal place of business at *principal business address [Insert Business Address]* (CONTRACTOR);

2. SCOPE OF WORK

CONTRACTOR, in exchange for the compensation paid by STATE under this Contract, shall provide the services as specified in Exhibit A – SOW.

3. COMPENSATION – PAYMENTS

a. Contractual Amount

STATE shall pay for the accepted services provided by CONTRACTOR under this Contract an amount not to exceed:

FIXED FEE #1: \$ _____
Health and PBM RFP
Preparation and Evaluation of the Bids

FIXED FEE #2: \$ _____
Medicare Part D RFP
Preparation and Evaluation of the Bids

FIXED FEE #3: \$ _____
Health Premium Estimates
Part D Premium – verification that offered premium is reasonable

HOURLY RATE for general consulting: \$ _____

HOURLY RATE legislative consulting: \$ _____

All services provided must be pre-authorized by STATE. Any work efforts CONTRACTOR completes or initiates that have not been -pre-authorized will not be reimbursed.

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

b. Payment

- 1) Payment made in accordance with this Compensation section shall constitute payment in full for the services and work performed and the deliverables and work(s) provided under this Contract and CONTRACTOR shall not receive any additional compensation hereunder.
- 2) STATE shall make payment under this Contract within forty-five (45) calendar days after receipt of a correct invoice.
- 3) Payment of an invoice by STATE will not prejudice STATE's right to object to or question that or any other invoice or matter in relation thereto. CONTRACTOR's invoice will be subject to reduction for amounts included in any invoice or payment made which are determined by STATE, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute allowable costs. At STATE's sole discretion, all payments shall be subject to reduction for amounts equal to prior overpayments to CONTRACTOR.
- 4) For any amounts that are or will become due and payable to STATE by CONTRACTOR, STATE reserves the right to deduct the amount owed from payments that are or will become due and payable to CONTRACTOR under this Contract.

c. Travel

CONTRACTOR acknowledges travel costs are covered by the Contractual Amount and shall not invoice STATE for travel costs.

d. Prepayment

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

e. Payment of Taxes by STATE

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

f. Taxpayer ID

CONTRACTOR'S federal employer ID number is: *[Insert FEIN]*.

4. TERM OF CONTRACT

This Contract term (Term or Initial Term) begins on *January 1, 2026*, and ends on *December 31, 2027*.

a. No Automatic Renewal

This Contract will not automatically renew.

b. Renewal Option

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

c. Extension Option

STATE reserves the right to extend this Contract for an additional period, not to exceed 24 months, beyond the current termination date of this Contract.

d. Renegotiation Option

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

5. TIME IS OF THE ESSENCE

CONTRACTOR hereby acknowledges that time is of the essence for performance under this Contract unless otherwise agreed to in writing by the Parties.

6. TERMINATION

a. Termination for Convenience or by Mutual Agreement

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

b. Early Termination in the Public Interest

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

c. Termination for Lack of Funding or Authority

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

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

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

d. Termination for Cause.

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

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

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

7. FORCE MAJEURE

Neither Party shall be held responsible for delay or default caused by fire, riot, terrorism, pandemic (excluding COVID-19), acts of God, or war if the event was not foreseeable through the exercise of reasonable diligence by the affected Party, the event is beyond the Party's reasonable control, and the affected Party gives notice to the other Party promptly upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default. If CONTRACTOR is the affected Party and does not resume performance within fifteen (15) days or another period agreed between the Parties, then STATE may seek all available remedies, up to and including termination of this Contract pursuant to its Termination Section, and STATE shall be entitled to a pro-rata refund of any amounts paid for which the full value has not been realized, including amounts paid toward software subscriptions, maintenance, or licenses.

8. INDEMNIFICATION

CONTRACTOR agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. This obligation to defend, indemnify, and hold harmless does not extend to professional liability claims arising from professional errors and omissions. The legal defense provided by CONTRACTOR to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08. CONTRACTOR also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred if the State prevails in an action against CONTRACTOR in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this Contract.

9. INSURANCE

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

- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$2,000,000 per occurrence.
- 2) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$500,000 per person and \$2,000,000 per occurrence.
- 3) Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this

Contract.

- 4) Employer's liability or "stop gap" insurance of not less than \$2,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
- 5) Professional errors and omissions with minimum limits of \$1,000,000 per claim and in the aggregate, CONTRACTOR shall continuously maintain such coverage during the contract period and for three years thereafter. In the event of a change or cancellation of coverage, CONTRACTOR shall purchase an extended reporting period to meet the time periods required in this section.

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

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

10. WORKS FOR HIRE

CONTRACTOR acknowledges that all work(s) under this Contract is "work(s) for hire" within the meaning of the United States Copyright Act (Title 17 United States Code) and hereby assigns to STATE all rights and interests CONTRACTOR may have in the work(s) it prepares under this Contract, including any right to derivative use of the work(s). All software and related materials

developed by CONTRACTOR in performance of this Contract for STATE shall be the sole property of STATE, and CONTRACTOR hereby assigns and transfers all its right, title, and interest therein to STATE. CONTRACTOR shall execute all necessary documents to enable STATE to protect STATE's intellectual property rights under this section.

11. WORK PRODUCT

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

12. NOTICE

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

STATE	CONTRACTOR
Name: Rebecca Fricke	Name [Insert Name]
Title: Executive Director	Title [Insert Title]
Address: 1600 East Century Ave, Suite 2 PO Box 1657	Address [Insert Address]
City, State, Zip: Bismarck, ND 58502-1657	City, State, Zip [Insert City, State, Zip]

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

13. CONFIDENTIALITY

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

Information CONTRACTOR receives from STATE or Participants under this Contract may be subject to Health Insurance Portability and Accountability Act (HIPAA), 45 C.F.R. Part 160 and Subparts A, C, and E of Part 164. To that extent, CONTRACTOR is required to execute a Business Association Agreement, attached herewith and incorporated as Exhibit B.

14. COMPLIANCE WITH PUBLIC RECORDS LAWS

Under the North Dakota public records law and subject to the Confidentiality clause of this Contract, certain records may be open to the public upon request.

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

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

15. INDEPENDENT ENTITY

CONTRACTOR is an independent entity under this Contract and is not a STATE employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act. CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out CONTRACTOR's activities and responsibilities under this Contract, except to the extent specified in this Contract.

16. ASSIGNMENT AND SUBCONTRACTS

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

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

17. SPOILIATION – PRESERVATION OF EVIDENCE

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

18. MERGER AND MODIFICATION, CONFLICT IN DOCUMENTS

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

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

- a. The terms of this Contract, including Exhibit A, Scope of Work, and Exhibit B, Business Associate Agreement.
- b. STATE's Request for Proposal for North Dakota Public Employees Retirement System Uniform Group Insurance Consultant date July 2025("RFP").
- c. CONTRACTOR's proposal in response to RFP.
- d. All automated end-user agreements (e.g., click-through, shrink-wrap, or browse-wrap) are specifically excluded and null and void. Clicking shall not represent acknowledgement or agreement to any terms or conditions contained in those agreements.

19. SEVERABILITY

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

20. APPLICABLE LAW AND VENUE

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

21. ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL

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

22. ATTORNEY FEES

In the event a lawsuit is instituted by STATE to obtain performance due under this Contract, and STATE is the prevailing Party, CONTRACTOR shall, except when prohibited by N.D.C.C.

§ 28-26-04, pay STATE's reasonable attorney fees and costs in connection with the lawsuit.

23. NONDISCRIMINATION AND COMPLIANCE WITH LAWS

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

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

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

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

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

24. STATE AUDIT

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

25. COUNTERPARTS

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

26. EFFECTIVENESS OF CONTRACT

This Contract is not effective until fully executed by both Parties. If no start date is specified in

the Term of Contract, the most recent date of the signatures of the Parties shall be deemed the Effective Date.

CONTRACTOR	STATE OF NORTH DAKOTA
<i>[Insert Business Name]</i>	Acting through its NDPERS
BY: <i>[Signature]</i>	BY: <i>[Board Chairman Signature]</i>
<i>[Printed Name]</i>	Mike Seminary
<i>[Title]</i>	NDPERS Board Chairman
Date:	Date:

Exhibit A – Scope of Work

A. Consulting Services:

CONTRACTOR shall provide the following services. All work must be pre-authorized by NDPERS. Any work efforts CONTRACTOR completes or initiates that have not been pre-authorized will not be reimbursed.

- 1. General Consulting Services.** CONTRACTOR shall serve in an advisory and review capacity to the NDPERS Board, Executive Director, and NDPERS staff. In this capacity, CONTRACTOR shall attend meetings and present findings and recommendations as required. The NDPERS Board meets on a monthly basis.

CONTRACTOR shall provide the following:

- The actuarial and administrative implications of particular interpretations of the group health, Medicare Part D Plan, life, vision, dental, and EAP insurance statutes and administrative rules.
 - The effect of existing and proposed state and federal laws that affect, or may affect the group health, Medicare Part D Plan, life, vision, dental, and EAP insurance programs.
 - General assistance to NDPERS, as requested, regarding the ongoing administration of the group health, Medicare Part D Plan, life, vision, dental, and EAP plans including the review of premiums and the development of procedures and forms.
 - Technical assistance relating to COBRA administration.
 - Technical assistance relating to plan design, Pharmacy Benefit Managers (PBM), disease management programs, wellness programs, provider negotiations, and plan documents.
 - Assistance with ACA compliance
 - Assistance with HIPAA compliance
 - Assistance with Federal and State compliance
 - Other necessary compliance assistance
- 2. Bid Solicitation and Evaluation for the Health Programs (if necessary).** If necessary, CONTRACTOR shall develop and issue the health insurance plan and/or Medicare Part D plan RFPs and analyze any proposals received. This includes the development and analysis of carved-out pharmacy benefits.

Bid Process – Health Insurance Plan

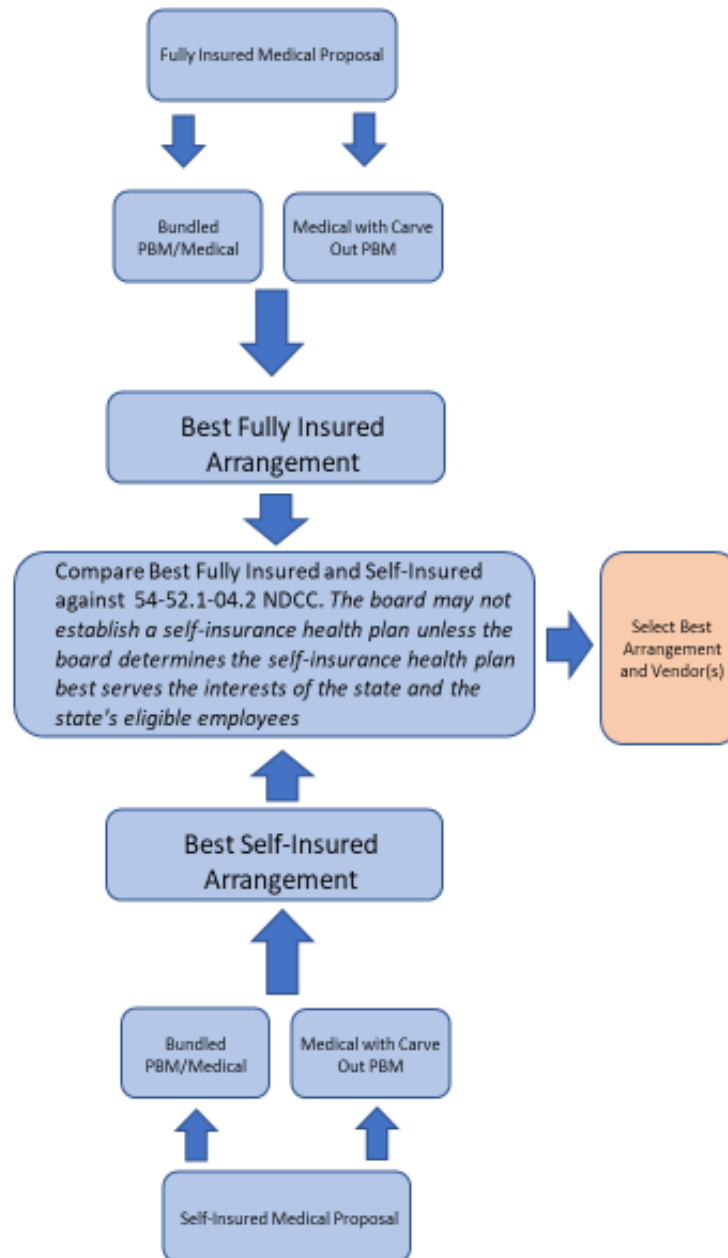
CONTRACTOR shall, pursuant to the requirements of N.D.C.C. § 54-52.1-04:

- Develop and issue an RFP for a fully-insured health plan and an RFP for a self-insured health plan
 - Both the-fully insured and self-insured proposals must be bid as a “bundled product” with the medical and Rx service combined and awarded to one

vendor, and then as an “unbundled product” with the medical and Rx service awarded separately.

- Review the fully-insured proposals and the self-insured proposal to determine if any of the proposals best serves the interests of the state and the state's eligible employees and make recommendations to the Board

The following chart is an outline of the health insurance plan bid process:



Bid Preparation and Evaluation for the Health Insurance Plan Bids

CONTRACTOR shall, pursuant to the requirements of N.D.C.C. § 54-52.1-04:

- Develop and issue all necessary RFP documents to replicate the existing plans including:
 1. The PPO Grandfathered Plan and a non-grandfathered HDHP/HSA for active state employees. The successful health insurance vendor will need to provide an HSA vendor.
 2. The retiree plan, which is the equivalent of a Medicare Supplement Plan F.
 3. The PPO Non-grandfathered PPO plan and the HDHP (without HSA) are available for political subdivisions of the state.
 4. The wellness program created pursuant to N.D.C.C. § 54-52.1-14
- Develop a list of providers to be solicited. STATE will supplement the list with requests NDPERS has received.
- Solicit proposals from the providers identified by CONTRACTOR and the supplemental providers identified by STATE.
- Review and analyze all proposals. The analysis shall include the following:
 1. Confirm that all bidders meet the minimum requirements and eliminate any non-qualified bidders.
 2. Evaluate the financial implications of each proposal (quantitative factors), including the following factor identified in Section 54-52.1-04, N.D.C.C.:
 - a. The economy to be effected [sic].
 - b. The ease of administration.
 - c. The adequacy of the coverages.
 - d. The financial position of the carrier, with special emphasis on the solvency of the carrier.
 - e. The reputation of the carrier and any other information available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.
 3. Evaluate the technical aspects of each proposal (qualitative factors).
 4. Complete all other analysis requested by the Board.
- Present to the Board the findings from the above-described review and analysis of the proposals.
- Assist in developing contracts with the successful bidder and with the implementation of the plan as requested.

The above-described services related to the Health Insurance Plan shall be completed so that the following tasks can be completed in the following timeframes:

Date	Activity
January 1, 2026	CONTRACTOR shall be available for general program consulting.
January-April 2026	CONTRACTOR submits recommended changes to draft Health RFP to NDPERS staff for consideration. CONTRACTOR shall work with staff to develop a final version.
May/June 2026	Health RFP reviewed and approved by NDPERS Board.
June 2026	CONTRACTOR issues Health RFP if so determined by the NDPERS Board.
July 2026	CONTRACTOR reviews and provides analysis of health proposals if necessary and provides recommendations to the NDPERS Board.
August 2026	NDPERS Board selects health carrier if necessary.
2026 - 2027	CONTRACTOR assists with contracting and plan implementation as requested.

Bid Process, Solicitation Evaluation of Part D Plan (if necessary)

CONTRACTOR shall, pursuant to the requirements of N.D.C.C. § 54-52.1-04:

- Develop and issue all necessary RFP documents to replicate the existing retiree Prescription Drug Plan (PDP).
- Develop a list of providers to be solicited. STATE will supplement the list with requests NDPERS has received.
- Solicit proposals from the providers identified by CONTRACTOR and the supplemental providers identified by STATE.
- Review and analyze all proposals. The analysis shall include the following:
 1. Confirm that all bidders meet the minimum requirements and eliminate any non-qualified bidders.
 2. Evaluate the financial implications of each proposal (quantitative factors), including the following factor identified in Section 54-52.1-04, N.D.C.C.:
 - a. The economy to be effected [sic].
 - b. The ease of administration.
 - c. The adequacy of the coverages.

- d. The financial position of the carrier, with special emphasis on the solvency of the carrier.
 - e. The reputation of the carrier and any other information available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.
3. Evaluate the technical aspects of each proposal (qualitative factors).
 4. Complete all other analysis requested by the Board.
- Present to the Board the findings from the above-described review and analysis of the proposals.
 - Assist in developing contracts with the successful bidder and with the implementation of the plan as requested.

The above-described services related to the Health Insurance Plan shall be completed so that the following tasks can be completed in the following timeframes:

Date	Activity
January 1, 2026	CONTRACTOR shall be available for general program consulting.
January-April 2026	CONTRACTOR submits recommended changes to draft Medicare Part D RFP to NDPERS staff for consideration. CONTRACTOR shall work with staff to develop a final version.
May/June 2026	Submit Medicare Part D RFP to NDPERS Board for approval if Board opts to not renew.
June/July 2026	CONTRACTOR issues Medicare Part D RFP if so determined by the NDPERS Board.
August/September 2026	CONTRACTOR reviews and provides analysis of Part D proposals if necessary and provides recommendations to the NDPERS Board.
August/September 2026	NDPERS Board selects vendor if necessary.
September/October 2026	CONTRACTOR assists in contracting and plan implementation as requested.

Premium Calculation for 2027-2029

CONTRACTOR shall estimate the required premiums for the health insurance plan for a twenty-four (24) month period beginning July 1, 2027, and ending June 30, 2029. CONTRACTOR and STATE will agree upon the timeline to prepare the estimate. The purpose of this effort is to provide the Board with an estimate to be used in analyzing the merits of renewing with the existing carrier.

In addition, CONTRACTOR shall verify that the premium being proposed by the Medicare Part D vendor for the upcoming plan year is reasonable based on plan design, the CMS subsidy for the upcoming calendar year, and trends impacting Part D plans.

3. Proposed Legislation: CONTRACTOR shall assist in the following areas relating to proposed legislation:

- Provide consultation on, and perform certain work in pricing, proposed legislation, or plan benefit modifications.
- Assist in the preparation and review of proposed changes to the governing laws.
- Pricing or general review work on legislation or plan benefit modifications shall specifically address each issue and give the basis for each finding.
- Furnish its review in writing and, for pricing efforts, show the assumptions, pricing base, and actuarial implications on the total program, cost, and alternatives, if appropriate.

Exhibit B - Business Associate Agreement

This Business Associate Agreement is entered into by and between, the North Dakota Public Employees Retirement System (“NDPERS”) and the **[ENTER BUSINESS ASSOCIATE NAME, ADDRESS OF ASSOCIATE]**, each individually a “Party” and collectively the “Parties.” This Agreement is hereby incorporated into the underlying Contract, AGREEMENT FOR SERVICES BETWEEN **[Insert Name of Contractor]** AND NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM, between the parties dated **[Insert date of original contract]** (hereinafter both the Agreement and underlying Contract shall collectively be referred to as the “Agreement”).

DEFINITIONS

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

Catch-all definitions:

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

Specific definitions:

- a. Business Associate. “Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR § 160.103, and in reference to the party to this Agreement, shall mean **[Insert Name of Business Associate]**.
- b. Covered Entity. “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR § 160.103, and in reference to the party to this Agreement, shall mean NDPERS.
- c. Electronic Protected Health Information. “Electronic Protected Health Information” (ePHI) shall generally have the same meaning as the term “electronic protected health information” at 45 CFR § 160.103.
- d. HIPAA Rules. “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- e. Protected Health Information. “Protected Health Information” (PHI) shall generally have the same meaning as the term “protected health information” at 45 CFR § 160.103 that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity.

OBLIGATIONS OF BUSINESS ASSOCIATE

The Business Associate agrees to:

- a. Not use or disclose PHI other than as permitted or required by this Agreement or as required by law, or as otherwise authorized in writing by Covered Entity;
- b. Use appropriate safeguards, and comply with Subpart C of 45 C.F.R. Part 164 with respect to ePHI, to prevent use or disclosure of PHI other than as provided for by the Agreement;
- c. Not request, use, or disclose PHI in a manner that would violate Subpart E of 45 C.F.R. § 164 if done by Covered Entity, except that Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate.
- d. Not request, use, or disclose more than the minimum amount of PHI necessary to accomplish the purpose of the use, disclosure, or request in accordance with 45 C.F.R. § 164.502(b).
- e. Not share, use, or disclose PHI in any form via any medium with any individual beyond the boundaries and jurisdiction of the United States of America without express written authorization from Covered Entity.
- f. Ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such PHI, in accordance with 45 CFR § 164.502(e)(1) and § 164.308(b).
- g. Within twenty (20) business days of receiving written notice from Covered Entity, make any amendments to PHI in a Designated Record Set, as directed or agreed to by Covered Entity pursuant to 45 CFR § 164.526, or take other measures as necessary to satisfy the Covered Entity's obligations under 45 CFR § 164.526.
- h. PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate.
- i. Report to Covered Entity any use or disclosure of PHI not provided for by the Agreement of which it becomes aware, including breaches of unsecured PHI as required at 45 C.F.R. § 164.410, and any security incident of which it becomes aware;
- j. To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that it creates, receives, maintains or transmits on behalf of the Covered Entity as required by the HIPAA Rules.

- k. To make available to the Secretary the Business Associate's internal practices, books, and records, including policies and procedures relating to the use and disclosure of PHI and ePHI received from, or created or received by Business Associate on behalf of Covered Entity, for the purpose of determining the Covered Entity's compliance with the HIPAA Rules, subject to any applicable legal privileges.
- l. Provide to Covered Entity within fifteen (15) days of a written notice from Covered Entity, information necessary to permit the Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
- m. To provide, within ten (10) days of receiving a written request, information necessary for the Covered Entity to respond to an Individual's request for access to PHI about himself or herself under 45 C.F.R. § 164.524, in the event that PHI in the Business Associate's possession constitutes a Designated Record Set.

REPORTING OF A VIOLATION TO COVERED ENTITY BY BUSINESS ASSOCIATE

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

- a. Security Incident. "Security Incident" means (as defined by 45 CFR § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system. For purposes of clarification of this Section, Security Incident includes use, disclosure, modification, or destruction of PHI by an employee or otherwise authorized user of its system of which Business Associate becomes aware. Business Associate shall track all Security Incidents and shall report such Security Incidents in summary fashion as may be requested by the Covered Entity.
 - i. Unsuccessful Security Incidents. Business Associate and Covered Entity agree that this Agreement constitutes notice from Business Associate of such Unsuccessful Security Incidents. By way of example, Covered Entity and Business Associate consider the following to be illustrative of Unsuccessful Security Incidents when they do not result in unauthorized access, use, disclosure, modification, or destruction of PHI or interference with an information system:
 - 1. Pings on Business Associate's firewall;
 - 2. Port Scans, which are attempts to log on to a system or enter a database with an invalid password or username;
 - 3. Denial-of-service attacks that do not result in a server being taken off-line; and

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

- b. Discovery of a Violation. If the use or disclosure amounts to a breach of Unsecured PHI or ePHI, Business Associate shall ensure its report is made to Covered Entity's Breach Investigation Team (BIT) via email at ndpers-info@nd.gov immediately upon becoming aware of the Breach, and in no case later than ten (10) business days after discovery. The Violation shall be treated as "discovered" on the first day which the Violation is known to the Business Associate or, by exercising reasonable diligence would have been known to the Business Associate. For purposes of clarification of this Section, Business Associate must notify Covered Entity of an incident involving the acquisition, access, use, or disclosure of PHI or ePHI in a manner not permitted under 45 C.F.R. Part E within ten (10) business days after an incident even if Business Associate has not conclusively determined within that time that the incident constitutes a Breach as defined by HIPAA Rules.
- c. Investigation of Breach. Business Associate shall immediately investigate the Violation and report in writing within ten (10) business days to Covered Entity with the following information:
- i. Each Individual whose PHI has been or is reasonably believed to have been accessed, acquired, or disclosed during the Incident;
 - ii. A description of the types of PHI that were involved in the Violation (such as full name, social security number, date of birth, home address, account number);
 - iii. A description of unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or confidential data;
 - iv. A description of where the PHI or confidential data is believed to have been improperly transmitted, sent, or utilized;
 - v. A description of probable causes of the improper use or disclosure;
 - vi. A brief description of what Business Associate is doing to investigate the Incident, to mitigate losses, and to protect against further Violations;
 - vii. The actions Business Associate has undertaken or will undertake to mitigate any harmful effect of the occurrence; and
 - viii. A Corrective Action Plan that includes the steps Business Associate has taken or shall take to prevent future similar Violations.
- d. Breach Notification.
- i. Business Associate shall cooperate and coordinate with Covered Entity in the preparation of any reports or notices to the Individual, required to be made under the HIPAA Rules or any other Federal or State laws, rules or regulations, provided

that any such reports or notices shall be subject to the prior written approval of Covered Entity.

- ii. Covered Entity shall make the final determination whether the Breach requires notices to affected Individuals and whether the notices shall be made by Covered Entity or Business Associate.
- iii. For any notice regarding a Breach of Unsecured PHI caused by Business Associate that Covered Entity is required to provide pursuant to 45 C.F.R. §§164.404 – 164.408, Business Associate shall reimburse Covered Entity for all costs associated with Covered Entity's obligation of notifying affected Individuals, the Secretary, and the media.
- e. Mitigation. Business Associate shall mitigate to the extent practicable, and at its sole expense, any harmful effects known to the Business Associate of a use, disclosure, or loss of PHI by Business Associate in violation of the requirements of this Agreement, including, without limitation, any Security Incident or Breach of Unsecured PHI. Business Associate shall reasonably cooperate with the Covered Entity's efforts to seek appropriate injunctive relief or otherwise prevent or curtail such threatened or actual Breach, or to recover its PHI, including complying with a reasonable Corrective Action Plan.

Permitted Uses and Disclosures by Business Associate

- a. General Use and Disclosure Provisions. Business Associate may only use or disclose the minimum PHI and ePHI to perform functions, activities, or services for, or on behalf of, Covered Entity, specifically, as necessary to perform the services set forth in the Agreement. Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth in subsection b below.
- b. Specific Use and Disclosure Provisions. Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI and ePHI:
 - a. As required by law.
 - b. To make uses, disclosures, and requests for PHI consistent with Covered Entity's minimum necessary policies and procedures.
 - c. For the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
 - d. To report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §§ 164.304 and 164.502(j)(1).

Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of:
 - a. Any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. § 164.520, to the extent that any such limitation may affect Business Associate's use or disclosure of PHI.
 - b. Any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that any such changes may affect Business Associate's use or disclosure of PHI.
Any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that any such restriction may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity agrees that it:
 - i. Has included, and will include, in Covered Entity's Notice of Privacy Practices required by the Privacy Rule that Covered Entity may disclose PHI for Health Care Operations purposes.
 - ii. Has obtained, and will obtain, from Individuals any consents, authorizations and other permissions necessary or required by laws applicable to Covered Entity for Business Associate and Covered Entity to fulfill their obligations under the underlying Agreement and this Agreement.
 - iii. Will promptly notify Business Associate in writing of any restrictions on the use and disclosure of PHI about Individuals that Covered Entity has agreed to that may affect Business Associate's ability to perform its obligations under the underlying Agreement or this Agreement.
 - iv. Will promptly notify Business Associate in writing of any change in, or revocation of, permission by an Individual to use or disclose PHI, if the change or revocation may affect Business Associate's ability to perform its obligations under the underlying Agreement or this Agreement.

Permissible Requests by Covered Entity

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

Term and Termination

- a. Term. The Term of this Agreement shall be effective as of January 1, 2026, and shall terminate when all of the PHI and ePHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI and ePHI,

protections are extended to any such information, in accordance with the termination provisions in this Section.

- b. Automatic Termination. This Agreement will automatically terminate upon the termination or expiration of the Agreement or expiration of the services provided.
- c. Termination for Cause. Business Associate agrees that if in good faith Covered Entity determines that Business Associate has materially breached any of its obligations under this Agreement, Covered Entity may:
 - 1. Exercise any of its rights to reports, access, and inspection under this Agreement;
 - 2. Require the Business Associate to cure the breach or end the violation within the time specified by Covered Entity;
 - 3. Terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity
 - 4. Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
 - 5. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.
 - 6. Before exercising either (c)(2) or (c)(3), Covered Entity shall provide written notice of preliminary determination to Business Associate describing the violation and the action Covered Entity intends to take.
- d. Effect of Termination
 - 1. Upon termination, cancellation, expiration, or other conclusion of this Agreement, Business Associate shall:
 - a. Return to Covered Entity or, if return is not feasible, destroy all PHI, ePHI, and any compilation of PHI in any media or form. Business Associate agrees to ensure that this provision also applies to PHI and ePHI in possession of subcontractors and agents of Business Associate. Business Associate agrees that any original record or copy of PHI and ePHI in any media is included in and covered by this provision, as well as all originals or copies of PHI or ePHI provided to subcontractors or agents of Business Associate. Business Associate agrees to complete the return or destruction as promptly as possible, but not more than thirty (30) business days after the conclusion of this Agreement. Business Associate will provide written documentation evidencing that return or destruction of all PHI and ePHI has been completed.

- b. If Business Associate destroys PHI and ePHI, it shall be done with the use of technology or methodology that renders the PHI or ePHI unusable, unreadable, or undecipherable to unauthorized individuals as specified by the Secretary. Acceptable methods for destroying PHI or ePHI include:
 - a. For paper, film, or other hard copy media: shredding or destroying in order that PHI cannot be read or reconstructed; and
 - b. For electronic media: clearing, purging, or destroying consistent with the standards of the National Institute of Standards and Technology (NIST).

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

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

Miscellaneous

- a. Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- b. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the HIPAA Rules and any other applicable laws or regulations upon the effective date of such amendment, regardless of whether this Agreement has been formally amended.
- c. Survival. The respective rights and obligations of Business Associate under Section 7(d), related to “Effect of Termination,” of this Agreement shall survive the termination of this Agreement.
- d. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity and Business Associate to comply with the HIPAA Rules.
- e. Headings. Paragraph Headings used in this Agreement are for the convenience of the Parties and shall have no legal meaning in the interpretation of this Agreement.

- f. Severability. With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall have jurisdiction to reform such provision so that it is enforceable to the maximum extent permitted by applicable law, and the Parties shall abide by such court's determination. In the event that any provision of this Agreement cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision of this Agreement shall remain in full force and effect.
- g. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything this Agreement confer, upon any person other than the Parties and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
- h. Applicable Law and Venue. This Business Associate Agreement is governed by and construed in accordance with the laws of the State of North Dakota. Any action commenced to enforce this Contract must be brought in the state District Court of Burleigh County, North Dakota.
- i. Contact Persons. Business Associate shall identify “key contact persons” in Attachment A for all matters relating to this Agreement and shall notify Covered Entity of any change in these key contacts during the term of this Agreement in writing within ten (10) business days.
- j. Business Associate agrees to comply with all the requirements imposed on a business associate under Title XIII of the American Recovery and Reinvestment Act of 2009, the Health Information Technology for Economic and Clinical Health (HI-TECH) Act, and, at the request of NDPERS, to agree to any reasonable modification of this Agreement required to conform the Agreement to any Model Business Associate Agreement published by the Department of Health and Human Services.

Entire Agreement

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

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

For Covered Entity:

For Business Associate:

Mike Seminary, Board Chairman
ND Public Employees Retirement System

Signature

Printed Name

Title

Date

Date

ATTACHMENT "A"
BUSINESS ASSOCIATE KEY CONTACT PERSONS

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

Website URL (if applicable):	
------------------------------	--

FIRST POINT OF CONTACT	
Name:	
Title:	
Address:	
Phone Number:	
Fax Number:	
Email Address:	

SECOND POINT OF CONTACT	
Name:	
Title:	
Address:	
Phone Number:	
Fax Number:	
Email Address:	

Business Associate

(Signature): _____

(Print Name): _____

(Title): _____

(Date): _____



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

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

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

Memorandum

TO: NDPERS Board

FROM: Lindsay

DATE: July 8, 2025

SUBJECT: Wellness Renewal

NDPERS staff has completed the renewal of the Employer Based Wellness Program for the plan year July 1, 2025 to June 30, 2026. This renewal determines those employers that will qualify for the 1% health insurance premium discount during the plan year. Employers are given the opportunity to combine efforts with another NDPERS employer in order to qualify.

At this time, there are a total of 168 out of 214 employers electing to participate in the wellness program. This is an employer participation rate of 78.5%. However, we continue to see that the majority of employees on the plan work for agencies offering onsite wellness activities. Those employers who do not are small employers.

The breakdown of the participating employers is as follows:

- 108 state agencies, universities and district health units
- 24 counties
- 10 school districts
- 13 cities
- 13 other political subdivisions

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



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

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

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

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: July 8, 2025

SUBJECT: Proposed Administrative Rules

At the June meeting, the Board approved proposed administrative rules related to the two policies adopted by the Board for elected county officials and their participation in the NDPERS retirement plan. In addition, the Board approved seeking approval for emergency rulemaking.

Staff have been working with legal counsel on the next steps for emergency rulemaking. During these discussions, it was determined that due to the passing of HB 1419, the definition of “eligible elected official” found in N.D.A.C. 71-02-02-02(2)(a) should be expanded to include dispatchers and emergency medical personnel. Therefore, the attached rules have been updated to include these.

Staff seek the Board’s approval of these updated proposed administrative rules. Upon approval, staff and legal will send a letter with the proposed administrative rules to the Governor to seek approval for emergency rulemaking. Also included will be a Statement of Findings and Reason for emergency rules as part of the request.

Board Action Requested: Approve the updated proposed administrative rules provided in the Attachment.

Title 71 Retirement Board

Article

71-01	General Administration
71-02	Public Employees Retirement System
71-03	Uniform Group Insurance Program
71-04	Deferred Compensation Plan for Public Employees
71-05	Highway Patrol Retirement System
71-06	Retiree Health Insurance Credit
71-07	Pretax Benefits Program
71-08	Defined Contribution Plan

ARTICLE 71-02 PUBLIC EMPLOYEES RETIREMENT SYSTEM

Chapter

71-02-01	Definitions
71-02-02	Membership
71-02-03	Service Credit
71-02-04	Retirement Benefits
71-02-05	Disability
71-02-06	Contributions
71-02-07	Return to Service
71-02-08	Participation by Governmental Units
71-02-09	Review Procedure
71-02-10	Qualified Domestic Relations Orders
71-02-11	Uniformed Services Employment and Reemployment Rights Act

CHAPTER 71-02-02 MEMBERSHIP

71-02-02-01. Membership - General rule.

When an eligible employee becomes a member of the public employees retirement system, the following requirements apply:

1. A temporary employee must submit a completed participation agreement within six months of the date of hire as a temporary employee or within six months of a change in status from a permanent to temporary position. If no application is made and filed with the office, an irrevocable waiver of participation will occur for as long as the employee is in temporary status.
2. Delinquent payments of over thirty days, for reasons other than leave of absence or seasonal employment, will result in termination of eligibility to participate as a temporary member.

3. Upon taking a refund, future participation as a temporary member is waived.
4. A member may not contribute concurrently to the plan within any given month as both a permanent and a temporary member. Permanent employment has precedence.
5. ~~Elected officials of participating counties and elected state officials, at their individual option, must enroll or waive participation in writing within six months of taking office or beginning a new term. If no application is made and filed with the office, an irrevocable waiver of participation will occur until the official makes application within six months from the start of a new term.~~

History: Amended effective September 1, 1982; November 1, 1990; September 1, 1992; June 1, 1996; July 1, 1998; May 1, 2004; July 1, 2006; April 1, 2016; July 1, 2018; April 1, 2022; _____, 2025.

General Authority: NDCC 54-52-04, 54-52-23

Law Implemented: NDCC 54-52-01, 54-52-02.9, 54-52-05, 54-52-23

71-02-02-02. Nonstate Elected Officials – Membership and Return to Service

1. **Purpose.** North Dakota Century Code sections 54-52-02.11 and 54-52.6-02.1(3) conflict with Internal Revenue Code sections 401(a)(36) and 401(k)(4)(B)(ii) and related regulations and relevant guidance.

Pursuant to the authority granted to the board under North Dakota Century Code section 54-52-23, the purpose of this section is to ensure compliance with federal statutes and rules until the conflict between North Dakota Century Code section 54-52-02.11 and federal law is addressed by the legislative assembly.

2. Membership.

- a. As used in this subsection, “eligible elected official” means a county elected official who is a permanent employee, peace officer, firefighter, dispatcher, emergency medical services personnel, or correctional officer and who is eighteen years or more of age.
- b. Effective May 13, 2025, an eligible elected official of a participating county, from and after the date that individual takes office, must participate in the defined contribution retirement plan established under North Dakota Century Code chapter 54-52.6, unless at the time of taking office the individual is:
 - 1) eligible to participate in the law enforcement plan, in which case the eligible elected official must participate in the law enforcement plan under North Dakota Century Code chapter 54-52; or

2) a participating or deferred member under North Dakota Century Code chapter 54-52, in which case the eligible elected official must participate in the defined benefit plan under North Dakota Century Code chapter 54-52.

c. Effective May 13, 2025, a county elected official who is not an eligible elected official shall have the same participation options as a temporary employee.

3. Return to Service.

a. As used in this subsection, "impacted member" means a participating member who has reached their normal retirement date, returned to service or continued employment as an elected official of the same participating county with which the member was employed at the time the member retired, and is not contributing to the law enforcement plan, the defined benefit plan, or the defined contribution retirement plan.

b. Before August 1, 2027, a request by an impacted member to receive in-service benefit distributions while the impacted member is an elected official of the county of prior employment shall be approved.

c. Retroactive Effective Date. This subsection is retroactive to July 1, 2007.

4. **Sunset provision.** This section shall terminate on the effective date of any measure enacted by the legislative assembly providing the necessary amendments to the North Dakota Century Code to ensure compliance with the federal statutes or rules.

History: Effective XXX, 2025.

General Authority: NDCC 54-52-04, 54-52-23

Law Implemented: NDCC 54-52-02.15, 54-52-05

CHAPTER 71-02-07 RETURN TO SERVICE

71-02-07-02. Return to service - Retired member.

The benefits of a retired member who returns to permanent employment shall be suspended without interest accruing on the suspended account, except as provided in subsection 1 of North Dakota Century Code section 54-52-05 and section 71-02-02-02. Upon subsequent termination and retirement, the member is required to select the same benefit option as the option selected at initial retirement. The member's total benefit upon subsequent retirement must equal the original benefit plus the calculated benefit for the return to work period. The member's benefit attributable to any return

to work period shall be based upon service and earnings attributable to the return to work period only and be calculated as follows:

1. The member's calculated benefit shall be based on the benefit provisions in effect at subsequent retirement and shall include the member's and spouse's ages, salary earned during the period of reemployment, total service credits earned after reemployment, and actuarial factors in effect at subsequent retirement.
2. If a member dies during subsequent employment, the member's initial retirement benefit option election will apply and the date of death will be considered the subsequent retirement date.
3. If a member's spouse dies during the subsequent employment of the member, section 71-02-04-04 applies to the member's initial and subsequent retirement benefit calculation.

History: Amended effective November 1, 1990; July 1, 1998; May 1, 2004; July 1, 2006; July 1, 2010; July 1, 2018; _____, 2025.

General Authority: NDCC 54-52-04, 54-52-17, 54-52-23

Law Implemented: NDCC 54-52-17, 54-52-02.15, 54-52-05

ARTICLE 71-08 DEFINED CONTRIBUTION RETIREMENT PLAN

Chapter	
71-08-01	Election and Transfer
71-08-02	Membership in Defined Contribution Retirement Plan
71-08-03	Disability
71-08-04	Qualified Domestic Relations Order
71-08-05	Review Procedure
71-08-06	Uniformed Services Employment and Reemployment Rights Act
71-08-07	Additional Contributions
71-08-08	Temporary Employee Participation
71-08-09	Return to Service – Retired Member
71-08-10	Permanent Employee Participation
71-08-11	Contributions

CHAPTER 71-08-02 MEMBERSHIP IN DEFINED CONTRIBUTION RETIREMENT PLAN

71-08-02-03. Nonstate Elected Officials – Membership and Return to Service

1. **Purpose.** North Dakota Century Code sections 54-52-02.11 and 54-52.6-02.1(3) conflict with Internal Revenue Code sections 401(a)(36) and 401(k)(4)(B)(ii) and related regulations and relevant guidance.

Pursuant to the authority granted to the board under North Dakota Century Code sections 54-52-23 and 54-52.6-23, the purpose of this section is to ensure compliance with federal statutes and rules until the conflict between North Dakota Century Code sections 54-52-02.11 and 54-52.6-02.1(3) and federal law is addressed by the legislative assembly.

2. **Membership.** A county elected official shall participate in the defined contribution retirement plan as provided under section 71-02-02-02.
3. **Return to Service.**
 - a. Before August 1, 2027, a request by a county elected official to receive in-service benefit distributions shall be approved as provided under section 71-02-02-02.
 - b. Retroactive Effective Date. This subsection is retroactive to July 1, 2007.
4. **Sunset provision.** This section shall terminate on the effective date of any measure enacted by the legislative assembly providing the necessary amendments to the North Dakota Century Code to ensure compliance with the federal statutes or rules.

History: Effective XXX, 2025.

General Authority: NDCC 54-52-04, 54-52.6-23

Law Implemented: NDCC 54-52-02.15, 54-52.6-02

CHAPTER 71-08-09 RETURN TO SERVICE – RETIRED MEMBER

71-08-09-01. Return to service - Retired member.

The benefits of a retired member of the defined contribution plan who returns to permanent employment shall be suspended except as provided in North Dakota Century Code section 54-52.6-02 and section 71-08-02-03.

History: Amended ~~E~~ffective July 1, 2006, XXX, 2025.

General Authority: NDCC 54-52-04, 54-52.6, 54-52.6-23

Law Implemented: NDCC 54-52.6-01-~~(7)~~, 54-52.6-02-~~(7)~~, 54-52-02.15, 54-52.6-02

CHAPTER 71-08-10 PERMANENT EMPLOYEE PARTICIPATION

71-08-10-01. Permanent employee participation.

1. Under this chapter "eligible employee" means a permanent employee who:
 - a. Meets all the eligibility requirements set by North Dakota Century Code chapter 54-52;

- b. Is at least eighteen years of age;
 - c. Becomes a participating member after December 31, 2024; and
 - d. Is not eligible to participate in the law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under subsection 6 of North Dakota Century Code chapter 15-10-17 for employees of the board of higher education or state institutions under the jurisdiction of the board of higher education.
2. Effective January 1, 2025, the public employees retirement system defined benefit main plan maintained for employees is closed to new eligible employees. However, an employee who first becomes a participating or deferred member under North Dakota Century Code chapter 54-52 before January 1, 2025, remains in the defined benefit retirement plan under North Dakota Century Code chapter 54-52, regardless of being rehired after December 31, 2024.
 3. Except as otherwise provided under this section and section 71-08-02-03, effective January 1, 2025, an eligible employee who begins employment with an employer as defined under subsection 6 of North Dakota Century Code chapter 54-52-01 shall participate in the defined contribution retirement plan under North Dakota Century Code chapter 54-52.6 as provided under North Dakota Century Code chapter 54-52.6-02.1.
 4. This section does not impact an employee to the extent the employee is a participating member in one or more of the following enumerated plans: law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under subsection 6 of North Dakota Century Code chapter 15-10-17 for employees of the board of higher education or state institutions under the jurisdiction of the board of higher education.
 - a. A participating or deferred member in the defined contribution retirement plan under North Dakota Century Code chapter 54-52.6 who becomes eligible to participate in a plan enumerated under subsection 4 shall cease participation in the defined contribution retirement plan under North Dakota Century Code chapter 54-52.6 and commence participation in the retirement plan enumerated under subsection 4.
 - b. Unless subsection 2 applies, a participating member of a retirement plan enumerated under subsection 4 who ceases participation in that plan and becomes an eligible employee under the defined contribution retirement plan under North Dakota Century Code chapter 54-52.6 shall participate in the defined contribution retirement plan under North Dakota Century Code chapter 54-52.6.
 5. An eligible employee must be enrolled in the plan within the first thirty days of

employment.

History: Amended ~~Effective~~ January 1, 2025, XXX, 2025.

General Authority: NDCC 54-52-04, 54-52-02.15

Law Implemented: NDCC 54-52-02.15, 54-52.6-09, 54-52-02.15, 54-52.6-02



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

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

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

Memorandum

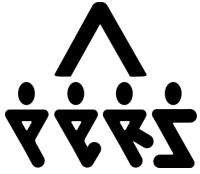
TO: NDPERS Board

FROM: Rebecca

DATE: July 8, 2025

SUBJECT: Board Self-Evaluation

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



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

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

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

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: July 8, 2025

SUBJECT: Code of Ethical Responsibility

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

Attached is a red-lined version of this document. Since last year, changes were made based upon recommendations of staff from the Ethics Commission to ensure they comply with administrative rules. In addition, legal counsel has reviewed and provided their recommended changes.

If the Board approves the changes, we will send a final copy to you via email following the meeting and request that you sign and date the document and give it to Jan for our records.

North Dakota Public Employees Retirement System
Board of Trustees

Code of Ethical Responsibility

1. Each NDPERS Board and subcommittee member owes a duty to conduct themselves so as to inspire the confidence, respect, and trust of the NDPERS members and to strive to avoid not only professional impropriety, but also the appearance of professional impropriety.
2. **Fiduciary Duties.** NDPERS Board members and subcommittee members owe a fiduciary duty in administering the NDPERS retirement plans for the benefit of the NDPERS members. NDPERS Board members will:
 - a. Administer the retirement plans only in the interest of the NDPERS members;
 - b. Administer the retirement plans in good faith and with the care of an ordinarily prudent person in a like position;
 - c. Exercise reasonable caution in decision-making; and
 - d. Follow all state and federal laws, rules, regulations, and policies in administering the retirement plans.
- 2.3. NDPERS Board and subcommittee members should perform the duties of their offices impartially and diligently. NDPERS Board and subcommittee members are expected to fulfill their responsibilities in accord with the intent of all applicable laws and to refrain from any form of dishonest or unethical conduct. Board members should be unswayed by partisan interest, public sentiment, or fear of criticism.
4. **Conflicts of Interest.** NDPERS Board and subcommittee members have an obligation to disclose and manage any known potential conflict of interest before making a decision or taking action in a matter. NDPERS Board and subcommittee members shall follow the applicable North Dakota Ethics Commission rule when disclosing and managing a known potential conflict of interest. The general conflict of interest rules are found in N.D. Admin. Code ch. 115-04-01. The quasi-judicial conflict rules are found in N.D. Admin. Code ch. 115-05-01. The neutral reviewer for the NDPERS Board members shall be the remaining members of the NDPERS Board present at the meeting. The neutral reviewer for any NDPERS subcommittee members shall be the remaining members of the respective NDPERS subcommittee present at the meeting of the subcommittee. The NDPERS Board has also adopted a policy to follow the procedure outlined in N.D.C.C. § 44-04-22 for undisclosed conflicts of interest. Conflicts of interest and the appearance of impropriety shall be avoided by NDPERS Board and subcommittee members. Board members shall comply

Formatted: Font: 12 pt

Formatted: Left, Indent: Left: 0.08", Hanging: 0.5", Right: 0.07", No bullets or numbering, Tab stops: Not at 0.58" + 0.58"

Formatted

Formatted: Font: 12 pt

Formatted: Left, Indent: Left: 0.08", Hanging: 0.5", Right: 0.07", No bullets or numbering, Tab stops: Not at 0.58" + 0.58"

Formatted: Font: Bold

~~with the rules of the North Dakota Ethics Commission related to conflicts of interest, North Dakota Administrative Code (N.D.A.C.) chapters 115-04 and 05. Board and subcommittee members should not allow their family, social, or other relationships to influence their judgment in discharging their responsibilities. Board and subcommittee members should refrain from financial and business dealings that tend to reflect adversely on their impartiality or interfere with the proper performance of their duties. If a conflict of interest unavoidably arises, the Board or subcommittee member shall immediately disclose the conflict to the NDPERS Board.~~

~~3.~~

4.5. NDPERS Board and subcommittee members ~~will~~should not unnecessarily retain employees or consultants. The hiring of employees and consultants shall be in compliance with state law and based on merit, avoiding nepotism and favoritism. The compensation of such employees and consultants shall not exceed the fair value of services rendered and the amount allowable under law.

5.6. NDPERS members' retirement benefit information and health insurance data ~~shall be confidential and~~ shall not be transmitted to any person other than in ~~the fulfillment of a Board or subcommittee member's lawful responsibilities~~compliance with state and federal law.

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

~~6. NDPERS However, Board and subcommittee members may accept: occasional meals or beverages from a citizen or business representative in connection with official duties; meals or refreshments offered in connection with a conference or seminar; reimbursement for costs related to attending a conference or seminar; and promotional items of nominal value. Travel and lodging costs may be accepted only upon prior approval of the Board.~~

Formatted: Indent: Left: 0.58", No bullets or numbering

Formatted: Font: 12 pt

Formatted: Normal, No bullets or numbering

Formatted

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

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

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

c. ~~Compliance with statutory scheme~~**Duty of Obedience**. ~~The fiduciaries~~ must act in conformance with the requirements of state and federal laws, rules, regulations, and policies, including specifically:

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

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

e. **Prohibited transactions**. ~~Prohibited transactions for fiduciaries generally fall into two areas: those involving self-dealing and those involving a party-in-interest.~~

- i. **Self-dealing** refers to the fiduciary's use of plan assets for personal gain, engaging transactions on behalf of parties whose interests are adverse to the plan, or receiving personal consideration in connection with any planned transaction.
- ii. **Transactions with a party in interest are prohibited**. A party-in-interest includes a fiduciary, counsel, or employee of the plan, anyone providing services to the plan, any employer ~~or employee~~, organizations whose employees or members are covered by the plan, and any of the number of other persons or entities that have a stated interest or relationship with a party-in-interest. Prohibited transactions between the plan and a party-in-interest include the sale, loan, exchange, or transfer of any plan assets.

d.

8.9. Violation of this Code of Ethical Responsibility~~these rules~~ may result in an

Formatted: Indent: Left: 0.08", Right: 4.28", Space Before: 3.8 pt

Formatted: Font: 12 pt

Formatted: Left, Indent: Left: 0.08", Hanging: 0.5", Right: 0.07", No bullets or numbering, Tab stops: Not at 0.83"

Formatted

Formatted: Font: 12 pt

Formatted: Left, Indent: Left: 0.08", Hanging: 0.5", Right: 0.07", No bullets or numbering, Tab stops: Not at 0.83"

Formatted: Font: Bold

Formatted: Font: 12 pt

Formatted: Left, Indent: Left: 0.08", Hanging: 0.5", No bullets or numbering, Tab stops: Not at 0.83"

Formatted: Font: Bold

Formatted

official reprimand from the NDPERS Board. No reprimand may be issued until the Board or subcommittee member has had the opportunity to be heard by the Board. In addition to an official reprimand from the NDPERS Board, at the violation may be subject to enforcement action by the North Dakota Ethics Commission, if applicable.

I understand and agree to the provisions of this policy.

Printed Name

Signature NDPERS Trustee or subcommittee member

Date



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

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

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

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: July 8, 2025

SUBJECT: Contracts under \$10,000

Attached is a document that shows the contracts under \$10,000 that have been signed since the last update. Please let me know if you have any questions on any of these contracts.

This topic is informational only.

Attachment

All Contracts Signed During 2025:

Vendor	Amount	Notes
Empower	\$ -	457 Plan Catch-up Opt Out Forms
Inter Office	\$ 1,176.16	Office Chair
Rolette County Soil Conservation Distr	\$ -	Joined Deferred Compensation Plan 1/1/25
UHY	\$ -	GASB 68 & 74 Management Rep. Letters
Great Plains Housing Authority	\$ -	Joined Deferred Compensation Plan 7/1/25
Richland School District	\$ -	Joined Deferred Compensation Plan 2/1/25
Ellendale Public School	\$ -	Joined Deferred Compensation Plan 1/1/25
Inter Office	\$ 824.76	Rising Desk
Rolette Public School	\$ -	Joined Deferred Compensation Plan 3/1/25
Inter Office	\$ 1,171.66	Office Chair
Souris Valley Special Education	\$ -	Joined Deferred Compensation Plan 5/1/25
Inter Office	\$ 824.76	Rising Desk
City of Cavalier	\$ -	Joined Deferred Compensation Plan 6/1/25
McHenry County	\$ -	Joined Public Safety Plan 5/1/2025
Inter Office	\$ 840.17	Rising Desk
City of Walhalla	\$ -	Joined Deferred Compensation Plan 5/1/25
City of Stanley	\$ -	Joined Public Safety Plan 6/1/25

Contracts Signed Since Last Reported:

Innovis Health, LLC	not to exceed \$9,999	Disability Medical Determination Consultant
Empower Roth 457 Programming	\$ -	Reserve place for programming Roth 457



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

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

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

Memorandum

TO: NDPERS Board

FROM: Katheryne Korom

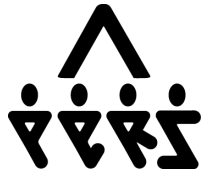
DATE: July 8, 2025

SUBJECT: Assurance NM Testing

Assurance NM is the State's emergency communication software. It is a way to get critical information out to all necessary parties without making individual contacts. All Board members' contact information is added to the system in the event we have an emergency and staff need to get in contact with the Board. We test this process twice a year to ensure all Board members get the messages we have sent.

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

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



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

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

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

Memorandum

TO: NDPERS Board

FROM: Marcy Aldinger

DATE: July 8, 2025

SUBJECT: Unforeseeable Financial Hardship Case #914

The participant is requesting a withdrawal from the State of ND 457 deferred compensation Plan in the amount of \$6,000 to assist in meeting financial obligations for medical expenses. The participant's spouse has a loss of income due to a disability. The disability resulted in more medical expenses.

The participant has an outstanding, delinquent Sanford balance of \$2,365.45 and an Altru balance of \$125.00 that is not covered by insurance.

The participant's pharmacy and doctor visit co-pays are typically paid using the medical flexible spending account. Other medical charges are put on the Synchrony Care credit card, which has a current balance of \$1,088.26. The participant is paying collection agencies for other medical expenses. All other medical expenses are unpaid.

The participant's spouse will begin receiving uncovered pain treatments recommended by his primary doctor and intense grief counseling recommended by his psychologist due to the loss of multiple family members in a short period of time and his job loss and health issues. This treatment will include travel and meal expenses. The estimated cost of the 26 week treatment is \$4,294.54.

The participant's spouse incurred out of pocket expenses in 2024 in the amount of \$7,898.17 for the treatment of neuropathy.

The participant has two mortgaged homes. It was necessary to purchase another home to accommodate the spouse's disability as there were no bedrooms on the main level and it was no longer safe for his declining health. The participant's spouse has neuropathy, which affects his feet, with little to no feeling contributing to instability and loss of balance when walking and creating a precarious situation when walking up stairs. His Parkinson's Disease also affects his

balance and has caused lightheadedness. Together, with long-Covid and other diseases, he can no longer safely climb a full staircase to the upstairs bedroom. The other home is being rented. It is on the market, but has not yet sold.

The participant's financial status is provided in the income and expense statement in Part L, M and N on the application (Attachment #1). Documentation compiled and verified has been listed on the supplemental spreadsheet (Attachment #1). Statements substantiating income and expenses have been provided (Attachment #2). The participant provided medical bills and estimates (Attachment #3). The participants credit card statements (Attachment #4) have been provided. **The participant's total deferred compensation account balance as of June 19, 2025 was \$7,768.07.** The participant has suspended contributions to the deferred compensation account.

According to IRC 457 guidelines, the amount requested must be less than or equal to the financial need. According to the IRC section 457 regulations, financial hardship is defined as an unforeseeable emergency resulting from a sudden and unexpected illness or accident occurring to the participant or one of the participant's dependents, loss of the participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the participant's control. A reference guide is included in the materials (Attachment #5).

Below you will find the relevant North Dakota authority.

N.D.A.C. § 71-04-03-05. Unforeseeable emergency.

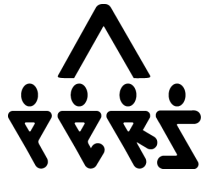
A participant who, prior to separation from service, experiences an unforeseeable emergency as defined in section 71-04-01-01 may apply for a distribution of the participant's deferred compensation account to the extent reasonably needed to satisfy the financial need. The participant may make application by completing a financial hardship form and delivering it to the retirement board offices.

N.D.A.C. § 71-04-01-01(13)

"Unforeseeable emergency" means a severe financial hardship to the participant resulting from a sudden and unexpected illness or accident of the participant, the participant's spouse or dependent of the participant, loss of the participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant.

Board Action Requested

Approve or deny applicant's request for a hardship withdrawal from their State of North Dakota 457 deferred compensation Plan account.



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

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

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

Memorandum

TO: NDPERS Board

FROM: Marcy Aldinger

DATE: July 8, 2025

SUBJECT: Unforeseeable Financial Hardship Case #937

The participant is requesting a withdrawal from the State of ND 457 deferred compensation Plan in the amount of \$6,200.00 to assist in meeting financial obligations for medical expenses.

The participant had a balance due of \$8,750.00 for eye surgery. The participant's daughter put it on her credit card because the participant could not get a loan and did not have capacity to put the amount on her own credit card. The participant is paying her daughter \$300.00 per month. The participant has other outstanding medical bills and a planned hip replacement in August 2025.

The participant wants to pay her daughter back in full as her daughter's credit card has high interest and her credit score has decreased because of the unpaid amount on the card.

The participant's financial status is provided in the income and expense statement in Part L, M and N on the application (Attachment #1). Documentation compiled and verified has been listed on the supplemental spreadsheet (Attachment #1). The participant provided medical bills and estimates (Attachment #2). Statements substantiating income and expenses have been provided (Attachment #3). The participant has applied for loans and been denied (Attachment #4). **The participant's total deferred compensation account balance as of June 30, 2025 was \$6,528.18.** The participant has suspended contributions to the deferred compensation account.

According to IRC 457 guidelines, the amount requested must be less than or equal to the financial need. According to the IRC section 457 regulations, financial hardship is defined as an unforeseeable emergency resulting from a sudden and unexpected illness or accident occurring to the participant or one of the participant's dependents, loss of the participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of

events beyond the participant's control. A reference guide is included in the materials (Attachment #5).

Below you will find the relevant North Dakota authority.

N.D.A.C. § 71-04-03-05. Unforeseeable emergency.

A participant who, prior to separation from service, experiences an unforeseeable emergency as defined in section 71-04-01-01 may apply for a distribution of the participant's deferred compensation account to the extent reasonably needed to satisfy the financial need. The participant may make application by completing a financial hardship form and delivering it to the retirement board offices.

N.D.A.C. § 71-04-01-01(13)

"Unforeseeable emergency" means a severe financial hardship to the participant resulting from a sudden and unexpected illness or accident of the participant, the participant's spouse or dependent of the participant, loss of the participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant.

Board Action Requested

Approve or deny applicant's request for a hardship withdrawal from their State of North Dakota 457 deferred compensation Plan account.



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

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

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

Memorandum

TO: NDPERS Board

FROM: Michaela

DATE: July 8, 2025

SUBJECT: Retirement Benefit Appeal Case #928

An internal audit of service purchase to review payment posting dates was completed in April 2025. In the results of the audit, it was determined that the service purchase completed on December 7, 2020 incorrectly posted to the member's account balance one month earlier than the funds were actually received at NDPERS. This resulted in an excess of \$346.04 interest credited for November 2020 and a total of \$66.33, accumulated as compound interest monthly until the time of member account refund.

On December 7, 2020 the member remitted the final payment to purchase 28 months of service credit. The member terminated employment 7/14/2023 and on 08/07/2023 requested a refund of his retirement contributions. The original application for refund was considered incomplete because it was unsigned. The signed application was received on 8/31/2023 and payment was issued on 10/01/2023.

The member is appealing the total overpayment of \$412.33.

Timeline of Events:

12/07/2020 – Service Purchase paid in full at NDPERS (Attachment #1)
07/14/2023 – Terminated employment
08/31/2023 – Applied for refund of account balance (Attachment #2)
10/01/2023 – Payment issued
04/10/2025 – Overpayment notice mailed to member (Attachment #3)
05/14/2025 – Appeal of overpayment received at NDPERS (Attachment #4)
05/23/2025 – Additional information about overpayment provided to member
5/27/2025 – Second request for appeal received at NDPERS (Attachment #5)

Board Action: Affirm or deny the member's request to waive the overpayment.



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

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

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

Memorandum

TO: NDPERS Board

FROM: Michaela Huntington

DATE: July 8, 2025

SUBJECT: Retirement Benefit Appeal Case #936

Member is appealing the denial of Retiree Health Insurance Credit (RHIC) reimbursement due to missing the claim filing deadline of March 31, 2025 for the Jan-Dec 2024 RHIC plan year (*Attachment 1*.) Member filed a RHIC claim but the claim was not postmarked on or before the March 31, 2025 deadline.

06/01/2013	Retirement benefit effective date
05/23/2024	RHIC 2024 Statement
10/14/2024	RHIC 2024 Statement
02/25/2025	RHIC End of 2024 Plan Year Statement
03/31/2025	Claim submission <u>deadline for close of 2024 plan year</u>
04/07/2025	ASIFlex received 2024 plan year RHIC claim (claim form dated March 29, 2025 and envelope postmarked April 2, 2025)
04/17/2024	ASIFlex received 2024 plan year RHIC appeal requesting claim to be processed after the close of the plan year
04/22/2025	ASIFlex responded to claim denying benefit eligibility
06/02/2025	Member appeal received at NDPERS

ASIFlex is the NDPERS 3rd party administrator for RHIC reimbursement. The plan year was Jan 1 through Dec 31, 2024. The deadline to submit claims incurred was March 31, 2025.

ASIFlex Statements:

ASIFlex confirmed member notification of the claim filing deadline through new plan year, mid-year, and end of year statements (*Attachment 2*).

Member's claim history with ASIFlex:

Fiscal Year	Available RHIC (\$110.00/month)	RHIC Paid	Notes
2015 plan year	\$1,320.00	\$1,320.00	
2016 plan year	\$1,320.00	\$1,320.00	
2017 plan year	\$1,320.00	\$1,320.00	
2018 plan year	\$1,320.00	\$1,320.00	
2019 plan year	\$1,320.00	\$1,320.00	
2020 plan year	\$ 660.00 (1/2 year)	\$ 660.00	
2021 plan year	\$1,320.00	\$1,320.00	
2022 plan year	\$1,320.00	\$1,320.00	
2023 plan year	\$1,320.00	\$1,320.00	
2024 plan year	\$1,320.00	\$0.00	Claim received 4/7/2025

According to the October 2014 NDPERS Request for Proposal for the RHIC program, the general guidelines for the RHIC program were based upon IRS Revenue Ruling 61-146 and IRS Notice 2013-54 (*Attachment 3 & 4*).

ASIFlex has also provided an email response regarding the nondiscrimination requirements for the claim submission deadline referencing IRS letter 2018-0027 from August 22, 2018. Regulations require that to maintain the nontaxable status of the benefit, the submission period for the plan must be applied to all participants on a uniform basis. (*Attachment 5*).

Board Action: Affirm or reverse ASIFlex's denial of RHIC benefit payment.