

MINUTES

North Dakota Public Employees Retirement System Tuesday, August 19, 2025 8:30 A.M.

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

Members by Teams: Senator Kyle Davison

Others Present: Ms. Rebecca Fricke, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Katheryne Korom, NDPERS
Ms. Marcy Aldinger, NDPERS
Ms. Lindsay Schaf, NDPERS
Ms. Kim Haug, SHP
Ms. Gretchen Schilling, SHP
Ms. Courtney Meyer, SHP
Ms. Julie Bodenski, Humana
Mr. Mark Powell, Humana
Ms. Audra Ferguson, Ice Miller
Mr. Robert Gauss, Ice Miller
Ms. Kirsten Tuntland, Attorney General's Office

Chairman Mike Seminary called the meeting to order at 8:32 A.M. Roll call was taken, and a quorum was present.

MINUTES

Chairman Mike Seminary called for questions or comments regarding the July 8, 2025, meeting minutes.

REPRESENTATIVE STEMEN MOVED TO APPROVE THE MINUTES OF THE JULY 8, 2025, MEETING. THE MOTION WAS SECONDED BY SENATOR DEVER. THE MOTION WAS UNANIMOUSLY APPROVED.

CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

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

PRESENTATIONS

Sanford Health Plan Executive Summary 2025 Quarter 1

Ms. Rebecca Fricke introduced Kim Haug, Account Executive for Sanford Health Plan. Ms. Haug presented the Executive Summary for Quarter 1 2025.

She shared a membership comparison from Quarter 1 of 2024 to Quarter 1 of 2025 and noted an overall change of 0.7%. She reviewed claims, pharmacy utilization, and high dollar cases. Ms. Haug pointed out that Mental Health now ranks tenth of the top highest paid diagnosis groups, which was new in Quarter 4 2024. She highlighted the program savings of Utilization Management that helps to control cost by requiring prior authorizations, quantity limits, and incorporates step therapy.

Ms. Julie Bodenski with Humana provided information about NDPERS Employer Group Waiver Plans (EGWP).

Ms. Haug concluded the presentation with summarizing wellness campaigns and performance guarantees.

Discussion followed.

DEFERRED COMPENSATION / DEFINED CONTRIBUTION

457(b) Deferred Compensation Plan Self-Certification of Unforeseeable Emergency Distributions

Ms. Marcy Aldinger provided background on the current procedure for Unforeseeable Financial Hardship Withdrawal requests, and explained the process of reviewing the request and approval or denial by the Board. SECURE 2.0 provides a new processing option related to these types of unforeseeable emergency distributions. New options allow plan administrators to rely on a participant's written self-certification (application) indicating they meet the requirements for an unforeseeable emergency distribution. Ms. Aldinger reviewed the self-certification criteria and the participant's responsibility to retain the documentation.

Ms. Audra Ferguson and Mr. Robert Gauss, Ice Miller Consulting, were present to provide guidance to the board and answer questions as the board discussed the topic.

MR. VOLK MOVED TO APPROVE A SELF-CERTIFICATION PROCESS FOR 457(B) DEFERRED COMPENSATION PLAN UNFORESEEABLE EMERGENCY DISTRIBUTIONS WITH A LIMIT OF \$10,000, AND NOT MORE THAN EVERY THREE MONTHS. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

THE MOTION AND SECOND WAS WITHDRAWN.

The Board directed staff to draft guidelines to allow self-certification, with a maximum withdrawal of \$10,000 once every three months, and present the draft guidelines at the September meeting for the board's consideration.

457(b) Deferred Compensation Roth Rollover & Roth Conversion Options

Ms. Marcy Aldinger stated that staff is preparing for the implementation of Roth provisions for the NDPERS 457(b) Deferred Compensation Plan effective January 1, 2026. Two items have been raised that the Board may wish to consider.

Roth Rollover Contributions into the Plan: Currently, only pre-tax dollars from eligible retirement plans may be rolled into the NDPERS 457(b) Deferred Compensation Plan. Adopting Roth Rollovers allows participants to roll other, outside designated Roth accounts into the Plan.

In-Plan Roth Conversions: Allows participants to convert eligible pre-tax funds within the Plan to Roth funds without removing the assets from the Plan.

Ms. Audra Ferguson and Mr. Robert Gauss, Ice Miller Consulting, were present to provide guidance to the board and answer questions as the board discussed the topic.

MR. VOLK MOVED TO ALLOW ROTH ROLLOVERS AND IN-PLAN ROTH CONVERSIONS IN THE 457 PLAN WITH A JANUARY 1, 2026 EFFECTIVE DATE. THE MOTION WAS SECONDED BY MR. BUCK.

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

Nays: None

Absent: None

MOTION PASSED

The board took a break from 9:50 AM to 10:00 AM.

457(b) Investment Options Summary Book

Ms. Katheryne Korom reported the Investment Options Summary for the NDPERS 457(b) Deferred Compensation Plan is now available on the website. It contains information on all the providers and investment options available in the plan.

DEFINED BENEFIT / RETIREE HEALTH INSURANCE CREDIT

Retirement Plan Actuarial and Consultant Renewal

Ms. Katheryne Korom provided background on the contract for retirement actuarial and consulting services. Gabriel, Roeder, Smith & Company (GRS) submitted a renewal rate for the second two-year period available for contracting as part of the bid process. Ms. Korom discussed the scope of services and proposed fees. Discussion followed.

MR. BUCK MOVED TO APPROVE THE RENEWAL PROPOSAL FROM GABRIEL, ROEDER, SMITH & COMPANY (GRS) FOR JULY 1, 2026, THROUGH JUNE 30, 2028 FOR

RETIREMENT PLAN ACTUARIAL AND CONSULTING SERVICES. THE MOTION WAS SECONDED BY REPRESENTATIVE DOCKTER.

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

Nays: None

Absent: None

MOTION PASSED

GROUP INSURANCE / FLEXCOMP

Revised Health Insurance Plan Rate Changes for January 1, 2026

Ms. Fricke provided a summary of legislation passed during the 69th Legislative Session that affected the group health plan. House Bill 1216 was passed requiring the NDPERS grandfathered plan to have copayments apply towards out-of-pocket maximums for formulary prescriptions in which there is not a generic equivalency. House Bill 1322 was also passed regarding ground ambulance service rate caps. There was not an appropriation for either bill and therefore, the expense of the bills will be required to be paid from reserves as it applies to the NDPERS health plans. She stated that at the time the current biennium premiums were developed and approved by the Board, the Board was informed that there will be a future rate change necessary due to the implementation of the two bills.

Deloitte Consulting reviewed the additional premium proposed by Sanford Health Plan (SHP) and confirmed that the premium required is reasonable based upon the plan design and claims experience.

The additional premium is effective January 1, 2026, and use of reserves would be necessary to pay for the enhanced services required by House Bill 1216 and House Bill 1322.

Discussion followed.

MR. ERICKSON MOVED TO APPROVE THE ADDITIONAL PREMIUM EFFECTIVE JANUARY 1, 2026 PER PLAN AS REFLECTED ON THE UPDATED EXHIBIT C AS PRESENTED, AND APPROVAL OF THE USE OF RESERVES TO PAY FOR THE ENHANCED SERVICES REQUIRED BY HOUSE BILL 1216 AND HOUSE BILL 1322. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

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

Nays: None

Absent: None

MOTION PASSED

Medicare Part D Premium Renewal or Request for Proposal

Ms. Fricke recapped discussion from the May board meeting when Humana provided a preliminary renewal projection for the Medicare Part D Plan for the 2026 Plan Year. The premium projection supplied by Humana was an increase to \$72.88 per member per month (PMPM). The current premium is \$60.74 PMPM. Humana submitted its final renewal premium of \$69.82 PMPM, which is an increase of \$9.08 PMPM.

Staff are satisfied with the services provided to our members by Humana, as well as their responsiveness to staff when issues or questions arise. Deloitte Consulting conducted an analysis of the renewal premium and determined that Humana's renewal premium is reasonable.

Discussion followed.

REPRESENTATIVE STEMEN MOVED TO AMEND THE CURRENT CONTRACT TO CONTINUE WITH HUMANA AS THE MEDICARE PART D PLAN VENDOR FOR THE JANUARY 1, 2026 THROUGH DECEMBER 31, 2026 CONTRACT PERIOD, AND APPROVE THE UPDATED PERFORMANCE GUARANTEES PROVIDED BY HUMANA FOR 2026. THE MOTION WAS SECONDED BY SENATOR DAVISON.

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

Nays: None

Absent: None

MOTION PASSED

FlexComp Voluntary Insurance Products

Ms. Schaf reported that staff has completed the annual review of vendors for the voluntary insurance products approved for pretax premiums under the Section 125 FlexComp Plan. All five current vendors replied with confirmation that the products they offer are eligible to be a pretax product. AFLAC, Central United, Colonial Life, Total Dental Administrators (TDA), and USABLE will be included for state pre-tax payroll deductions in the flex plan at Annual Enrollment.

REPRESENTATIVE DOCKTER MOVED TO APPROVE THE INCLUSION OF THE PRODUCTS ELIGIBLE TO BE PRE-TAXED FOR THE FLEXCOMP PLAN FROM AFLAC, CENTRAL UNITED, COLONIAL LIFE, TOTAL DENTAL ADMINISTRATORS, AND USABLE FOR THE 2026 PLAN YEAR THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

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

Nays: None

Absent: None

MOTION PASSED

LEGISLATION / ADMINISTRATIVE RULES

Emergency Administrative Rules

Ms. Fricke provided a timeline of activities related to the promulgation process of the Emergency Administrative Rules. The Governor approved the emergency rule-making process in order to remedy the conflict between federal and state law related to county elected officials.

OPERATIONS / ADMINISTRATIVE

Budget Status

Mr. Derrick Hohbein provided an update on the status of the budget as of June 30, 2025. He noted that PERS received \$10,055 in both funding and appropriation authority for the internship program. There is salary appropriation available due to the Chief Benefits Officer position vacancy. Recruitment will begin this fall. The board discussed educational opportunities and conference travel for board members and funds available for that purpose.

Quarterly Consultant Fees

The board reviewed the quarterly report that shows the consulting, investment, and administrative fees paid during the quarter ended June 2025.

Board Self-Evaluation Results

The board discussed the results of the annual Board Self-Evaluation. The purpose of the self-eval is to assess how board members fulfill their responsibility, and reflect on ways the Board as a whole can become better trustees. Discussion followed.

Contracts Under \$10,000

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

The next Regular Meeting will be held on Tuesday, September 9, 2025 at 8:30 A.M. A Special Meeting will be held on Thursday, September 25, 2025 at 4:00 P.M.

MEMBER

Unforeseeable Financial Hardship Case #937

This agenda item was noticed for Executive Session.

CHAIRMAN SEMINARY CALLED FOR THE BOARD TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC §44-04-19.2, §44-04-19.2(1) AND §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS AND CONFIDENTIAL MEMBER INFORMATION FOR CASE #937.

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

Board Members Absent: None

All board members named above, Kirsten Tuntland, NDPERS staff members Rebecca Fricke, Derrick Hohbein, Marcy Aldinger, Brittany Berreth, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:41 A.M. The member was present by phone. The meeting returned to Open Session at 10:46 A.M.

MR. BUCK MOVED TO APPROVE THE APPLICANT'S REQUEST FOR A HARDSHIP WITHDRAWAL FROM THEIR STATE OF NORTH DAKOTA 457 DEFERRED COMPENSATION PLAN ACCOUNT FOR CASE #937. THE MOTION WAS SECONDED BY REPRESENTATIVE DOCKTER.

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

Nays: Mr. Erickson and Mr. Volk

Absent: None

MOTION PASSED

Unforeseeable Financial Hardship Case #943

This agenda item was noticed for Executive Session.

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

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

Board Members Absent: None

All members named above, Kirsten Tuntland, NDPERS staff members Rebecca Fricke, Derrick Hohbein, Marcy Aldinger, Brittany Berreth, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:50 A.M. The member and spouse were present by phone. The meeting returned to Open Session at 11:05 A.M.

REPRESENTATIVE DOCKTER MOVED TO APPROVE THE APPLICANT'S REQUEST FOR A HARDSHIP WITHDRAWAL FROM THEIR STATE OF NORTH DAKOTA 457 DEFERRED COMPENSATION PLAN ACCOUNT FOR CASE #943. THE MOTION WAS SECONDED BY SENATOR DEVER.

The motion was withdrawn.

Unforeseeable Financial Hardship Case #944

This agenda item was noticed for Executive Session.

CHAIRMAN SEMINARY CALLED FOR THE BOARD TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC §44-04-19.2, §44-04-19.2(1) AND §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS AND CONFIDENTIAL MEMBER INFORMATION FOR CASE #944.

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

Board Members Absent: None

All members named above, Kirsten Tuntland, NDPERS staff members Rebecca Fricke, Derrick Hohbein, Marcy Aldinger, Brittany Berreth, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:21 A.M. The member was present by phone. The meeting returned to Open Session at 11:29 A.M.

REPRESENTATIVE STEMEN MOVED TO APPROVE THE APPLICANT'S REQUEST FOR A HARDSHIP WITHDRAWAL FROM THEIR STATE OF NORTH DAKOTA 457 DEFERRED COMPENSATION PLAN ACCOUNT FOR CASE #944. THE MOTION WAS SECONDED BY MR. KLIPFEL.

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

Nays: None

Absent: None

MOTION PASSED

Unforeseeable Financial Hardship Case #945

This agenda item was noticed for Executive Session.

CHAIRMAN SEMINARY CALLED FOR THE BOARD TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC §44-04-19.2, §44-04-19.2(1) AND §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS AND CONFIDENTIAL MEMBER INFORMATION FOR CASE #945.

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

Board Members Absent: None

All members named above, Kirsten Tuntland, NDPERS staff members Rebecca Fricke, Derrick Hohbein, Marcy Aldinger, Brittney Berreth, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:34 A.M. The member was present by phone. The meeting returned to Open Session at 11:42 A.M.

MR. ERICKSON MOVED TO APPROVE THE APPLICANT'S REQUEST FOR A HARDSHIP WITHDRAWAL FROM THEIR STATE OF NORTH DAKOTA 457 DEFERRED COMPENSATION PLAN ACCOUNT FOR CASE #945. THE MOTION WAS SECONDED BY MR. BUCK.

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

Nays: None

Absent: None

MOTION PASSED

The meeting recessed from 11:48 A.M. to 1:00 P.M. to allow the member to collect supplemental documents related to case #943.

Roll call was taken, and a quorum was present.

At the request of the member, Case #943 will be moved to the September board meeting to allow time for the member to gather the additional information related to Unforeseeable Financial Hardship case #943.

MR. MILLER MOVED TO DELAY FURTHER CONSIDERATION OF CASE #943, AT THE REQUEST OF THE MEMBER, UNTIL THE NEXT MEETING ON SEPTEMBER 9, 2025. THE MOTION WAS SECONDED BY SENATOR DAVISON.

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

Nays: None

Absent: Mr. Volk

MOTION PASSED

The meeting was adjourned at 1:07 P.M.

Submitted by:

Jan Lund
Assistant to the NDPERS Board