

## **MINUTES**

### **North Dakota Public Employees Retirement System Tuesday, July 8, 2025 8:30 A.M.**

Members Present: Mr. Jeffry Volk  
Mr. Gerald Buck  
Mr. Bryan Klipfel  
Ms. Casey Goodhouse  
Senator Dick Dever  
Senator Kyle Davison  
Representative Greg Stemen

Members by Teams: Representative Jason Dockter  
Mr. Tyler Erickson

Members Absent: Mr. Adam Miller  
Chairman Mike Seminary

Others Present: Ms. Rebecca Fricke, NDPERS  
Mr. Derrick Hohbein, NDPERS  
Ms. Katheryne Korom, NDPERS  
Ms. Michaela Huntington, NDPERS  
Ms. MaryJo Anderson, NDPERS  
Ms. Marcy Aldinger, NDPERS  
Ms. Lindsay Schaf, NDPERS  
Ms. Allyson Hicks, Office of Attorney General  
Ms. Julie Bodenski, Humana  
Mr. Mark Powell, Humana  
Ms. Audra Ferguson, Ice Miller

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

## **MINUTES**

Acting Chairman Volk called for questions or comments regarding the June 10, 2025, meeting minutes.

**SENATOR DEVER MOVED TO APPROVE THE MINUTES OF THE JUNE 10, 2025, MEETING. THE MOTION WAS SECONDED BY MR. BUCK. 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**

2024 Medicare Part D Annual Report

Humana representatives, Ms. Julie Bodenski and Mr. Mark Powell presented the Part D Prescription Drug Plan 2024 Plan Year Review. The presentation included membership demographics and pharmacy utilization, generic drug, specialty and high-cost drug usage. They provided a look-ahead on inflation factors affecting certain medications and their impact on Part D renewals including continued higher trends for pharmacy due to increased utilization and new biosimilar and brand medications. There is 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 negotiated drug pricing.

### Fiduciary Responsibility & Ethics

Assistant Attorney General, Ms. Allyson Hicks presented the annual fiduciary responsibility and ethics education. She defined the job of a NDPERS board member as a Trustee to manage the system and public employees' money following ND Century Code laws, Internal Revenue Code, ND Administrative Code, and NDPERS Board-adopted policies and plan documents.

Trustees manage someone else's property for them in their best interest and for their benefit only. She stated 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." She also covered the Duty of Loyalty, Duty of Care, Duty of Prudence, and Duty of Obedience.

Ms. Hicks provided guidance related to mitigating fiduciary risk and fiduciary liability.

A copy of the slide deck from the presentation was included in the board material for Trustees to retain as a resource. Discussion followed.

## **DEFERRED COMPENSATION / DEFINED CONTRIBUTION**

### 401(a) Defined Contribution Plan IRS Letter of Determination

Ms. Fricke stated NDPERS has received notice from Ice Miller of an IRS favorable determination letter for the 401(a) Defined Contribution Plan. 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.

### SECURE 2.0 and 457(b) Deferred Compensation Plan Options

Ms. Marcy Aldinger summarized the discussion from the June meeting regarding optional provisions of Secure 2.0 related to the 457(b) Deferred Compensation Plan. Ms. Audra Ferguson, Ice Miller Consulting, provided input from a federal perspective.

### Roth Catch-up Contributions for High Earners

A Roth 457(b) deferral option would introduce certain complexities with respect to mandatory

provisions under SECURE 2.0. Ms. Aldinger explained that continuing to offer age-related catchups would trigger the requirement to implement a method to identify all high-income earners. Discussion followed.

#### Super Catch-up Contributions

If the super catch-up is offered, SECURE 2.0 makes it mandatory that these contributions be made using a Roth for high income earners (those with prior-year FICA wages exceeding \$145,000). Ms. Aldinger explained that 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. This provision of SECURE 2.0 to high earners cannot be offered without also incorporating Roth contributions into our plan. Ms. Aldinger provided additional information regarding Roth implementation options based on conversations with Ice Miller (federal law consultant) and individuals from two other multi-state employer 457(b) plans that offer Roth contributions. Discussion followed.

#### Self-Certification of Unforeseeable Financial Hardship

Ms. Marcy Aldinger summarized the discussion from the June meeting relating to a provision of SECURE 2.0 allowing plan administrators to rely on a participant's written self-certification for unforeseeable financial hardship distribution. The board reviewed the certification criteria. Ms. Aldinger shared feedback from Ice Miller and specifics on types of restrictions that the states of Virginia and New York have put in place on self-certification hardship requests. Ms. Audra Ferguson assisted with facilitating the board discussion.

**REPRESENTATIVE STEMEN MOVED TO ALLOW ROTH 457(B) DEFERRALS EFFECTIVE JANUARY 1, 2026, ACROSS THE BOARD TO THE COMPANION PLAN (EMPOWER) AND OTHER CURRENT 457 PROVIDERS, INCLUDING ENSURING THAT ANY AGE-RELATED CATCHUPS FOR HIGH EARNERS ARE MADE TO A ROTH 457(B) DUE TO REQUIREMENTS OF SECURE 2.0. THE MOTION WAS SECONDED BY MR. BUCK.**

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

**Nays:** None

**Absent:** Mr. Miller and Chairman Seminary

**MOTION PASSED**

Further discussion of Self-Certification of Unforeseeable Financial Hardship was held over to a future board meeting. No Board Action was taken.

*Representative Dockter left the meeting at 10:00 A.M.*

**DEFINED BENEFIT / RETIREE HEALTH INSURANCE CREDIT**

### Highway Patrol Indexing

Ms. MaryJo Anderson reviewed the process to annually review the Highway Patrol Final Average Salary for Indexing for deferred members of the plan. ND Highway Patrol Administration recommends an increase of 3% to their final average salary (FAS). The current assumption for indexing of deferred members on the July 1, 2024, actuarial report is 3.00%. Therefore, a 3.00% increase will result in an actuarial neutral cost to the plan as confirmed by the consultant, Gabriel Roeder & Smith (GRS).

Ms. Anderson stated that historically 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. Discussion followed.

**REPRESENTATIVE STEMEN MOVED TO AFFIRM THE HIGHWAY PATROL ADMINISTRATION'S RECOMMENDATION OF A 3.00% INCREASE TO THE FINAL AVERAGE SALARY OF THE DEFERRED VESTED MEMBERS. THE MOTION WAS SECONDED BY MR. KLIPFEL.**

**Ayes:** Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Senator Davison, and Mr. Klipfel.

**Nays:** None

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

### **MOTION PASSED**

### Retiree Health Insurance Credit (RHIC) Renewal and Request for Proposal

Ms. Katheryne Korom reported that the RHIC program third party administrator, ASIFlex has submitted a renewal rate proposal for January 1, 2026, through December 31, 2027, plan years. This is the third two-year period available for contracting as part of the bid process. ASIFlex is offering the same services and no increase in fees for the upcoming 2-year period.

Discussion followed.

**MR. BUCK MOVED TO APPROVE THE RENEWAL PROPOSAL FOR JANUARY 1, 2026, THROUGH DECEMBER 31, 2027, FROM ASIFLEX. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Senator Davison, and Mr. Klipfel.

**Nays:** None

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

## **MOTION PASSED**

### **GROUP INSURANCE / FLEXCOMP**

#### Health Insurance Consultant Renewal and Request for Proposal

Ms. Katheryne Korom reviewed the contract history with Deloitte Consulting for health consulting services. Staff received renewal pricing information from Deloitte for the second two-year period available for contracting as part of the bid process. Ms. Korom summarized the scope of services under the contract and the proposed fees for the 2026-2027 period.

Discussion followed.

**SENATOR DAVISON MOVED TO APPROVE THE RENEWAL PROPOSAL FOR JANUARY 1, 2026, THROUGH DECEMBER 31, 2027, FROM DELOITTE CONSULTING. THE MOTION WAS SECONDED BY MS. GOODHOUSE.**

**Ayes:** Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Senator Davison, and Mr. Klipfel.

**Nays:** None

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

## **MOTION PASSED**

### **LEGISLATION / ADMINISTRATIVE RULES**

#### Proposed Administrative Rules

Ms. Fricke summarized the board's action taken at the June meeting regarding proposed administrative rules related to the two policies adopted by the Board for elected county officials and their participation in the NDPERS retirement plan and approved to seek emergency rulemaking.

Since then, it has been 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. The rules have been updated to include these.

If the Board approves of these updated proposed administrative rules, staff and legal will send a letter with the proposed administrative rules to the Governor to seek approval for emergency rulemaking.

Discussion followed.

**SENATOR DEVER MOVED TO APPROVE THE UPDATED PROPOSED ADMINISTRATIVE RULES. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.**

**Ayes:** Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Senator Davison, and Mr. Klipfel.

**Nays:** None

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

**MOTION PASSED**

**MEMBER**

Unforeseeable Financial Hardship Case #914

This agenda item was noticed for Executive Session.

**ACTING CHAIRMAN VOLK 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 #914.**

**Board Members Present:** Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Senator Davison, and Mr. Klipfel.

**Board Members Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

All board members named above, Allyson Hicks, NDPERS staff members Rebecca Fricke, Derrick Hohbein, Marcy Aldinger, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:53 A.M. The member was present by phone. The meeting returned to Open Session at 11:09 A.M.

**MS. GOODHOUSE MOVED TO APPROVE THE APPLICANT'S REQUEST FOR A HARDSHIP WITHDRAWAL FROM THEIR STATE OF NORTH DAKOTA 457 DEFERRED COMPENSATION PLAN ACCOUNT FOR CASE #914. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.**

**Ayes:** Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Senator Davison, and Mr. Klipfel.

**Nays:** None

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

**MOTION PASSED**

Unforeseeable Financial Hardship Case #937

This agenda item was noticed for Executive Session.

**ACTING CHAIRMAN VOLK 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, Senator Davison, and Mr. Klipfel.

**Board Members Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

All members named above, Allyson Hicks, NDPERS staff members Rebecca Fricke, Derrick Hohbein, Marcy Aldinger, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:12 A.M. The member was present by phone. The meeting returned to Open Session at 11:26 A.M.

**MR. ERICKSON MOVED TO DENY 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 MS. GOODHOUSE.**

**Ayes:** Mr. Volk, Ms. Goodhouse, and Mr. Erickson

**Nays:** Senator Dever, Mr. Buck, Senator Davison, Mr. Klipfel, and Representative Stemen

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

**MOTION FAILED**

**SENATOR DAVISON 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 STEMEN.**

**Ayes:** Senator Dever, Mr. Buck, Senator Davison, Mr. Klipfel, and Representative Stemen

**Nays:** Mr. Volk, Ms. Goodhouse, and Mr. Erickson

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

**MOTION FAILED DUE TO THE LACK OF SIX AFFIRMATIVE VOTES (see note later in the meeting minutes regarding vote count)**

This Motion was erroneously announced to have passed at the meeting immediately after the vote. Upon review by staff and legal counsel, it was determined that the Motion had failed due to N.D.C.C. § 54-52-03(6). This discussion is noted more in depth in these minutes at the point at which the discussion occurred.

Retirement Benefit Appeal Case #928

This agenda item was noticed for Executive Session.

**ACTING CHAIRMAN VOLK 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 #928.**

**Board Members Present:** Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Senator Davison, and Mr. Klipfel.

**Board Members Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

All members named above, Allyson Hicks, NDPERS staff members Rebecca Fricke, Derrick Hohbein, Michaela Huntington, Shawna Piatz, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:40 A.M. The member was present by phone. The meeting returned to Open Session at 11:42 A.M.

**SENATOR DAVISON MOVED TO DENY THE MEMBER'S REQUEST TO WAIVE THE OVERPAYMENT IN CASE #928. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Senator Davison, and Mr. Klipfel.

**Nays:** None

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

**MOTION PASSED**

Retirement Benefit Appeal Case #936

This agenda item was noticed for Executive Session.

**ACTING CHAIRMAN VOLK 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 #936.**

**Board Members Present:** Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, Senator Davison, and Mr. Klipfel.



**Board Members Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

All members named above, Allyson Hicks, NDPERS staff members Rebecca Fricke, Derrick Hohbein, MaryJo Anderson, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:50 A.M. The member was present by phone. The meeting returned to Open Session at 11:57 A.M.

**SENATOR DEVER MOVED TO AFFIRM THE DENIAL OF RHIC BENEFIT PAYMENT IN CASE #936. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.**

**Ayes:** Ms. Goodhouse, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, and Senator Davison

**Nays:** Mr. Klipfel

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

**MOTION PASSED**

*The vote count for Case #937 was questioned and upon reexamination of the vote count for the Motion on Case #937 and the provisions of N.D.C.C. § 54-52-03(6), it was determined that the vote failed to pass under N.D.C.C. §54-52-03(6): "Six votes are necessary for resolution or action by the board at any meeting."*

Acting Chairman Volk called for the board to consider tabling further discussion and board action on Case #937.

**MS. REPRESENTATIVE STEMEN MOVED TO TABLE CASE #937. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Ms. Goodhouse, Mr. Klipfel, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, and Senator Davison

**Nays:** None

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

**MOTION PASSED**

The board discussed the best way to handle the delay considering the nature of the member's request. The board gave direction to staff to make arrangements with Representative Dockter, Mr. Miller, and Chairman Seminary to hear the Executive Session recording for Case #937 prior to the next meeting in order to expedite discussion and be prepared to take board action on the matter.

**MS. GOODHOUSE MOVED TO ALLOW THE BOARD MEMBERS WHO ARE ABSENT TO LISTEN TO THE EXECUTIVE SESSION RECORDING FOR CASE #937 BEFORE THE NEXT MEETING IF THEY CHOOSE. THE MOTION WAS SECONDED BY MR. BUCK.**

**Ayes:** Ms. Goodhouse, Mr. Klipfel, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, and Senator Davison

**Nays:** None

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

**MOTION PASSED**

### **OPERATIONS / ADMINISTRATIVE**

#### Code of Ethical Responsibility

Ms. Fricke reported that changes were made to the Code of Ethical Responsibility based upon recommendations from the Ethics Commission to ensure they comply with administrative rules. Legal counsel has reviewed the document and provided additional recommended changes. Upon approval of the Board, the document will be emailed to Trustees for signature.

**MR. BUCK MOVED TO APPROVE THE BOARD CODE OF ETHICAL RESPONSIBILITY FORM. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.**

**Ayes:** Ms. Goodhouse, Mr. Klipfel, Senator Dever, Mr. Buck, Mr. Volk, Representative Stemen, Mr. Erickson, and Senator Davison

**Nays:** None

**Absent:** Mr. Miller, Representative Dockter, and Chairman Seminary

**MOTION PASSED**

*Mr. Tyler Erickson left the meeting at 12:07 P.M.*

### **GROUP INSURANCE / FLEXCOMP (continued)**

#### Wellness Renewal

Ms. Lindsay Schaf reported the renewal of the Employer Based Wellness Program for the plan year July 1, 2025 to June 30, 2026, has been completed. Of the 214 eligible employers 168 have qualified for the 1% health insurance premium discount during the plan year. This is a participation rate of 78.5%. Ms. Schaf provided the following breakdown of the participating

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

## **OPERATIONS / ADMINISTRATIVE (continued)**

### Board Self-Evaluation

Ms. Fricke informed the board that staff will be sending out a Board Self-Evaluation survey through Survey Monkey. Results of the evaluation will be shared at a future meeting.

### Contracts Under \$10,000

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

### Assurance NM

Ms. Katheryne Korom conducted a test of the State's emergency communication software, AssuranceNM. Board members' contact information is added to the system in the event of an emergency and staff need to get in contact with the Board. This process is tested twice a year to ensure all Board members received the messages. Trustees will receive a test message during this meeting on all phone numbers and email addresses listed in PeopleSoft.

Next Meeting date: August 19, 2025

The meeting was adjourned at 12:17 P.M.

Submitted by:

Jan Lund  
Assistant to the NDPERS Board