

MINUTES

North Dakota Public Employees Retirement System Tuesday, June 10, 2025 8:30 A.M.

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

Members by Teams: Representative Greg Stemen
Senator Kyle Davison
Ms. Casey Goodhouse

Members Absent: Mr. Adam Miller

Others Present: Ms. Rebecca Fricke, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Katheryne Korom, NDPERS
Ms. Marcy Aldinger, NDPERS
Ms. Shawna Piatz, NDPERS
Mr. Ryan Sullivan, RVK
Mr. Mark Morgan, SEI Investments

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

Chairman Seminary called for questions or comments regarding the May 13, 2025, meeting minutes.

MR. ERICKSON MOVED TO APPROVE THE MINUTES OF THE MAY 13, 2025, MEETING. THE MOTION WAS SECONDED BY MR. BUCK AND CARRIED BY A VOICE VOTE. THE MINUTES WERE APPROVED.

CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

None submitted prior to the meeting.

PRESENTATIONS

Asset Liability Study

Mr. Derrick Hohbein introduced Mr. Ryan Sullivan, Senior Consultant. Mr. Sullivan presented the findings of the 2025 Asset Liability Study. The Study is required by statute and NDPERS must use the same consultant that the Retirement & Investment Office contracts with. The Investment Committee has reviewed the report. Discussion followed.

MR. VOLK MOVED TO APPROVE THE ASSET LIABILITY STUDY AS PRESENTED. THE MOTION WAS SECONDED BY MR. ERICKSON.

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

Nays: None

Absent: Mr. Miller

DEFERRED COMPENSATION / DEFINED CONTRIBUTION

457(b) Deferred Compensation Plan IRS Private Letter Ruling

Ms. Rebecca Fricke reported that notice was recently received from Ice Miller that the IRS Private Letter Ruling PLR-121332-24 was issued. The ruling confirms the Plan qualifies as an eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code

457(b) Companion Plan and 401(a) DC Plan 1st Quarter 2025 Report

Mr. Derrick Hohbein stated the two plans combined have 11,604 participants with \$250.1 million in assets and represents an increase from Quarter 4 2024. He summarized the discussion from the recent Investment Subcommittee meeting.

457(b) Deferred Compensation and Companion Plan Documents

Ms. Marcy Aldinger reported that Ice Miller has notified NDPERS that they have heard back from the IRS attorneys regarding modifications made to the 457(b) Deferred Compensation Plan Document per their request, and that the changes made are accepted. The revisions provided clarifications and updates. Discussion followed.

MR. ERICKSON MOVED TO APPROVE THE REVISED 457(B) DEFERRED COMPENSATION PLAN DOCUMENT AND THE 457(B) DEFERRED COMPENSATION COMPANION PLAN DOCUMENT. THE MOTION WAS SECONDED BY MR. BUCK.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

SECURE 2.0 and 457(b) Deferred Compensation Plan Options

Ms. Aldinger explained the various provisions of the SECURE 2.0 Act of 2022 (*Setting Every Community Up for Retirement Enhancement*) as it relates to the 457(b) Deferred Compensation Plan. The board discussed Roth Catch-up Contributions for High Earners, Super Catch-up Contributions, Self-Certification of Unforeseeable Financial Hardship, and Empower Programming List for Roth Programming.

MR. VOLK MOVED TO APPROVE ADDING NDPERS TO THE EMPOWER PROGRAMMING WAIT LIST TO IMPLEMENT THE ROTH CATCH-UP CONTRIBUTIONS FOR HIGH EARNERS AND SUPER CATCH-UP SHOULD THE BOARD DECIDE TO MAKE THE OPTIONS AVAILABLE IN THE FUTURE ONCE MORE INFORMATION

REGARDING ADMINISTRATION REQUIREMENTS ARE DETERMINED. THE MOTION WAS SECONDED BY MR. ERICKSON.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

The board took a short break from 10:00 A.M. to 10:05 A.M.

DEFINED BENEFIT / RETIREE HEALTH INSURANCE CREDIT

RHIC & Job Service Asset Allocation

Mr. Hohbein recapped committee discussion and shared the recommendation the Investment Subcommittee received from SEI at their May meeting concerning Asset Allocation updates for the RHIC and Job Service Plans. Mr. Mark Morgan, SEI, joined the meeting to provide additional information regarding the suggested changes to the two plans. Discussion followed.

SENATOR DEVER MOVED TO APPROVE THE ASSET ALLOCATIONS FOR THE RETIREE HEALTH INSURANCE CREDIT AND JOB SERVICE PLANS. THE MOTION WAS SECONDED BY MR. BUCK.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

GROUP INSURANCE / FLEXCOMP

Health Insurance Administrative Services Agreement Exhibits

The board reviewed the final draft exhibits to the Administrative Services Agreement that was approved at the January 2025 meeting. Exhibit A: Certificate of Insurance (COI) and Summary of Benefits & Coverage (SBC) Updates, Exhibit B: Performance Guarantees, Exhibit C: Rates, Exhibit D: Settlement, Exhibit E: About the Patient Coordination, Exhibit G: Wellness Program, Exhibit H: Business Associate Agreement, Exhibit I: Health Savings Account (HSA) Administration Agreement, and Exhibit J: Fitness Center & Virtual Wellness Terms.

MR. VOLK MOVED TO APPROVE THE HEALTH INSURANCE PLAN ADMINISTRATIVE SERVICES AGREEMENT AMENDMENT AND EXHIBITS A, B, C, D, E, G, H, I, AND J. THE MOTION WAS SECONDED BY MR. ERICKSON.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

Vision Insurance Plan Contract Amendment

Ms. Katheryne Korom shared the contract amendment drafted by NDPERS legal staff and approved by representatives from Superior Vision for the renewal that was approved for the January 1, 2026, through December 31, 2027, contract period.

MR. ERICKSON MOVED TO APPROVE THE CONTRACT AMENDMENT FOR THE NDPERS GROUP VISION INSURANCE PLAN FOR THE JANUARY 1, 2026, THROUGH DECEMBER 31, 2027, CONTRACT PERIOD. THE MOTION WAS SECONDED BY MR. BUCK.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

Employee Assistance Program (EAP) Update

Providers with approved contracts for the 2025-2027 biennium are CHI St. Alexius, The Village, Bree Health (formerly eni NexGen), and ComPsych. Ms. Korom reported that seven agencies have switched EAP providers during our employer open enrollment. Discussion followed.

2024 Health Insurance Plan Claims Review

The board reviewed the audit of a sample of the Sanford Health Plan medical and pharmacy claims, as well as claims for the Humana Medicare Part D plan. The audit was conducted by Internal Audit and reviewed by the Audit Committee at their May meeting.

LEGISLATION / ADMINISTRATIVE RULES

Legislation Implementation

House Bill 1113 - 457 Deferred Compensation Plan Administrative Fees

Mr. Derrick Hohbein summarized work done to develop a method to best implement the assessment of the administrative fees. The board discussed recommendations from the Investment Subcommittee regarding a fee collection schedule, a rate structure, and the best way to handle fees assessed to an account with less than a \$1,000 balance.

MR. ERICKSON MOVED TO APPROVE A METHODOLOGY ON HOW TO ASSESS NDPERS ADMINISTRATIVE FEES FOR THE 457 DEFERRED COMPENSATION PLAN BY

COLLECTING THE NDPERS ADMINISTRATIVE FEE QUARTERLY TO ALIGN WITH EMPOWER'S CURRENT FEE SCHEDULE, TO IMPLEMENT A FLAT RATE STRUCTURE, AND TO NOT ASSESS A FEE TO PARTICIPANT ACCOUNTS UNDER \$1,000. THE MOTION WAS SECONDED BY MR. VOLK.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

House Bill 1146 & House Bill 1419 Retirement Employer Participation Agreements

Ms. Marcy Aldinger updated the board on House Bill 1146 and House Bill 1419 that require updates to the retirement employer participation agreements used for enrolling new employer groups into the NDPERS retirement plans. She shared guidance received from the federal law consultants, Ice Miller. She presented a draft of proposed updates to the Retirement Employer Participation Agreement to include provisions of the Defined Contribution Plan. House Bill 1419 revises the correctional officer definition and expands eligibility in the Public Safety Plan to include dispatchers and emergency medical services personnel. The Law Enforcement Retirement Employer Participation Agreement was amended to reflect the expanded eligibility. Both agreements were reviewed with updates provided by legal counsel. Discussion followed.

SENATOR DEVER MOVED TO APPROVE THE RETIREMENT EMPLOYER PARTICIPATION AGREEMENTS TO ALLOW A NEW POLITICAL SUBDIVISION TO JOIN THE RETIREMENT PLAN DUE TO THE PROVISIONS OF HOUSE BILL 1146, AND TO ALLOW A POLITICAL SUBDIVISION THAT ELECTS TO OFFER THE LAW ENFORCEMENT RETIREMENT PLAN TO INCLUDE DISPATCHERS AND EMERGENCY MEDICAL SERVICES PERSONNEL IN THE ELIGIBLE CLASS OF EMPLOYEES FOR THE PLAN DUE TO THE PROVISIONS OF HOUSE BILL 1419. THE MOTION WAS SECONDED BY MR. VOLK.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

Proposed Administrative Rules

Ms. Rebecca Fricke presented proposed administrative rules related to the two board policies adopted at the May meeting for elected county officials and their participation in the NDPERS retirement plan. She explained the process to declare them emergency rules.

MR. VOLK MOVED TO APPROVE MOVING FORWARD WITH THE RULEMAKING PROCESS WITH THE PROPOSED ADMINISTRATIVE RULES, SPECIFICALLY

APPROVAL FOR EMERGENCY RULE PROMULGATION. THE MOTION WAS SECONDED BY MR. BUCK.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

OPERATIONS / ADMINISTRATIVE

Audit Committee Minutes

Ms. Shawna Piatz recapped topics that were discussed at the May 12th Audit committee meeting and shared minutes from the February meeting.

Sagitec Maintenance Contract

Mr. Hohbein presented the 2025-2027 agreement for licensing fees and application development services with Sagitec Solutions for the PERSLink business system. The agreement also includes one-time additional funding for two additional developers our agency was appropriated, as well as a project manager to help us manage the large IT projects currently in process.

REPRESENTATIVE DOCKTER MOVED TO APPROVE THE MAINTENANCE AND SUPPORT AGREEMENT WITH SAGITEC SOLUTIONS LLC FOR THE 2025-27 BIENNIUM, AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE AGREEMENT. THE MOTION WAS SECONDED BY MR. BUCK.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

Presort Contract

Mr. Hohbein presented the 2025-2027 agreement for courier and mail services with Presort Plus.

MR. BUCK MOVED TO APPROVE THE COURIER AND MAIL SERVICES AGREEMENT WITH PRESORT PLUS, LLC FOR THE 2025-27 BIENNIUM, AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE AGREEMENT. THE MOTION WAS SECONDED BY MR. ERICKSON.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

Office Lease

Mr. Hohbein presented a proposed lease to extend the current office space at the Century Center building for the upcoming biennium.

MR. VOLK MOVED TO APPROVE THE EXTENSION OF THE PROPOSED OFFICE LEASE AGREEMENT TO JUNE 30, 2027, AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE AGREEMENT. THE MOTION WAS SECONDED BY MR. ERICKSON.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

UHY External Audit Contract

Mr. Hohbein stated the State Auditor's Office has selected UHY LLP to conduct the audit of both RIO and PERS. Discussion followed.

REPRESENTATIVE DOCKTER MOVED TO APPROVE THE CONTRACT FOR UHY LLP AND AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE AGREEMENT. THE MOTION WAS SECONDED BY MR. ERICKSON.

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

Nays: None

Absent: Mr. Miller

MOTION PASSED

Contracts Under \$10,000

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

Next Meeting date: July 8, 2025

The meeting was adjourned at 11:11 A.M.

Submitted by:

Jan Lund
Assistant to the NDPERS Board