

MINUTES

North Dakota Public Employees Retirement System Tuesday, March 4, 2025 8:30 A.M.

Members Present: Mr. Gerald Buck
Representative Greg Stemen
Representative Jason Dockter
Mr. Bryan Klipfel
Ms. Casey Goodhouse
Mr. Tyler Erickson

Members by Teams: Chairman Mike Seminary
Mr. Jeffry Volk
Mr. Adam Miller
Senator Kyle Davison

Members Absent: Senator Dick Dever

Others Present: Ms. Rebecca Fricke, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Michaela Huntington, NDPERS
Ms. Shawna Piatz, NDPERS
Ms. Aime Miller, NDPERS
Mr. Scott Anderson, RIO
Ms. Kim Haug, SHP

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 February 7, 2025, meeting minutes.

REPRESENTATIVE STEMEN MOVED TO APPROVE THE MINUTES OF THE FEBRUARY 7, 2025, MEETING MINUTES. THE MOTION WAS SECONDED BY MR. BUCK AND CARRIED BY A VOICE VOTE. THE MINUTES WERE APPROVED.

CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

None reported.

PRESENTATIONS

Annual Defined Benefit Investment Review

Mr. Scott Anderson, Chief Investment Officer for the Retirement & Investment Office, provided a review of the NDPERS retirement funds investment performance for the 2024 calendar year. He addressed investment performance and drivers of growth, inflation, and a historical account of recessions as the Federal Reserve lowered rates. A snapshot of performance showed a 9.2% total fund return net. Discussion followed.

Retiree Health Insurance Credit (RHIC) Overview

Ms. Michaela Huntington outlined the RHIC program including eligibility requirements, calculation methodology, eligible and ineligible premiums. The educational presentation is given this time of

year because of the March 31st claim submission deadline, that when missed by a member, may result in an appeal to the board. Ms. Huntington shared background about the third-party administrator, ASIFlex. She reviewed procedures for claim submission and claim processing as well as deadlines for reimbursement. She noted that a RHIC reimbursement is a non-taxable benefit. Discussion followed

DEFERRED COMPENSATION / DEFINED CONTRIBUTION

457 Companion Plan & 401(a) Plan 4th Quarter 2024 Report

Mr. Derrick Hohbein presented the 4th Quarter Report that was reviewed by the Investment Subcommittee. Mr. Hohbein provided an overview of the assets and the number of participants in each plan. The board looked at benchmarks and fund/investment news. The two plans have 10,724 (10,835 in Quarter 3) participants with \$248.5 million (\$251.0 million in Quarter 3) in assets.

GROUP INSURANCE / FLEXCOMP

Sanford Health Plan Renewal Repricing Update

Ms. Rebecca Fricke informed the board that Sanford Health Plan was requested to review the renewal increase that was provided to the board in late 2024. SHP reported the claims experience still warrants the premium increase offered through the renewal and does not support a lower premium for the upcoming 2025-2027 biennium. Discussion followed.

Sanford Health Plan Updates

Ms. Fricke provided two updates to the NDPERS health insurance plan.

The first is a change by SHP on a high-cost medication, Stelara. Stelara is moving to the non-preferred tier on the formulary effective April 1, 2025. Stelara is a high-cost biologic medication that was the costliest medication prescribed to NDPERS members in 2024. A biosimilar medication is now available that will have the same clinical effect and reduce pharmacy expenses. There are 52 members who had a prescription filled for Stelara within the past 6 months. Sanford Health Plan indicated that notice has been sent to these members. Discussion followed.

The second update is a new campaign being offered through +Oscar. This is a member engagement tool that was approved by the board. The new campaign is for member engagement for those with certain skin conditions.

LEGISLATION / ADMINISTRATIVE RULES

Legislation Update

Ms. Fricke provided a summary of the status of the bills that staff are tracking this legislative session. She provided a table listing the bills and noted a few of the bills are only being monitored with no testimony provided.

OPERATIONS / ADMINISTRATIVE

Audit Committee Report

Ms. Shawna Piatz reviewed the approved minutes from the November 2024 Audit Committee meeting. There were no actionable items.

Contracts under \$10,000

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

Annual Communication Plan

Ms. Aime Miller summarized the communication efforts for the current year. She highlighted those related to the transition to the new Defined Contribution 2025 Plan.

National Employee Benefits Day

Ms. Goodhouse provided background about what the board has done in the past to recognize staff for Employee Benefits Day. Discussion followed.

Quarterly Consultant Fees

The board reviewed the quarterly report that shows the consulting, investment, and administrative fees paid during the fourth quarter 2024.

Performance Bonuses for HB 1040

Executive Management discussed distributing performance bonuses to the staff who contributed to making the transition a success to the Defined Contribution 2025 Plan for new hires. Depending on the work effort involved with the transition, proposed bonuses would range from \$250 - \$1,500.

Executive Management has identified more than 25% of staff who should be eligible to receive a performance bonus for their work on the transition. Currently, the NDPERS HR Policy Manual contains language that limits the distribution of performance bonuses. NDCC 54-06-30 was amended in 2019, and there is no longer a 25% limitation under either NDCC or administrative rules. Staff did not identify this change the last time the HR policy manual was updated. Therefore, the Board will need to approve a deviation from our policy manual to pay out the proposed bonuses. Discussion followed.

REPRESENTATIVE STEMEN MOVED TO APPROVE A DEVIATION FROM THE HUMAN RESOURCE POLICY MANUAL TO PAYOUT PERFORMANCE BONUSES RELATING TO THE IMPLEMENTATION OF HB 1040. THE MOTION WAS SECONDED BY MR. BUCK.

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

Nays: None

Absent: Senator Dever

MOTION PASSED

The board discussed also awarding a performance bonus to the Executive Director, Rebecca Fricke. Discussion followed.

MR. ERICKSON MOVED TO APPROVE AWARDING A PERFORMANCE BONUS IN THE AMOUNT OF \$1,500 TO REBECCA FRICKE RELATING TO THE IMPLEMENTATION OF HB 1040. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

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

Nays: None

Absent: Senator Dever

MOTION PASSED

MEMBER

Unforeseeable Financial Hardship Case #906

This agenda item was noticed for Executive Session pursuant to N.D.C.C. §44-04-19.2(1) and §54-52-26 to discuss confidential records relating to retirement benefits of a member or a beneficiary regarding member appeals or hardship withdrawal requests.

All members named above, attorney 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 10:12 A.M. The member was present by phone. The meeting returned to Open Session at 10:30 A.M.

Discussion followed in open session.

MR. ERICKSON MOVED TO APPROVE THE APPLICANT'S REQUEST FOR A HARDSHIP WITHDRAWAL FROM THEIR 457 DEFERRED COMPENSATION ACCOUNT. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

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

Nays: None

Absent: Senator Dever

MOTION PASSED

The next regular meeting date of the NDPERS board is Friday, April 4th at 2:30 P.M.

The meeting was adjourned at 10:36 A.M.

Submitted by:

Jan Lund
Assistant to the NDPERS Board