

MINUTES

North Dakota Public Employees Retirement System Tuesday, October 14, 2025 8:00 A.M.

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

Members by Teams: Senator Kyle Davison
Ms. Casey Goodhouse
Mr. Adam Miller

Others Present: Mr. Derrick Hohbein, NDPERS
Ms. Katheryne Korom, NDPERS
Ms. Marcy Aldinger, NDPERS
Mr. Scott Anderson, RIO
Ms. Gretchen Schiilng, SHP
Ms. Kim Haug, SHP
Mr. Robert Gauss, Ice Miller

Chairman Mike Seminary called the meeting to order at 8:02 A.M. Roll call was taken, and a quorum was present.

Chairman Mike Seminary congratulated the team at NDPERS on receiving the Governor's Award for Excellence in Public Service for 2025.

Chairman Mike Seminary also recognized Mr. Volk as a recipient of a community leadership award from the Fargo Moorhead Chamber of Commerce.

MINUTES

Chairman Mike Seminary called for questions or comments regarding the September 9, 2025, and the September 25, 2025, Special Meeting minutes.

MR. JEFFRY VOLK MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 9, 2025, MEETING AND THE SEPTEMBER 25, 2025, SPECIAL MEETING. THE MOTION WAS SECONDED BY MR. TYLER ERICKSON. 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

Annual Investment Performance Update

Scott Anderson from the Retirement and Investment Office presented the annual investment performance report for the NDPERS fund.

He discussed the performance of various asset classes over the past 10 years, highlighting the strong performance of domestic equities and the challenges faced by small-cap stocks. He also covered performance overview, market risks, and asset allocation. Mr. Anderson shared the impact of inflation and interest rates on investment returns. Portfolio performance at the 3, 5, and 10 year marks were reviewed and it was noted that performance has been strong, with a 10-year above expectation rate of 7.8%.

He closed his presentation with a risk summary, identifying potential risks such as inflation, equity valuation, and credit stress. He highlighted the importance of monitoring these risks to ensure the portfolio's stability and performance.

Discussion followed.

DEFERRED COMPENSATION / DEFINED CONTRIBUTION

New Enrollee Additional Contribution Elections and Employer Reporting Errors

Ms. Fricke discussed two issues related to the additional contribution elections for new enrollees in the 2025 Defined Contribution plan. Rebecca explained that some member elections were processed before the employment start date.

The second issue is failure of the employer to report the hiring of an eligible employee to NDPERS in a timely manner after the new employee's employment start date, which resulted in these new employees not having their full 30 day election window, or in some cases no election window.

Ice Miller (federal law consultant) believes board policies could be established to address both situations. Staff confirmed with legal counsel that policies could be adopted by the Board for resolution.

MR. VOLK MOVED TO APPROVAL TO IMPLEMENT A POLICY TO ADDRESS THE ISSUE WITH NEW ENROLLEES IN THE DEFINED CONTRIBUTION PLAN SIGNING AND/OR SUBMITTING ELECTIONS REGARDING ADDITIONAL CONTRIBUTIONS PRIOR TO THEIR EMPLOYMENT START DATE. 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

MR. ERICKSON MOVED TO APPROVE THAT THE POLICY SHOULD ENSURE IT IS NARROW IN SCOPE, THAT THE EMPLOYER PROVIDES DEMONSTRABLE WRITTEN DOCUMENTATION OF THE ERROR (ON PART OF EMPLOYER) HAVING OCCURRED, AND ALLOWS THE EXECUTIVE DIRECTOR TO PROVIDE AN EXTENSION TO THE MEMBER OF NO MORE THAN 30 DAYS FROM THE DATE THE EMPLOYER'S ERROR IS DOCUMENTED, PROVIDED THE ERROR IS ATTRIBUTABLE SOLELY TO THE EMPLOYER'S FAILURE TO TIMELY REPORT THE EMPLOYEE'S HIRE OR FORWARD AN EMPLOYEE'S ELECTION TO NDPERS. THE POLICY WILL BE ADMINISTERED UPON ADOPTION AND THE ADDITIONAL CONTRIBUTION ELECTION SUBMITTED THROUGH THE EXTENSION WILL BE CONTRIBUTED PROSPECTIVELY ONLY. THE MOTION WAS SECONDED BY MR. VOLK.

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

457(b) Deferred Compensation Plan Document and 457(b) Deferred Compensation Companion Plan Document

Ms. Aldinger presented proposed updates to the 457 Deferred Compensation Plan document incorporating recent changes to the federal Secure 2.0 Act. These updates include expanded catch-up contributions, unforeseeable hardship certifications, and the inclusion of Roth options for all participants.

MR. ERICKSON MOVED TO APPROVE THE AMENDED 457(B) DEFERRED COMPENSATION PLAN DOCUMENT AND 457(B) DEFERRED COMPENSATION COMPANION PLAN DOCUMENT EFFECTIVE JANUARY 1, 2026. THE MOTION WAS SECONDED BY MR. BUCK.

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

Nays: None

Absent: None

MOTION PASSED

DEFINED BENEFIT

Retiree Health Insurance Credit (RHIC) Program Contract Amendment

The board reviewed the contract amendment for the RHIC program plan year 2026-2027 administered by ASIFlex.

MR. BUCK MOVED TO APPROVE THE CONTRACT AMENDMENT FOR THE RETIREE HEALTH INSURANCE CREDIT (RHIC) PROGRAM WITH ASIFLEX FOR THE JANUARY 1, 2026, THROUGH DECEMBER 31, 2027, CONTRACT PERIOD AND SIGNED BY CHAIRMAN SEMINARY. 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

Mr. Klipfel left the meeting at 8:55 A.M.

GROUP INSURANCE / FLEXCOMP

Sanford Health Plan Formulary Changes Effective January 1, 2026

Ms. Fricke shared a memo from Sanford Health Plan related to changes to the formulary list for the health insurance plan, effective January 1, 2026. The changes include the removal of three drugs from the formulary list and restricting GLP-1 medications to a 30-day supply. Ms. Gretchen Shilling, SHP Director of Pharmacy, provided additional detail regarding these changes. Discussion followed.

LEGISLATION / ADMINISTRATIVE RULES

Legislation Implementation

Ms. Fricke provided an update on the progress of implementing legislation, noting that bills with July 1st or August 1st effective dates have been implemented. She also mentioned ongoing efforts for other bills with later effective dates and acknowledged the efforts of the staff in achieving this milestone. She discussed the coordination efforts with Sanford Health Plan and the use of reserves to cover costs associated with these bills because there was no appropriation provided for House Bill 1216 and House Bill 1322.

OPERATIONS / ADMINISTRATIVE

Contracts Under \$10,000

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

The next meeting will be Wednesday, October 29th, beginning at 8:30 AM.

The meeting was adjourned at 9:10 A.M.

Submitted by:

Jan Lund

Assistant to the NDPERS Board