

2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND JUNE 30, 2024



**NORTH DAKOTA
PUBLIC EMPLOYEES RETIREMENT SYSTEM**

AN AGENCY OF THE STATE OF NORTH DAKOTA

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2025 and June 30, 2024

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Prepared by the staff of the North Dakota Public Employees Retirement System
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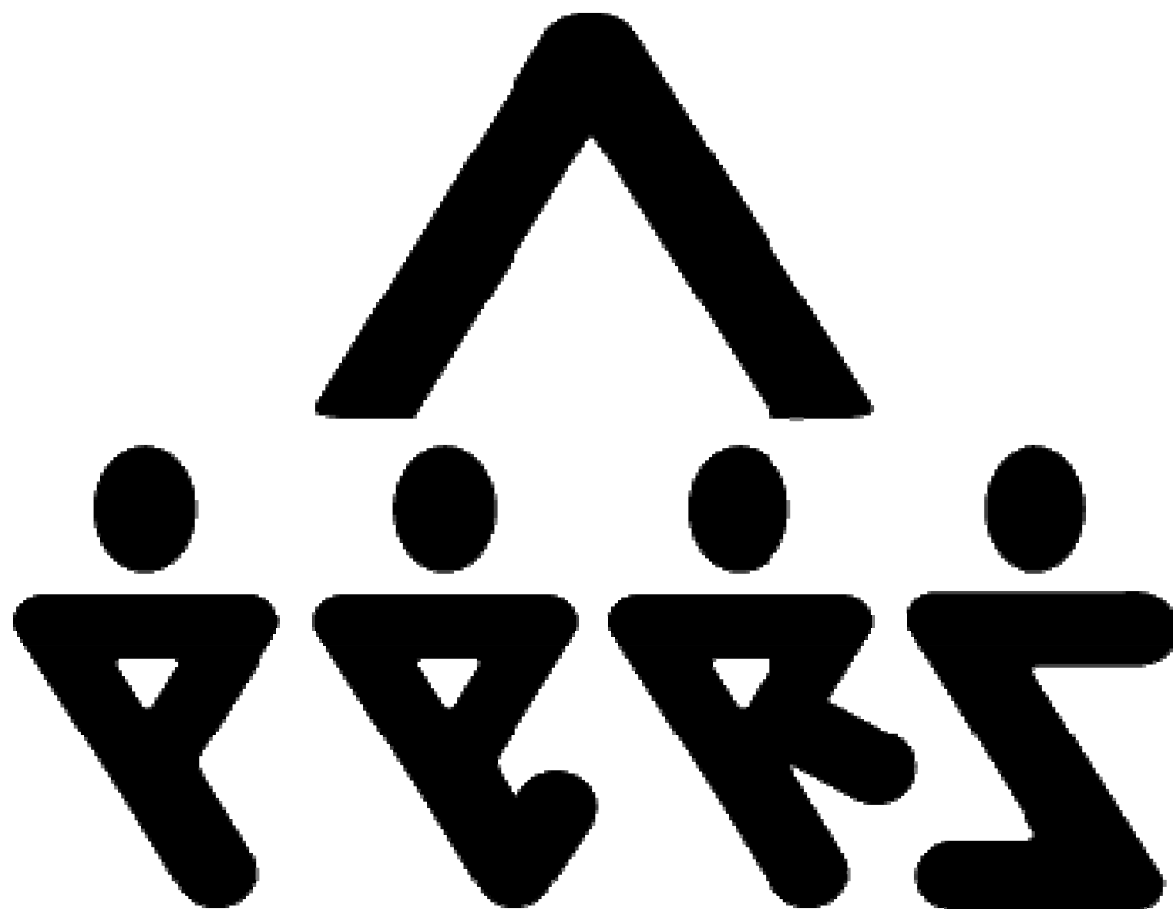
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INTRODUCTORY SECTION



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2025***

Presented to

North Dakota Public Employees' Retirement System

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in black ink, reading 'Robert A. Wylie'.

Robert A. Wylie
Program Administrator



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

North Dakota Public Employees Retirement System

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



**North Dakota
Public Employees Retirement System**
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Rebecca Fricke
Executive Director
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December 17, 2025

Board of Trustees
Members of the System

We are pleased to present the Annual Comprehensive Financial Report for the North Dakota Public Employees Retirement System (System) for the fiscal year ended June 30, 2025. The management of the System is responsible for both the accuracy of the data and the completeness and fairness of the presentation.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The System's MD&A can be found immediately following the report of the independent auditors in the Financial Section.

Plan History and Services Provided

The System is the administrator of three defined benefit pension plans and a defined contribution retirement plan. The System also manages and administers the retiree health insurance credit program, the uniform group insurance program, the deferred compensation program, and the pretax benefits program. Following is a brief overview of the statistical and financial highlights for each of these programs for the fiscal year ended June 30, 2025.

Defined Benefit Pension Plans

The Public Employees Retirement System (PERS) is a cost-sharing multiple-employer retirement plan. PERS was established July 1, 1966 as a defined contribution plan and was changed to a defined benefit plan by the 1977 North Dakota Legislature. PERS covers employees of the State of North Dakota and its agencies, and various participating political subdivisions. PERS also covers Supreme and District Court Judges and public safety officers, including participating political subdivision police, firefighters, dispatchers, emergency medical services personnel, and correctional officers as well as retirees of the National Guard plan. The Highway Patrolmen's Retirement System (HPRS) is a single-employer defined benefit plan established July 1, 1949 that covers substantially all sworn officers of the North Dakota Highway Patrol. The System became the administrator of this plan effective July 1, 1983. The Retirement Plan for Employees of Job Service North Dakota (Job Service Plan) is a single-employer defined benefit plan established July 1, 1961 and is limited to employees participating in the plan as of September 30, 1980. The System became the administrator of the Job Service plan effective August 1, 2003.

PERS has 44,362 contributing members and 16,342 retirees and beneficiaries currently receiving benefits. HPRS has 216 contributing members and 155 retirees and beneficiaries. The Job Service Plan has 1 contributing member and 155 retirees. The employers participating in PERS include 100 state agencies and 382 political subdivisions.

PERS, HPRS and Job Service Plan are accounted for as pension trust funds.

Defined Contribution Retirement Plan

An optional Defined Contribution Retirement Plan (DC Plan) was established effective January 1, 2000. The DC Plan was available to state employees who were in positions not classified by the Human Resource Management Services division of the State of North Dakota. Employees of the judicial branch or the Board of Higher Education and State Institutions under the jurisdiction of the Board of Higher Education are not eligible to participate in the Plan. The 2013 Legislative Assembly passed legislation to expand eligibility for the Plan to include all new state employees hired on or after October 1, 2013 through July 31, 2017. Eligibility then reverted back to non-classified employees. Beginning January 1, 2025, newly enrolled members that would otherwise have met eligibility to participate in the Main Plan will be redirected into the Defined Contribution Plan. The Plan has 1,580 active participants.

The defined contribution retirement plan is accounted for as a pension trust fund.

Retiree Health Insurance Credit Program

This program was created by the North Dakota Legislature in 1989, and closed to new entrants effective January 1, 2020. It is designed to provide members with a benefit that can be used to offset the cost of their health insurance premiums during their retirement years. There are 15,326 contributing members and 14,784 retired participants currently receiving benefits.

The retiree health insurance credit program is accounted for as an other post-employment benefit trust fund.

Uniform Group Insurance Program

Group Health Insurance. The System began administering the group health insurance plan in 1971. There are 24,833 active and retired contracts under this plan as of June 30, 2025. Total covered lives, including spouses and dependents, are 58,938. As of June 30, 2025 there were 118 political subdivisions participating in the group health program. The health insurance premiums paid to Sanford Health Plan for the fiscal year ended June 30, 2024 totaled \$377.9 million. This last year, the System continued its efforts to reduce the trend in health care costs by promoting wellness through online programs and supporting health club memberships and providing on-site wellness programs and premium discounts to employers that have on-site wellness programs. In addition, the System continued targeted programs that include Healthy Pregnancy, diabetes management and prevention, an opioid management program, as well as a value based care arrangement coordinated with Sanford Health Plan.

Group Life Insurance. The System began administering the group life insurance plan in 1971. There are 19,873 active and 3,053 retired employees covered under the basic life insurance plan. Active employees have the option of purchasing additional life insurance under the employee supplemental, dependent supplemental, and spouse supplemental provisions of the plan. The life insurance premiums paid to Voya for the fiscal year ended June 30, 2025 totaled \$4.2 million. As of fiscal year end, there is \$2.152 billion of life insurance in force for all participants covered by this plan.

Voluntary Insurance Products. The 1995 North Dakota Legislature authorized the System to offer voluntary insurance products, specifically dental, vision and long term care insurance. On January 1, 1997, the System began offering a dental plan and long term care plan, and on January 1, 2003, a vision plan was offered. There are 15,354 participants in the dental plan and 15,140 participants in the vision plan. NDPERS' administration of the long term care plan was discontinued as of January 1, 2019.

Employee Assistance Program. The 1997 North Dakota Legislature authorized the System to administer an employer-sponsored Employee Assistance Program (EAP) for all state employees, effective August 1, 1997. The System has contracted with four EAP vendors to provide services to employees and their families. The System collects the monthly premiums from the employers and remits them to the appropriate vendor. Approximately 16,200 state employees are covered under this program.

The uniform group insurance plan is a public entity risk pool and is accounted for as an enterprise fund.

Deferred Compensation Program

This is a voluntary, supplemental retirement plan provided in accordance with Section 457 of the Internal Revenue Code. It allows eligible employees to defer and invest income on a pretax basis to be withdrawn at a later date, usually at retirement. The System has administered the Plan since 1987. Thirteen companies have agreed to provide investment services for the State's deferred compensation program. The System is the trustee for deferred compensation assets totaling \$197.2 million; provider companies hold the remaining plan assets of \$244.2 million in custodial accounts for the exclusive benefit of participants and their beneficiaries. Approximately 18,181 employees participate in this program.

The deferred compensation program is accounted for as an other employee benefit trust fund.

Pretax Benefits Program (FlexComp)

This program was established by the North Dakota Legislature in 1989 in accordance with Section 125 of the Internal Revenue Code. It allows eligible employees to elect to reduce their salaries to pay for qualified insurance premiums, medical expenses, and dependent care expenses on a pretax basis. There are 2,589 participants in the medical and dependent care spending accounts. Employee contributions to the spending accounts totaled \$5.95 million. Starting in January 2013, the System contracted with a benefits service company for processing spending account reimbursements.

The pretax benefits program is accounted for as an other employee benefit trust fund.

Major Initiatives

Retirement

- Transitioned the primary retirement plan to a Defined Contribution Plan for the majority of future employees
- Updated the process of refunding negative adjustments directly to members vs. employers
- Implemented contribution increases in our Public Safety Plans to ADEC rates
- Analyzed Federal requirements for the passage of Secure 2.0

Group Insurance

- Renewed our Medicare Part D contract with the incumbent provider
- Renewed our Health contract with the incumbent provider
- Renewed our life insurance contract with the incumbent provider
- Went out to bid for our EAP providers and selected four options for our employers to choose from

Administrative

- Upgraded the process for dual members with our sister system
- Created a dashboard interface to help maintain the integrity of our data
- Continued an initiative to embed forms into correspondence generated by staff

Financial Information

The financial statements included in this report are the responsibility of the System's management and have been prepared in accordance with generally accepted accounting principles for governmental accounting and reporting as pronounced or adopted by the Governmental Accounting Standards Board and the Financial Accounting Standards Board. Management is also responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and are recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Management has established a comprehensive framework of internal controls to provide a reasonable basis for asserting that the financial statements are fairly presented. Because the cost of a control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The expenses of the System are monitored through two budgetary controls. The majority of the administrative expenditures are appropriated each biennium by the North Dakota Legislature; certain statutorily-prescribed expenses (including benefit payments, actuarial and consulting fees and audit fees) have received a continuing appropriation from the North Dakota Legislature and are reviewed directly by the System's Board.

Revenues and Expenses

Investment earnings, together with employee and employer contributions, are the funding sources for the benefits provided through the System. The main expenses of the System are benefit payments and the cost of administering the System. The following tables show the combined revenues and expenses for the PERS, HPRS and Job Service plans for fiscal years 2025 and 2024:

(Millions)	Fiscal Year	Fiscal Year		Percentage
<u>Revenue Type</u>	<u>2025</u>	<u>2024</u>	<u>Change in \$s</u>	<u>Change</u>
Employee Contributions	\$ 113.2	\$ 103.8	\$ 9.4	9.1%
Employer Contributions	145.0	125.5	19.5	15.5
General Fund Income	65.0	138.0	(103.0)	(74.6)
Investment Income	<u>525.2</u>	<u>361.0</u>	<u>164.2</u>	<u>45.5</u>
Total	\$ 848.4	\$ 491.1	\$ 357.3	72.8%
<u>Expense Type</u>				
Benefits	\$ 297.4	\$ 281.1	\$ 16.3	5.8%
Refunds & Transfers	20.8	20.5	0.3	1.5
Administrative Expenses	<u>3.4</u>	<u>3.0</u>	<u>0.4</u>	<u>13.3</u>
Total	\$ 321.6	\$ 304.6	\$ 17.0	5.6%

The increase in revenues reflects stronger financial markets as well as a cash infusion from the general fund. The increase in expenses is primarily due to an increase in the total number of retirees who are receiving pension payments.

Funding Status

The funding goal of any retirement system is to accumulate sufficient assets to pay all of its promised benefits as they come due. The annual valuation of the System's assets and liabilities performed by

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the System's actuary provides the best current estimate of the System's funding status and allows the Board to monitor funding progress.

A common measure of the strength of a pension system is to express the assets as a percentage of liabilities - the greater the percentage, the stronger the funding position of the System. The July 1, 2025 actuarial valuation reports the actuarial value of assets for PERS at \$4,629 million, which is 71.9% of the actuarial accrued liabilities of \$6.434 million. The actuarial value of assets for HPRS is \$115.2 million, which is 69.2% of the actuarial accrued liabilities of \$166.4. The Job Service Plan is fully funded. The actuarial value of assets for the Job Service Plan is \$81.3 million, which is 122.7% of the actuarial present value of benefits of \$66.3 million.

The Retiree Health Insurance Credit Program is advance-funded on an actuarially-determined basis. As of fiscal year end, the program's actuarial value of assets is 71.3% of the actuarial accrued liability. As of June 30, 2025 the annual gross normal cost for this plan is \$4.1 million.

Funding progress is covered in more detail in the actuarial section of this report.

Investments

The North Dakota State Investment Board (SIB) invests the funds for the PERS, HPRS and Job Service Plans. Chapter 21-10 of the North Dakota Century Code states that the SIB shall apply the prudent investor rule when investing funds under its supervision. The prudent investor rule means that in making investments, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation, but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. All funds must be invested exclusively for the benefit of the System's members and all investments are made in accordance with the System's long-term investment objectives and performance goals.

The combined fair value of assets for PERS and HPRS as of June 30, 2025 is \$4.9 billion, which is an increase of 12.0% from the previous year. The fair value of assets for Job Service as of June 30, 2025 is \$84.6 million, an increase of 2.2% from the previous year. During the fiscal year ended June 30, 2025 the System's portfolio remained broadly diversified with investments in domestic and international equities, domestic and international fixed income securities, real estate, private equity, timber, infrastructure, and cash equivalents.

The PERS and HPRS assets had an annualized rate of return of 12.00% for the fiscal year ended June 30, 2025. The annualized rate of return was 9.63% for the last three years and 9.36% for the last five years. The annualized rate of return for the fiscal year ended June 30, 2025 for the Job Service Plan was 8.91%. The annualized rate of return was 5.95% for the last three years and 3.54% for the last five years.

The assets of the Retiree Health Insurance Credit Program are also invested with the SIB. The fair value of assets as of June 30, 2025 is \$205.6 million, which is 11.6% higher than the previous year. The assets earned an annualized rate of return of 13.34% for the fiscal year ended June 30, 2025. The annualized rate of return was 12.25% for the last three years and 8.60% for the last five years. During the fiscal year ended June 30, 2025, the System's portfolio remained broadly diversified with investments in domestic and international equities and fixed income securities.

The assets of the defined contribution retirement plan are invested according to the direction of each participating member. The participant can select from nine investment categories and a mutual fund window, as provided by the Board. The investment categories are designed to cover a broad range of investment options to allow the participant to structure an investment strategy that meets their

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individual return objectives and risk tolerances. The fair value of assets in the defined contribution retirement plan as of June 30, 2025 is \$30.6 million, which is a 31.9% increase from the previous year.

More detailed information on investment policies, schedule of fees and commissions, performance results and asset allocation can be found in the Investment Section of this report.

Independent Audit

The financial statements contained in this report were audited by the accounting firm of UHY, under the direction of the North Dakota State Auditor. The auditors' opinion was unmodified (clean) for the System for the year ended June 30, 2025.

Achievement Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the North Dakota Public Employees Retirement System for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The North Dakota Public Employees Retirement System has received a Certificate of Achievement for the last twenty-nine consecutive years (fiscal years ended June 30, 1996 - 2024). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for their review.

Acknowledgements

The preparation of this report is the result of the combined effort of the System's staff. It is intended to provide complete and accurate information concerning the activities and results of operations. Copies of this report are available to employers, members and other interested parties upon request or it can be downloaded from the System's website.

Sincerely,



Derrick Hohbein, CPA, MBA, CEBS
Chief Operating & Financial Officer



Lindsay Schaf, MBA, CEBS
Chief Benefits Officer



Rebecca Fricke
Executive Director

The Retirement Board is the governing authority of the Public Employees Retirement System and consists of eleven persons. A North Dakota citizen who is neither a state or political subdivision employee is appointed by the Governor to serve as Chairman of the Board. The Governor is responsible for appointing three other members in addition to the Chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

The Board members, and their respective terms, are as follows:



Mike Seminary
Chairperson
Term Expires 6/30/2025



Tyler Erickson
Member Elected
Term Expires 6/30/2028



Adam Miller
Member Elected
Term Expires 6/30/27



Casey Goodhouse
Member Elected
Term Expires 6/30/29



Rep. Greg Stemen
Appointed by
Legislative Management



Rep. Jason Dockter
Appointed by
Legislative Management



Senator Kyle Davison
Appointed by
Legislative Management



Senator Dick Dever
Appointed by
Legislative Management



Jeffrey Volk
Appointed by
the Governor



Bryan Klipfel
Appointed by
the Governor

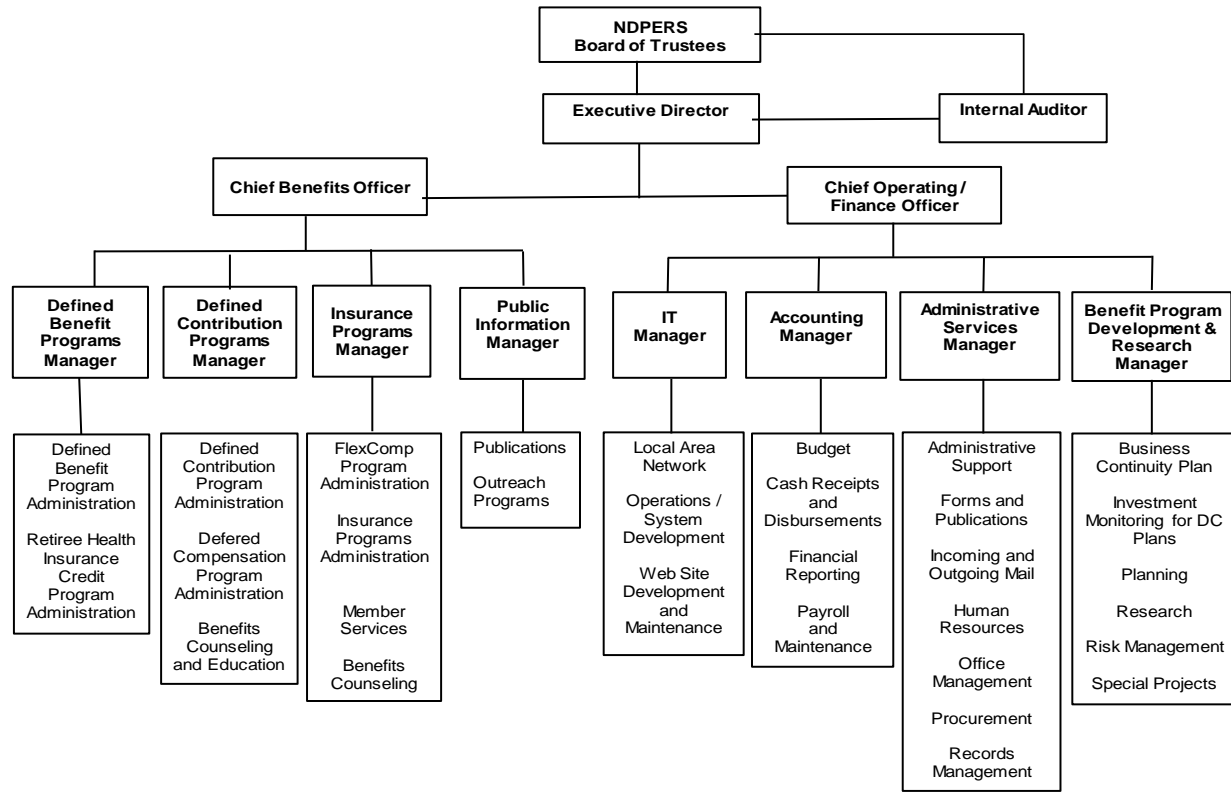


Gerald Buck
Appointed by
the Governor

THE RETIREMENT BOARD

The Board's mission is to champion the health and financial security of our members by providing comprehensive, innovative retirement and insurance benefit solutions through collaboration and personalized support.

Organizational Chart



ADMINISTRATION

Rebecca Fricke, *Interim Executive Director & Chief Benefits Officer*
 Derrick Hohbein, CPA, MBA *Chief Operating / Finance Manager*
 Shawna Platz, CPA, CIA, *Chief Audit Executive*
 MaryJo Anderson, *Defined Benefits Programs Manager*
 Marcella Aldinger, *Defined Contribution Programs Manager*
 Lindsay Schaf, *Insurance Programs Administrator*
 Aime Miller, *Public Information Manager*
 Mandy Nagel, *IT Manager*
 Robin Mistelski, *Accounting Supervisor*
 Janis Lund, *Administrative Services Manager*
 Katheryne Korom, *Research and Project Manager*

See the following page for a listing of professionals who provide services to the North Dakota Public Employees Retirement System and pages 102-103 in the Investment Section for a summary of fees paid to investment professionals.

Consulting & Professional Services

ACTUARY:

Gabriel Roeder Smith & Company
Chicago, IL

AUDITOR:

UHY LLP
Irvine, CA

DISABILITY CONSULTANT:

Essentia Health
Bismarck, ND

INSURANCE CONSULTANT:

Deloitte Consulting LLP
Minneapolis, MN

3rd PARTY PAYMENT PROCESSING

ASI Flex (Flexcomp & RHIC Reimbursements)
Columbia, MO

INVESTMENT CONSULTANT

Callan LLC
San Francisco, CA

INVESTMENT SERVICES:

North Dakota Retirement & Investment Office
Bismarck, ND

LEGAL COUNSEL:

North Dakota Attorney General's Office
Bismarck, ND

DENTAL INSURANCE CARRIER:

Delta Dental of Minnesota
Minneapolis, MN

HEALTH INSURANCE CARRIER:

Sanford Health Plan
Sioux Falls, SD

LIFE INSURANCE CARRIER:

Voya Financial
New York, NY

VISION INSURANCE CARRIER:

Superior Vision
Rancho Cordova, CA

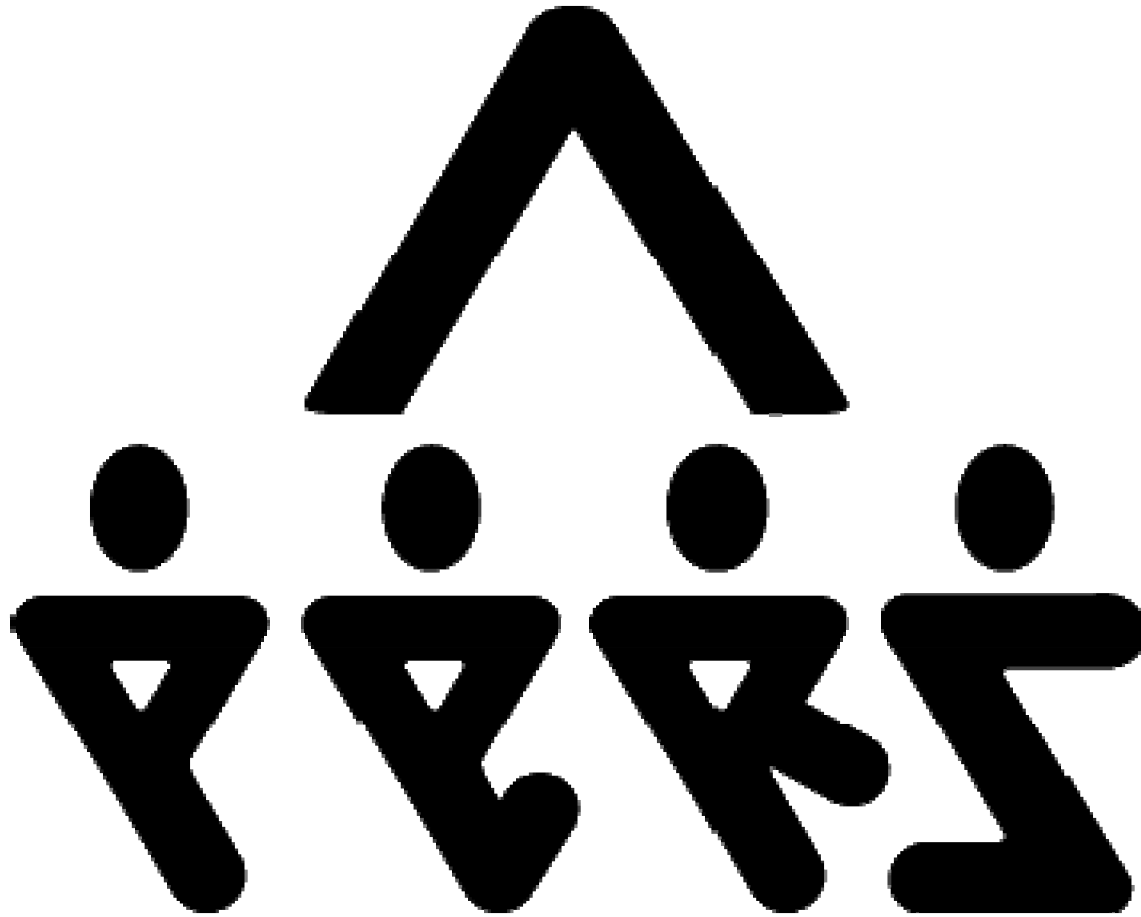
EMPLOYEE ASSISTANCE PROGRAM VENDORS:

Bee Health
New York, NY

CHI - St. Alexius
Bismarck, ND

ComPsych
Chicago, IL

Village Family Services
Fargo, ND



FINANCIAL SECTION

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**



INDEPENDENT AUDITOR'S REPORT

Governor Kelly Armstrong
The Legislative Assembly

Rebecca Fricke, Interim Executive Director
North Dakota Public Employees' Retirement System
Bismarck, North Dakota

Opinion

We have audited the accompanying financial statements of the proprietary fund and each of the individual fiduciary funds of the North Dakota Public Employees' Retirement System (the System), a department of the State of North Dakota, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the proprietary fund and the fiduciary net position of each of the individual fiduciary funds of the System, as of June 30, 2025, and the respective changes in financial and net position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Prior Year Financial Statements

We have previously audited the System's financial statements as of and for the year ended June 30, 2024, and we expressed an unmodified opinion on those statements in our report dated November 25, 2024. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

Emphasis of Matter

As discussed in Note 1, the financial statements of the System are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the State of North Dakota that is attributable to the transactions of the System. They do not purport to, and do not, present fairly the financial position, changes in financial position, and, where applicable, the cash flows of the State of North Dakota as of June 30, 2025, and for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of changes to the net pension liability and related ratios, schedule of changes to the net other post-employment benefit liability and related ratios, employer contributions and investment returns and related notes, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of administrative expenses – fiduciary funds, investment expenses – fiduciary funds and consulting expenses – fiduciary funds and the statement of appropriations are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

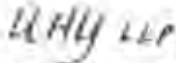
Other Information included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises of the introductory, investment, actuarial and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2025, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.



Columbia, Maryland
November 24, 2025

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

Management's Discussion and Analysis (MD&A) of the North Dakota Public Employees Retirement System's (NDPERS) financial performance provides an overview of the system's financial activities for the fiscal years ended June 30, 2025 and 2024. Please read it in conjunction with the basic financial statements, which follow this discussion.

NDPERS administers a total of seven fiduciary funds. This includes three defined benefit pension trust funds (PERS, Highway Patrol and Job Service), one defined contribution pension trust fund, the retiree health insurance credit trust fund, the deferred compensation trust fund and pretax benefits trust fund. NDPERS also administers one proprietary fund, the Uniform Group Insurance Program, which is an enterprise fund.

Financial Highlights – Pension and Other Employee Benefit Plans

- As of June 30, 2025, and 2024, the Plan Fiduciary Net Position (FNP) as a percentage of the Total Pension Liability (TPL) and Total OPEB Liability (TOL) for each pension and OPEB fund is shown below:

	2025	2024
Public Employees Retirement System	74.3%	68.6%
Highway Patrolmen Retirement System	69.6%	59.1%
Retirement Plan for Employees of Job Service of ND	127.5%	117.8%
Retiree Health Insurance Credit Fund	76.0%	68.4%

The increases in the FNP as a percentage of the TPL for the Public Employees Retirement System (PERS) and the Highway Patrol System were mainly due to general fund cash infusions and investment returns for the fiscal year. The increase in the FNP as a percentage of the TPL Job Service of ND was primarily the result of investment returns for the year. The increases in the FNP as a percentage of the TOL for the Retiree Health Insurance Credit plan was primarily the result of investment earnings.

- The change in fiduciary net position for all trust funds administered by NDPERS increased to \$583.4 million during the fiscal year ended June 30, 2025. This increase is primarily due to increased investment earnings as well as lump sum infusions into the PERS Plan (\$65.0 million).

<i>(in thousands)</i>	Change in Net Position 2025	Change in Net Position 2024
Public Employees Retirement System	\$ 516,887	\$ 421,347
Highway Patrolmen Retirement System	11,695	9,186
Retiree Health Insurance Credit Fund	21,052	18,258
Defined Contribution Retirement Fund	8,010	3,481
Pretax Benefits Fund	(92)	56
Deferred Compensation Plan	24,083	26,973
Retirement Plan for Employees of Job Service ND	1,732	(682)
Total Change in Plan Fiduciary Net Position	<u>\$ 583,367</u>	<u>\$ 478,619</u>

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

Financial Highlights – Uniform Group Insurance Program

- Net position increased by \$0.15 million or 0.3% in fiscal year 2025. The increase is primarily a result of investment earnings for the year ended June 30, 2025. Net position increased by \$1.33 million or 2.2% in fiscal year 2024. The increase is primarily a result of investment earnings for the year ended June 30, 2024.

Overview of the Financial Statements

The MD&A is intended to serve as an introduction and overview of the basic financial statements for NDPERS, which include the fund financial statements and notes to the financial statements.

Financial Statements

There are two financial statements presented for the fiduciary funds. The Statements of Fiduciary Net Position as of June 30, 2025 and 2024 indicate the net position available to pay future benefits and gives a snapshot at a particular point in time. The Statements of Changes in Fiduciary Net Position for the years ended June 30, 2025 and 2024 provide a view of the current year's additions and deductions to the individual trust funds.

There are three financial statements presented for the proprietary fund. The Statements of Net Position as of June 30, 2025 and 2024 provide a snapshot at a particular point in time of the net position available for use by this program. The Statements of Revenues, Expenses, and Changes in Fund Net Position for the years ended June 30, 2025 and 2024, provide a view of the current year's operating and non-operating revenues and expenses for the enterprise fund. The Statements of Cash Flows for the years ended June 30, 2025 and 2024 show the cash used and provided by operating activities as well as the net increase or decrease in cash due to operating and investing activities for the years presented.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 18-55 of this report.

Required supplementary information. The required supplementary information consists of a Schedule of Employer Contributions, Schedule of Changes to the Net Pension Liability and Related Ratios, and Schedule of Investment Returns for the defined benefit pension trust funds and a Schedule of Net OPEB Liability and related ratios, Schedule of Employer Contributions and Schedule of Investment Returns for the Retiree Health Insurance Credit advance funded plan.

Other supplementary schedules. The other supplementary schedules consist of a Schedule of Investment Expenses, Administrative Expenses, Consulting Expenses and Appropriations.

Financial Analysis

The financial results for fiscal years 2025, 2024 and 2023 are summarized on page 6. The information in the tables on the following page are condensed from the Financial Statements.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

Statement of Fiduciary Plan Net Position (condensed, in thousands)

	June 30, 2025	% Change	June 30, 2024	% Change	June 30, 2023
Assets					
Cash	\$ 23,291	5.0%	\$ 22,183	-1.2%	\$ 22,443
Receivables	33,421	29.7%	25,760	0.5%	25,628
Investments	5,420,752	11.9%	4,844,449	11.0%	4,366,046
Invested Securities Lending Collateral	45,423	-29.1%	64,062	133.2%	27,467
Software & Equipment, Net of Accumulated Depreciation	148	-30.5%	213	-25.5%	286
Total Assets	5,523,035	11.4%	4,956,667	11.6%	4,441,870
Liabilities					
Long-Term Liabilities	316	107.9%	152	15.2%	132
Other Liabilities	51,590	-25.0%	68,755	110.9%	32,595
Total Liabilities	51,906	-24.7%	68,907	110.6%	32,727
Fiduciary Net Position	\$ 5,471,129	11.9%	\$ 4,887,760	10.9%	\$ 4,409,143

The total assets for all fiduciary funds as of June 30, 2025 were \$5.52 billion and were comprised mostly of investments. For the fiscal year ended June 30, 2025 net position increased \$583.4 million. The increase was primarily due to financial market gains during the fiscal year as well as a lump sum infusion into the PERS Plan (\$65.0 million). For the fiscal year ended June 30, 2024 net position increased \$478.6 million. The increase was primarily due to financial market gains during the fiscal year as well as lump sum infusions into the PERS Plan (\$135.0 million) and Highway Patrol Plan (\$3 million).

Total liabilities as of June 30, 2025 decreased \$17.1 million due to a decrease in securities lending collateral. Total liabilities as of June 30, 2024 increased \$36.2 million due to an increase in securities lending collateral.

Statement of Changes in Fiduciary Plan Net Position (condensed, in thousands)

	June 30, 2025	% Change	June 30, 2024	% Change	June 30, 2023
Additions					
Contributions	\$ 301,205	12.6%	\$ 267,390	13.8%	\$ 235,058
Transfers In	69,774	-50.1%	139,836	6639.1%	2,075
Net Investment Income/(Loss)	576,142	40.0%	411,393	25.1%	328,787
Other	6,848	-12.1%	7,788	12.7%	6,908
Total Additions	953,969	15.4%	826,407	44.3%	572,828
Deductions					
Benefit Payments	341,027	6.1%	321,395	8.7%	295,696
Transfers Out	2,661	252.5%	755	42.2%	531
Refunds	20,839	1.6%	20,512	12.7%	18,194
Administrative Expenses	6,075	18.5%	5,126	16.8%	4,388
Total Deductions	370,602	6.6%	347,788	9.1%	318,809
Change in Fiduciary Net Position	\$ 583,367	21.9%	\$ 478,619	88.4%	\$ 254,019

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

Additions. Contributions, transfers in and earnings on invested funds are the primary additions that are accumulated and used to pay benefits for each of the plans. Contributions and transfers in, combined, decreased by \$36.2 million for the year ended June 30, 2025 and increased \$170.1 million for the year ended June 30, 2024. The decrease in 2025 is primarily a result of reductions in lump sum cash infusions received from the state and the increase in contributions in 2024 is a result of membership and payroll growth as well as lump sum cash infusions received from the state totaling \$138.0 million in 2024. Investment earnings increased \$164.7 million in 2025. Investment earnings increased by \$82.6 million in 2024 from the previous year. The change in Other Additions for June 30, 2025 and June 30, 2024 is primarily due to fluctuations in service purchase payments received during the year.

Deductions. Total deductions increased by \$22.8 million or 6.5% for the fiscal year ended June 30, 2025. Total deductions increased by \$29.0 million or 9.1% for the fiscal year ended June 30, 2024. The increase each year was due to an increase in benefit payments, which reflects the increase in the total number of retirees who are receiving pension payments, as well as the significant increase in refunds/transfers.

Statement of Proprietary Fund Net Position (in thousands)

	June 30, 2025	% Change	June 30, 2024	% Change	June 30, 2023
Assets					
Cash & Investments	\$ 60,829	0.2%	\$ 60,715	0.9%	\$ 60,191
Receivables	869	7.8%	806	97.1%	409
Capital Assets	47	-34.7%	72	-25.8%	97
Total Assets	<u>61,745</u>	0.2%	<u>61,593</u>	1.5%	<u>60,697</u>
Liabilities					
Long-Term Liabilities	95	15.9%	82	5.1%	78
Other Liabilities	544	-2.7%	559	-44.1%	1,000
Total Liabilities	<u>639</u>	-0.3%	<u>641</u>	-40.5%	<u>1,078</u>
Net Position	<u>\$ 61,106</u>	0.3%	<u>\$ 60,952</u>	2.2%	<u>\$ 59,619</u>

The net position for the proprietary fund increased by \$0.15 million during the fiscal year ended June 30, 2025. The increase is mostly due to investment earnings. The net position for the proprietary fund increased by \$1.33 million during the fiscal year ended June 30, 2024. The increase is mostly due to investment earnings.

Total assets, as of June 30, 2025, were \$61.7 million and were comprised mainly of cash and investments. Total assets increased by \$0.1 million from the prior fiscal year primarily due to a investment earnings. Total assets, as of June 30, 2024, were \$61.6 million and were comprised mainly of cash and investments. Total assets increased by \$0.7 million from the prior fiscal year primarily due to an investment earnings. Total assets, as of June 30, 2023, were \$60.7 million and were comprised mainly of cash and investments.

Total liabilities, as of June 30, 2025, were \$0.6 million, \$0.6 million as of June 30, 2024 and \$1.1 million as of June 30, 2023, and were comprised mostly of unearned premiums, which represent premiums received before they are due as well as a liability to Sanford Health Plan as of June 30, 2023, as further explained in Note 14.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025 AND 2024**

The net position of the proprietary fund consists primarily of cash and investments and is to pay administrative expenses of the uniform group insurance program, reduce premium payments/increases, and increase insurance coverage.

Statement of Changes in Proprietary Fund Net Position (in thousands)

	June 30, 2025	% Change	June 30, 2024	% Change	June 30, 2023
Operating Revenues					
Premium Revenues	\$ 406,057	1.0%	\$ 402,092	13.0%	\$ 355,842
Administrative Fee	947	0.0%	947	-0.5%	952
Miscellaneous	(201)	-346.7%	(45)	93.8%	(728)
Total Operating Revenues	406,803	0.9%	402,994	13.2%	356,066
Non-Operating Revenues					
Net Investment Income	4,158	-5.7%	4,411	93.9%	2,275
Total Revenues	410,961	0.9%	407,405	13.7%	358,341
Operating Expenses					
Premium Expenses	408,220	1.2%	403,518	13.4%	355,924
Administrative Expenses	2,261	3.1%	2,194	4.0%	2,110
Total Operating Expenses	410,481	1.2%	405,712	13.3%	358,034
Non-Operating Expense					
Transfer Out	325	-9.7%	360	28.6%	280
Change in Net Position	<u>\$ 155</u>	-88.4%	<u>\$ 1,333</u>	4837.0%	<u>\$ 27</u>
Total Net Position	\$ 61,106	0.3%	\$ 60,952	2.2%	\$ 59,619

Contacting NDPERS Financial Management

This financial report is designed to provide our members, annuitants, employers, business partners and the general public with a general overview of the System's financial activities. If you have questions about this report or need additional financial information, contact the North Dakota Public Employees Retirement System, PO Box 1657, Bismarck, ND 58502.

North Dakota Public Employees Retirement System – Financial Section
Statement of Net Position – Proprietary Fund
June 30, 2025 and 2024

	Uniform Group Insurance Program	
	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,402,147	\$ 1,583,916
Invested Cash	2,503,300	2,972,589
Commingled Domestic Fixed Income Investments	56,923,358	56,158,352
Prepaid Premiums	396,138	340,601
Accounts Receivable	472,765	465,470
Total Current Assets	61,697,708	61,520,928
NONCURRENT ASSETS		
Invested Securities Lending Collateral	1,189,184	645,709
Capital Assets (Net of Depreciation/Amortization)	47,096	72,011
Total Assets	62,933,988	62,238,648
LIABILITIES		
CURRENT LIABILITIES		
Salaries Payable	117,162	115,249
Accounts Payable	372,739	425,653
Due to Other State Agencies	14,116	10,561
Accrued Compensated Absences	39,664	7,991
Total Current Liabilities	543,681	559,454
NONCURRENT LIABILITIES		
Securities Lending Collateral	1,189,184	645,709
Accrued Compensated Absences	95,614	82,001
Total Liabilities	1,828,479	1,287,164
NET POSITION		
Net Investment in Capital Assets	47,096	72,011
Unrestricted Net Position	61,058,413	60,879,473
Total Net Position	\$ 61,105,509	\$ 60,951,484

North Dakota Public Employees Retirement System – Financial Section
Statements of Revenues, Expenses, and Changes in Fund Net Position—Proprietary Fund
For the Fiscal Year Ended June 30, 2025 and 2024

	Uniform Group Insurance Program	
	2025	2024
OPERATING REVENUES		
Premium Revenues	\$ 406,057,431	\$ 402,092,046
Administrative Fee	946,090	945,863
Underwriting Loss	(207,028)	(51,175)
Miscellaneous	6,028	6,408
Total Operating Revenues	406,802,521	402,993,142
OPERATING EXPENSES		
Premium Expenses	408,220,277	403,517,899
Salaries and Wages	1,398,734	1,399,041
Operating Expenses	390,958	389,033
Professional Fees	349,665	293,175
Data Processing	96,812	87,754
Amortization	24,915	24,915
Total Operating Expenses	410,481,361	405,711,817
Operating Gain (Loss)	(3,678,840)	(2,718,675)
NON-OPERATING REVENUES AND EXPENSES		
Investment Income (Loss)	4,242,784	4,489,103
Investment Expenses	(84,919)	(77,925)
Total Non-Operating Revenues and Expenses	4,157,865	4,411,178
INCOME BEFORE TRANSFERS	479,025	1,692,503
TRANSFERS OUT	325,000	360,000
Change in Net Position	154,025	1,332,503
Total Net Position - Beginning of Year	60,951,484	59,618,981
TOTAL NET POSITION - END OF YEAR	<u>\$ 61,105,509</u>	<u>\$ 60,951,484</u>

North Dakota Public Employees Retirement System – Financial Section
Statements of Cash Flows – Proprietary Fund
For the Fiscal Year Ended June 30, 2025 and 2024

	Uniform Group Insurance Program	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Premiums Collected	\$ 406,057,431	\$ 402,092,046
Administrative Fees Collected	883,258	548,976
Payments to Suppliers	(886,794)	(1,217,443)
Premiums Paid	(408,220,277)	(403,517,899)
Payments to Employees	(1,351,535)	(1,388,205)
Underwriting Gain (Loss)	(207,028)	(51,175)
Miscellaneous Income	6,028	6,407
Net Cash Provided (Used) by Operating Activities	(3,718,917)	(3,527,293)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Purchase of Investments	(765,006)	(482,100)
Investment Income/(Loss)	4,242,784	4,489,103
Investment Expense	(84,919)	(77,925)
Net Cash Provided (Used) by Investing Activities	3,392,859	3,929,078
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers Out	(325,000)	(360,000)
Net Cash Used by Financing Activities	(325,000)	(360,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(651,058)	41,785
Cash and Cash Equivalents - Beginning of Year	4,556,505	4,514,720
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,905,447</u>	<u>\$ 4,556,505</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (3,678,840)	\$ (2,718,675)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Amortization	24,915	24,915
Effect of Changes in Assets and Liabilities:		
Accounts Receivable	(7,295)	(165,131)
Unearned Premium	(55,537)	(231,757)
Due from Other Fiduciary Funds	-	-
Salaries Payable	1,913	6,008
Accrued Compensated Absences	45,286	4,828
Accounts Payable	(52,914)	(449,137)
Due to Other State Agencies	3,555	1,656
Net Cash Provided (Used) by Operating Activities	<u>\$ (3,718,917)</u>	<u>\$ (3,527,293)</u>

North Dakota Public Employees Retirement System – Financial Section
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2025

	Public Employees Retirement System	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Plan	Retirement Plan for Employees of Job Service North Dakota	Total
ASSETS								
Cash	\$ 20,946,658	\$ -	\$ 1,620,048	\$ 113,186	\$ 116,829	\$ 395,109	\$ 98,847	\$ 23,290,677
Receivables:								
Contribution Receivable	17,286,548	730,209	829,890	772,870	579,405	1,381,907	395	21,581,224
Interest Receivable	11,445,429	286,464	3,137	-	-	-	914	11,735,944
Due from Other Fiduciary Funds	104,299	-	-	-	-	-	-	104,299
Due from Other State Agencies	-	-	174	-	-	-	-	174
Total Receivables	28,836,276	1,016,673	833,201	772,870	579,405	1,381,907	1,309	33,421,641
Investments:								
External Investment Pool	4,737,912,467	117,898,562	-	-	-	-	-	4,855,811,029
Equities	-	-	136,732,646	-	-	-	16,847,794	153,580,440
Fixed Income	-	-	68,634,974	1,016,833	-	7,451,887	67,137,033	144,240,727
Mutual Funds	-	-	-	29,264,710	-	233,385,768	-	262,650,478
Invested Cash	-	-	226,619	318,934	-	3,328,386	595,239	4,469,178
Total Investments	4,737,912,467	117,898,562	205,594,239	30,600,477	-	244,166,041	84,580,066	5,420,751,852
Invested Securities Lending Collateral	44,312,662	1,110,622	-	-	-	-	-	45,423,284
Machinery & Equipment (Net of Depreciation/Amortization)	2,864	-	-	-	-	-	-	2,864
Capital Assets (Net of Depreciation/Amortization)	68,191	684	38,434	197	8,121	28,870	244	144,741
Total Assets	4,832,079,118	120,026,541	208,085,922	31,486,730	704,355	245,971,927	84,680,466	5,523,035,059

North Dakota Public Employees Retirement System – Financial Section
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2025

	Public Employees Retirement System	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Plan	Retirement Plan for Employees of Job Service North Dakota	Total
LIABILITIES								
Salaries Payable	\$ 191,094	\$ -	\$ -	\$ 79	\$ 27,429	\$ 52,410	\$ -	\$ 271,012
Accounts Payable	5,202,241	-	353,055	801	14,819	44,569	144,525	5,760,010
Due to Other State Agencies	18,274	-	924	249	2,789	5,073	-	27,309
Due to Other Fiduciary Funds	-	-	104,299	-	-	-	-	104,299
Amounts Held in Custody for Others	-	-	-	-	-	4,585	-	4,585
Securities Lending Collateral	44,312,662	1,110,622	-	-	-	-	-	45,423,284
Accrued Compensated Absences	180,371	-	-	-	45,093	90,185	-	315,649
Total Liabilities	49,904,642	1,110,622	458,278	1,129	90,130	196,822	144,525	51,906,148
FIDUCIARY NET POSITION								
Restricted for Pensions	4,782,174,476	118,915,919	-	31,485,601	-	245,775,105	84,535,941	5,262,887,042
Restricted for Postemployment Healthcare Benefits	-	-	207,627,644	-	-	-	-	207,627,644
Restricted for Pretax Benefits	-	-	-	-	614,225	-	-	614,225
Total Fiduciary Net Position Held in Trust	<u>\$ 4,782,174,476</u>	<u>\$ 118,915,919</u>	<u>\$ 207,627,644</u>	<u>\$ 31,485,601</u>	<u>\$ 614,225</u>	<u>\$ 245,775,105</u>	<u>\$ 84,535,941</u>	<u>\$ 5,471,128,911</u>

North Dakota Public Employees Retirement System – Financial Section
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2024

	Public Employees Retirement System	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Plan	Retirement Plan for Employees of Job Service North Dakota	Total
ASSETS								
Cash	\$ 19,608,033	\$ -	\$ 1,583,500	\$ 190,245	\$ 186,007	\$ 513,932	\$ 101,129	\$ 22,182,846
Receivables:								
Contribution Receivable	12,944,304	730,305	862,111	95,215	565,906	1,358,625	759	16,557,225
Interest Receivable	8,978,952	220,640	1,202	-	-	-	430	9,201,224
Due from Other State Agencies	-	-	183	-	-	-	-	183
Total Receivables	21,923,256	950,945	863,496	95,215	565,906	1,358,625	1,189	25,758,632
Investments:								
External Investment Pool	4,227,892,525	106,269,095	-	-	-	-	-	4,334,161,620
Equities	-	-	120,260,279	-	-	-	16,452,057	136,712,336
Fixed Income	-	-	63,927,579	1,772,155	-	7,989,660	66,270,484	139,959,878
Mutual Funds	-	-	-	20,745,279	-	207,072,484	-	227,817,763
Invested Cash	-	-	57,181	680,639	-	5,009,937	49,324	5,797,081
Total Investments	4,227,892,525	106,269,095	184,245,039	23,198,073	-	220,072,081	82,771,865	4,844,448,678
Invested Securities Lending Collateral	62,523,660	1,537,979	-	-	-	-	-	64,061,639
Machinery & Equipment (Net of Depreciation/Amortization)	3,663	-	-	-	-	-	-	3,663
Capital Assets (Net of Depreciation/Amortization)	102,789	1,146	49,456	287	14,491	44,835	366	213,370
Total Assets	4,332,053,926	108,759,165	186,741,491	23,483,820	766,404	221,989,473	82,874,549	4,956,668,828

North Dakota Public Employees Retirement System – Financial Section
Statement of Fiduciary Net Position – Fiduciary Funds
June 30, 2024

	Public Employees Retirement System	Highw ay Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Plan	Retirement Plan for Employees of Job Service North Dakota	Total
LIABILITIES								
Salaries Payable	\$ 170,948	\$ -	\$ -	\$ 3,927	\$ 25,689	\$ 170,948	\$ -	\$ 371,512
Accounts Payable	3,952,995	-	165,491	4,163	14,415	82,722	70,908	4,290,694
Due to Other State Agencies	14,668	-	-	402	2,715	5,124	-	22,909
Amounts Held in Custody for Others	-	-	-	-	-	8,405	-	8,405
Securities Lending Collateral	62,523,934	1,537,705	-	-	-	-	-	64,061,639
Accrued Compensated Absences	104,032	-	-	-	17,351	30,339	-	151,722
Total Liabilities	66,766,577	1,537,705	165,491	8,492	60,170	297,538	70,908	68,906,881
FIDUCIARY NET POSITION								
Restricted for Pensions	4,265,287,349	107,221,460	-	23,475,328	-	221,691,935	82,803,641	4,700,479,713
Restricted for Postemployment Healthcare Benefits	-	-	186,576,000	-	-	-	-	186,576,000
Restricted for Pretax Benefits	-	-	-	-	706,234	-	-	706,234
Total Fiduciary Net Position Held in Trust	<u>\$ 4,265,287,349</u>	<u>\$ 107,221,460</u>	<u>\$ 186,576,000</u>	<u>\$ 23,475,328</u>	<u>\$ 706,234</u>	<u>\$ 221,691,935</u>	<u>\$ 82,803,641</u>	<u>\$ 4,887,761,947</u>

North Dakota Public Employees Retirement System – Financial Section
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Fiscal Year Ended June 30, 2025

	Public Employees Retirement System	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Plan	Retirement Plan for Employees of Job Service North Dakota	Total
ADDITIONS								
Contributions:								
From Employer	\$ 141,401,901	\$ 3,587,419	\$ 12,392,992	\$ 2,085,309	\$ -	\$ 9,149	\$ -	\$ 159,476,770
From Employee	110,729,651	2,515,950	7,213	1,813,182	5,907,591	20,750,690	4,359	141,728,636
Transfers from Other Plans	-	-	-	1,885,886	-	775,000	-	2,660,886
Contributions from General Fund	65,000,000	-	-	-	-	-	-	65,000,000
Transfer from Proprietary Fund	-	-	-	-	-	325,000	-	325,000
From External Plans	-	-	-	459,396	-	1,328,352	-	1,787,748
Total Contributions	317,131,552	6,103,369	12,400,205	6,243,773	5,907,591	23,188,191	4,359	370,979,040
Investment Income:								
Net Change in Fair Value of Investments	447,330,871	11,224,327	18,764,233	1,802,177	-	15,324,664	3,594,719	498,040,991
Interest and Dividends	67,174,728	1,685,306	6,005,844	914,982	3,083	8,730,439	3,738,864	88,253,246
Less Investment Expense	(9,282,249)	(237,998)	(626,730)	(24,915)	-	-	(293,708)	(10,465,600)
Net Investment Income/(Loss)	505,223,350	12,671,635	24,143,347	2,692,244	3,083	24,055,103	7,039,875	575,828,637
Securities Lending Income	382,543	9,602	-	-	-	-	-	392,145
Less Securities Lending Expenses	(76,421)	(1,918)	-	-	-	-	-	(78,339)
Repurchase Service Credit	5,552,427	80,310	210,207	-	-	-	-	5,842,944
FICA Tax Savings	-	-	-	-	960,493	-	-	960,493
Miscellaneous Income (Expense)	36,447	108	299	7,550	-	-	-	44,404
Total Additions	828,249,898	18,863,106	36,754,058	8,943,567	6,871,167	47,243,294	7,044,234	953,969,324
DEDUCTIONS								
Benefits Paid to Participants	285,101,479	6,974,308	-	839,787	5,943,307	21,589,984	5,293,266	325,742,131
Refunds	20,672,067	151,810	14,913	-	-	-	-	20,838,790
Prefunded Credit Applied	-	-	15,285,082	-	-	-	-	15,285,082
Transfers to Other Plans	2,210,885	-	-	-	450,000	-	-	2,660,885
	307,984,431	7,126,118	15,299,995	839,787	6,393,307	21,589,984	5,293,266	364,526,888
Administrative Expenses	3,378,340	42,529	402,419	93,507	569,869	1,570,140	18,668	6,075,472
Total Deductions	311,362,771	7,168,647	15,702,414	933,294	6,963,176	23,160,124	5,311,934	370,602,360
CHANGE IN FIDUCIARY NET POSITION	516,887,127	11,694,459	21,051,644	8,010,273	(92,009)	24,083,170	1,732,300	583,366,964
Net Position - Beginning of Year	4,265,287,349	107,221,460	186,576,000	23,475,328	706,234	221,691,935	82,803,641	4,887,761,947
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 4,782,174,476</u>	<u>\$ 118,915,919</u>	<u>\$ 207,627,644</u>	<u>\$ 31,485,601</u>	<u>\$ 614,225</u>	<u>\$ 245,775,105</u>	<u>\$ 84,535,941</u>	<u>\$ 5,471,128,911</u>

North Dakota Public Employees Retirement System – Financial Section
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the Fiscal Year Ended June 30, 2024

	Public Employees Retirement System	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Plan	Retirement Plan for Employees of Job Service North Dakota	Total
ADDITIONS								
Contributions:								
From Employer	\$ 123,000,618	\$ 2,515,772	\$ 12,328,091	\$ 656,832	\$ -	\$ -	\$ -	\$ 138,501,313
From Employee	102,073,900	1,747,354	7,894	621,701	5,702,303	18,730,883	4,936	128,888,971
Transfers from Other Plans	-	-	-	45,482	-	710,000	-	755,482
Contributions from General Fund	135,000,000	3,000,000	-	-	-	-	-	138,000,000
Transfer from Proprietary Fund	-	-	-	-	-	360,000	-	360,000
From External Plans	-	-	-	-	-	720,860	-	720,860
Total Contributions	360,074,518	7,263,126	12,335,985	1,324,015	5,702,303	20,521,743	4,936	407,226,626
Investment Income:								
Net Change in Fair Value of Investments	293,802,907	7,282,942	16,039,784	1,769,305	-	26,705,831	1,160,091	346,760,860
Interest and Dividends	63,246,960	1,565,371	5,306,731	1,038,755	1,548	125,313	3,728,489	75,013,167
Less Investment Expense	(9,533,328)	(233,216)	(542,564)	(26,000)	-	-	(276,920)	(10,612,028)
Net Investment Income/(Loss)	347,516,539	8,615,097	20,803,951	2,782,060	1,548	26,831,144	4,611,660	411,161,999
Securities Lending Income	286,489	7,121	-	-	-	-	-	293,610
Less Securities Lending Expense	(60,961)	(1,515)	-	-	-	-	-	(62,476)
Repurchase Service Credit	6,539,922	30,861	282,386	-	-	-	-	6,853,169
FICA Tax Savings	-	-	-	-	904,911	-	-	904,911
Miscellaneous Income (Expense)	22,897	142	596	3,579	-	2,861	-	30,075
Total Additions	714,379,404	15,914,832	33,422,918	4,109,654	6,608,762	47,355,748	4,616,596	826,407,914
DEDUCTIONS								
Benefits Paid to Participants	269,179,193	6,649,852	-	581,952	5,640,538	19,276,921	5,283,299	306,611,755
Refunds	20,462,340	38,248	11,197	-	-	-	-	20,511,785
Prefunded Credit Applied	-	-	14,783,098	-	-	-	-	14,783,098
Transfers to Other Plans	405,482	-	-	-	350,000	-	-	755,482
	290,047,015	6,688,100	14,794,295	581,952	5,990,538	19,276,921	5,283,299	342,662,120
Administrative Expenses	2,985,782	40,394	370,675	46,347	561,898	1,105,954	14,976	5,126,026
Total Deductions	293,032,797	6,728,494	15,164,970	628,299	6,552,436	20,382,875	5,298,275	347,788,146
CHANGE IN FIDUCIARY NET POSITION	421,346,607	9,186,338	18,257,948	3,481,355	56,326	26,972,873	(681,679)	478,619,768
Net Position - Beginning of Year	3,843,940,742	98,035,122	168,318,052	19,993,973	649,908	194,719,062	83,485,320	4,409,142,179
FIDUCIARY NET POSITION - END OF YEAR	<u>\$ 4,265,287,349</u>	<u>\$ 107,221,460</u>	<u>\$ 186,576,000</u>	<u>\$ 23,475,328</u>	<u>\$ 706,234</u>	<u>\$ 221,691,935</u>	<u>\$ 82,803,641</u>	<u>\$ 4,887,761,947</u>

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Public Employees Retirement System (the System) is an agency of the State of North Dakota, operating through the legislative authority of North Dakota Century Code 54-52-03. As a state agency, the System is considered to be a department of the State of North Dakota and is included in the State's Annual Comprehensive Financial Report as a pension and other employee benefit trust fund except for the uniform group insurance program, which is reported as a proprietary fund.

The System is governed by an eleven-member board, eight of the members are appointed (four are appointed by the Governor, and four are appointed by Legislative Management) and the remaining three are elected by the participants of the retirement plans.

The System administers three defined benefit pension plans and one defined contribution retirement plan. The System also manages and administers the retiree health insurance credit program, the uniform group insurance program, the deferred compensation program and the pretax benefits program.

For financial reporting purposes, the System has included all funds, and has considered all potential component units for which the System is financially accountable, and other organizations for which the nature and significance of their relationship with the System are such that exclusion would cause the System's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. This criteria includes appointing a voting majority of an organization's governing body and (1) the ability of the System to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the System.

Based upon these criteria, there are no component units to be included within the System as a reporting entity and the System is part of the State of North Dakota as a reporting entity.

Fund Financial Statements

The System's only non-fiduciary activity is the administration and management of the uniform group insurance program. This program is an enterprise fund that relies to a significant extent on fees and charges for support and is shown in the separate proprietary fund financial statements.

The Statement of Net Position presents the reporting entity's non-fiduciary assets and liabilities with the difference reported as net position. Net position is reported as restricted for benefits which result when constraints on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

All other activities of the system are pension and other post-employment employee benefit trust funds and are shown in the separate fiduciary fund financial statements.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the System are reported using the economic resources measurement focus and the accrual basis of accounting.

This measurement focus includes all assets and liabilities associated with the operations of the proprietary and fiduciary funds on the statements of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The proprietary fund is used to account for the operations of the Uniform Group Insurance Program. The System has been given the responsibility to manage this public entity risk pool. The Uniform Group Insurance Program is a risk sharing pool that provides the employees of the State of North Dakota, or any of its political subdivisions, institutions, departments, or agencies, economies of scale in purchasing health, life, dental, vision, and long-term care insurance.

The fiduciary funds consist of the pension and other employee benefit trust funds that are used to account for assets held by the department in a trust capacity. These include:

Public Employees Retirement System – a cost-sharing multiple-employer defined benefit retirement plan.

Highway Patrolmen's Retirement System – a single-employer defined benefit retirement plan.

Retiree Health Insurance Credit Fund – a cost-sharing multiple employer other post-employment benefit (OPEB) plan that offsets the members' cost of health insurance during their retirement.

Defined Contribution Retirement Plan – an optional defined contribution retirement plan available to state employees in accordance with Section 401(a) of the Internal Revenue Code.

Pretax Benefits Program – allows eligible employees to elect to reduce their salaries to pay for eligible dependent care and medical expenses.

Deferred Compensation Plan – voluntary, supplemental retirement plan provided in accordance with Section 457 of the Internal Revenue Code.

Retirement Plan for Employees of Job Service North Dakota – a single-employer defined benefit retirement plan.

The System follows the pronouncements of the GASB, which is the nationally accepted standard setting body for establishing accounting principles generally accepted in the United States of America for governmental entities.

The proprietary fund is accounted for on the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when the liability is incurred, regardless of the timing of related cash flows. The proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary fund are premiums and administrative fees charged to the participants in the Uniform Group Insurance Program and underwriting gains and losses. Operating expenses include premiums, salaries and wages, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fiduciary funds are accounted for on the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each system.

Budgetary Process

The System operates through a biennial appropriation provided by the State Legislature. The System prepares a biennial budget on the modified accrual basis, which is included in the Governor's budget and presented to the General Assembly at the beginning of each legislative session. The General Assembly enacts the budgets of the various state departments through passage of specific appropriation bills. Before signing the appropriation bills, the Governor has line item veto powers over legislation, subject to legislative override. Once passed and signed, the appropriation becomes the system's financial plan for the next two years. Changes to the appropriation are subject to approval by the Emergency Commission.

The Statement of Appropriations has been prepared using the accrual basis of accounting. Unexpended appropriations lapse at the end of each biennium, except certain capital expenditures covered under the North Dakota Century Code (NDCC), Section 54-44.1-11. Expenditures not subject to appropriation of a specific amount include premium expenses, professional fees, depreciation and amortization expense, benefits and refunds paid to participants, prefunded credits applied, and employee reimbursements in the Pretax Benefits Program.

There were no supplemental appropriations during the fiscal years ending June 30, 2025 and 2024. The legal level of budgetary control is at the appropriation and expenditure line item level, with administrative controls established at lower levels of detail in certain instances.

Investment Valuation and Income Recognition

The fair value of investments is discussed in further detail in Note 2 to the financial statements.

The net change in fair value of investments consists of the realized gains or losses and the unrealized increase or decrease in fair value of investments during the year. Realized gains and losses on sales of investments are computed based on the difference between the sales price and the original cost of the investment sold. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current fiscal year were included as a change in the fair value of investments reported in the prior year(s) and the current year. Unrealized gains and losses are computed based on changes in the fair value of investments between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date. The fair value for the Stable Value option within the deferred compensation and defined contribution plans is measured at contract value.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative Securities

Derivatives are financial arrangements between two parties whose payments are based on, or “derived” from, the performance of some agreed upon benchmark. The System’s investment policy allows the use of derivative securities to hedge or replicate underlying exposures but not for speculation. All derivatives are considered investment derivative instruments. The fair value of all derivative securities are reported in the statements of fiduciary net position.

Accounts Receivable and Credit Policy

Accounts receivable primarily include amounts due for contributions, insurance premiums, employee pretax benefit deductions, and accrued interest on investments. Management reviews all receivables at year-end and assesses collectability. All remaining receivables are considered collectible.

Capital Assets and Depreciation

Capital assets, which include equipment and intangibles (software) greater than \$5,000, are presented in the accompanying financial statements at cost or estimated historical cost. Donated capital assets are stated at acquisition value at the time of donation. Capital assets acquired via lease agreements are capitalized at the inception of the agreement. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. For the years ending June 30, 2025 and 2024, the System capitalized equipment and software in accordance with Section 54-27-21 of the North Dakota Century Code.

The capital assets are depreciated on a straight-line basis over estimated useful lives ranging from five to 10 years.

Accrued Compensated Absences

Annual leave is a part of permanent employees’ compensation as set forth in Section 54-06-14 of the North Dakota Century Code. Employees are entitled to earn annual leave based on tenure of employment, within a range of a minimum of one working day per month of employment, to a maximum of two working days per month of employment, to be fixed by rules and regulations adopted by the employing unit. No more than 240 hours of annual leave may be carried forward beyond April 30th of each year. Employees are paid for unused annual leave upon termination or retirement. Permanent employees accrue sick leave from the first day of employment at the rate of eight hours per month with unlimited accumulation. Employees with at least 10 years of state employment are paid one-tenth of their accumulated sick leave under Section 54-06-14 of the North Dakota Century Code when the employee leaves the employ of the state.

The System’s liability for accumulated unpaid leave is reported in the applicable funds.

Amounts Held in Custody for Others

Amounts held in custody for others includes monies collected from participating employers for deferred compensation contributions that had not been forwarded to the investment provider company as of June 30, 2025.

Unearned Premiums

Unearned premiums include monies collected by the System from individuals or participating employers for insurance premiums before the premiums are due.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transfers to/from Other Plans

Transfers to/from other plans consist of monies transferred from the Public Employees Retirement System Defined Benefit Plan to the Defined Contribution Retirement Plan pursuant to Section 54-52.6 Subsection 3 of the North Dakota Century Code. Each eligible employee who elects to terminate membership in the Defined Benefit Plan has a lump sum amount transferred to the participating member's account under the Defined Contribution Retirement Plan. For new employees electing to transfer to the Defined Contribution Retirement Plan, the lump sum transferred is the actual employee and employer contributions plus interest. In 2025 and 2024, transfers to other plans also includes transfers from the pretax benefits program, retirement plan, and insurance plan to the deferred compensation plan to cover general administrative expenses.

Restricted Net Position

Net position restricted for benefits consists of funds on deposit with Sanford Health Plan to pay health care benefits in the event total claims incurred during the biennium exceed total premiums. This amount was \$0 as of June 30, 2025 and June 30, 2024. See Note 14 for additional discussion on the status of open contracts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates. The System utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of fiduciary net position.

New Accounting Policies

NDPERS Adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and Statement No. 102, *Certain Risk Disclosures* at July 1, 2024. GASB Statement No. 101's objective is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model. The adoption of this standard did not require a change in the NDPERS' compensated absence recognition and measurement policy. GASB Statement No. 102's objective is to provide users of the government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. NDPERS has not identified any events associated with a concentration or constraint that would require disclosure.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 DEPOSITS AND INVESTMENTS

Fair Value Measurement

The System's investments in the Defined Contribution Retirement Plan and Deferred Compensation Plan are measured and reported at fair value, and are classified according to the following hierarchy:

Level 1 – Investments that represent unadjusted quoted prices for identical instruments in active markets.

Level 2 – Investments are based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Investments are based on valuation techniques in which significant inputs are unobservable.

Defined Contribution Retirement Fund

June 30, 2025				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	June 30, 2025			
Investments at Fair Value				
Mutual Funds	\$ 29,264,710	\$ 29,264,710	\$ -	\$ -
Investments at Contract Value				
Fixed Income	1,016,833			
Investments at Amortized Cost				
Invested Cash	318,934			
Total Investments	\$ 30,600,477			
June 30, 2024				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	June 30, 2024			
Investments at Fair Value				
Mutual Funds	\$ 20,745,279	\$ 20,745,279	\$ -	\$ -
Investments at Contract Value				
Fixed Income	1,772,155			
Investments at Amortized Cost				
Invested Cash	680,639			
Total Investments	\$ 23,198,073			

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Deferred Compensation Plan

<u>June 30, 2025</u>				
	<u>June 30, 2025</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments at Fair Value				
Mutual Funds	\$233,385,768	<u>\$ 233,385,768</u>	<u>\$ -</u>	<u>\$ -</u>
Investments at Contract Value				
Fixed Income	7,451,887			
Investments at Amortized Cost				
Invested Cash	<u>3,328,386</u>			
Total Investments	<u>\$244,166,041</u>			
<u>June 30, 2024</u>				
	<u>June 30, 2024</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments at Fair Value				
Mutual Funds	\$207,072,484	<u>\$ 207,072,484</u>	<u>\$ -</u>	<u>\$ -</u>
Investments at Contract Value				
Fixed Income	7,989,660			
Investments at Amortized Cost				
Invested Cash	<u>5,009,937</u>			
Total Investments	<u>\$220,072,081</u>			

Investments Measured at the Net Asset Value – Proprietary Fund

	<u>June 30, 2025</u>
Global Fixed Income	<u>\$ 56,923,358</u>
	<u>June 30, 2024</u>
Global Fixed Income	<u>\$ 56,158,352</u>

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments Measured at the Net Asset Value – Fiduciary Funds

	June 30, 2025			
	Public Employees Retirement System	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Retirement Plan for Employees of Job Services North Dakota
Commingled External Investment Pools	\$ 4,737,912,467	\$ 117,898,562	\$ -	\$ -
Commingled Equities	-	-	136,732,646	16,847,794
Commingled Fixed Income	-	-	68,634,974	67,137,033
Total Investments Measured at the Net Asset Value	<u>\$ 4,737,912,467</u>	<u>\$ 117,898,562</u>	<u>\$ 205,367,620</u>	<u>\$ 83,984,827</u>

	June 30, 2024			
	Public Employees Retirement System	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Retirement Plan for Employees of Job Services North Dakota
Commingled External Investment Pools	\$ 4,227,892,525	\$ 106,269,095	\$ -	\$ -
Commingled Equities	-	-	120,260,279	16,452,057
Commingled Fixed Income	-	-	63,927,579	66,270,484
Total Investments Measured at the Net Asset Value	<u>\$ 4,227,892,525</u>	<u>\$ 106,269,095</u>	<u>\$ 184,187,858</u>	<u>\$ 82,722,541</u>

Net Asset Value Measurement

The System's investments in the Uniform Group Insurance Program are held in an external investment pool with the North Dakota Retirement and Investment Office and are valued at Net Asset Value (NAV). The System's investments in commingled cash are valued at amortized cost. There are no unfunded commitments and the plan may redeem investments daily with a one day redemption notice period.

The System's investments in the Public Employees Retirement System and Highway Patrol Retirement System are held in an external investment pool with the North Dakota Retirement and Investment Office and are valued at Net Asset Value (NAV). There are no unfunded commitments and the plan may redeem investments daily with a one day redemption notice period.

The System's investments in the Retiree Health Insurance Credit Fund are directly managed and held in an individual investment account with the North Dakota Retirement and Investment Office and are valued at NAV as of June 30, 2025 and 2024. There are no unfunded commitments and the plan may redeem investments daily with a one day redemption notice period. For the years ended June 30, 2025 and 2024, the Retirement Plan for Employees of Job Service of North Dakota's investments were held in an individual investment pool with the North Dakota Retirement and Investment Office and were valued at Net Asset Value (NAV). There were no unfunded commitments and the plan may redeem investments daily with a one day redemption notice period.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits

According to North Dakota Century Code 21-04-01, the System is required to bank at the state-owned and operated Bank of North Dakota. The System receives interest for funds on deposit in all accounts.

Cash and cash equivalents for reporting purposes, includes cash and short-term, highly liquid investments that are readily convertible to known amounts of cash are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. This includes investments with original maturity of three months or less at the time of acquisition.

	2025	2024
Cash Deposits at the Bank of North Dakota Recorded as Cash and Cash Equivalents	\$ 22,464,110	\$ 21,498,302
Cash Deposits at State Treasury Recorded as Cash and Cash Equivalents	2,228,714	2,399,761
Cash Held by the North Dakota Retirement and Investment Office Recorded as Cash and Cash Equivalents	2,503,300	2,972,589
Guaranteed Investment Contract with Health Plan Provider Recorded as Cash and Cash Equivalents	-	10,398
Total Cash and Cash Equivalents	<u>\$ 27,196,124</u>	<u>\$ 26,881,050</u>

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of the failure of a depository financial institution, the System will not be able to recover the deposits. The System does not have a formal policy that limits custodial risk for deposits. Deposits at the Bank of North Dakota and the State Treasury are uncollateralized but are guaranteed by the State of North Dakota (NDCC Section 6-09-10).

At June 30, 2025 and 2024, the carrying amount of the System's cash deposits were \$84,119,482 and \$83,039,402 and the bank balances were \$82,842,590 and \$81,890,017. All of the System's deposits are uncollateralized and uninsured at June 30, 2025 and 2024.

Investments

Total investments of the fiduciary funds of the System as of June 30, 2025 and 2024, consisted of the following:

	2025	2024
Equity Securities	\$ 3,096,210,857	\$ 2,721,091,203
Fixed Income Securities	1,282,740,338	1,163,573,127
Real Assets	740,707,349	698,182,769
Mutual Funds	262,650,478	227,817,763
Invested Cash	38,442,830	33,783,816
	<u>\$ 5,420,751,852</u>	<u>\$ 4,844,448,678</u>

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

All investments of the fund, except for the Defined Contribution Retirement Plan and Deferred Compensation Plan, are to be made by the North Dakota State Investment Board (SIB). Chapter 21-10-07 of the North Dakota Century Code requires that all investments made by this state agency, be made using the prudent investor rule.

Investments of the Defined Contribution Retirement Plan and the Deferred Compensation Plan are participant directed and are held by Empower.

The System's Board is responsible for establishing the investment policy for the fund assets, which includes setting investment goals and specifying the percentage of assets to be invested in various types of investments. The investment goals are viewed over the long term. The Board recognizes the plans' performance objectives, benefit projections, and capital market expectations when determining the asset allocation. The SIB is responsible for managing the System's investments in accordance with the investment policy. The following were the System's asset allocation policies for the Public Employees Retirement System, Highway Patrolmen's Retirement System, Retirement Plan for Employees of Job Service of North Dakota, and Retiree Health Insurance Credit Fund as of June 30, 2025.

Asset Class	Target Allocation		
	PERS & HPRS	JSND	RHIC
Domestic Equities	32.30%	2.00%	39.00%
International Equities	18.70%	18.00%	26.00%
Private Equity	7.00%	6.00%	0.00%
Domestic Fixed Income	23.00%	74.00%	35.00%
Global Real Assets	19.00%	0.00%	0.00%
Total	100.00%	100.00%	100.00%

Rate of return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested. The annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense for the years ended June 30, 2025 and 2024 are:

	2025	2024
Public Employees Retirement System	12.06%	9.14%
Highway Patrolman's Retirement System	12.13%	8.85%
Job Service Plan	9.12%	6.03%
Retiree Health Insurance Credit Fund	13.43%	12.84%

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk

All investments of the Public Employees Retirement System, Highway Patrolmen's Retirement System, and Uniform Group Insurance Program are invested in an external investment pool managed by SIB. The pool is not rated. The System does not have a formal credit risk policy that limits the credit risk of the investments.

All investments of the Retirement Plan for Employees of Job Service of North Dakota and Retiree Health Insurance Credit Fund are managed and invested by the SIB in institutional equity and fixed income mutual funds. The fixed income funds are rated AA. The System does not have a formal credit risk policy that limits the credit risk of the investments.

Investments of the Defined Contribution Retirement Plan and the Deferred Compensation Plan are invested in mutual funds directed by the participants. The mutual funds are not rated. The System does not have a formal credit risk policy that limits the credit risk of the investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The System does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates. The SIB has chosen to use the Segmented Time Distribution disclosure method. Tables detailing the System's portion of the investment pool are reported on the next page. Readers may refer to the North Dakota Retirement and Investment Office financial statements regarding highly sensitive securities that are disclosed at the SIB level.

The System does not have a formal investment interest rate risk policy for the investments in the Defined Contribution Retirement Plan or the Deferred Compensation Plan as the investments are directed by each individual participant.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

PERS and HPRS Plan

Type (in thousands)	2025				
	Fair Value	Less Than 1		6-10 Years	Over 10 Years
		Year	1-6 Years		
Domestic Fixed Income Pool	\$ 794,833	\$ 196,490	\$ 168,083	\$ 83,008	\$ 347,253
Below Investment Grade FI Pool	175,278	1,823	123,174	43,791	6,491
Large Cap Domestic Equity Pool	317,396	316,326	641	211	217
Total Debt Securities	<u>\$ 1,287,507</u>	<u>\$ 514,639</u>	<u>\$ 291,898</u>	<u>\$ 127,010</u>	<u>\$ 353,961</u>

Note: Table above represents fixed income investments, as well as debt securities in underlying equity funds.

Type (in thousands)	2024				
	Fair Value	Less Than 1		6-10 Years	Over 10 Years
		Year	1-6 Years		
Domestic Fixed Income Pool	\$ 745,593	\$ 17,832	\$ 235,697	\$ 122,940	\$ 369,124
Below Investment Grade FI Pool	148,339	665	110,443	33,527	3,704
Large Cap Domestic Equity Pool	102,691	9,929	64,414	4,753	23,595
Small Cap Domestic Equity Pool	-	-	-	-	-
Total Debt Securities	<u>\$ 996,623</u>	<u>\$ 28,426</u>	<u>\$ 410,554</u>	<u>\$ 161,220</u>	<u>\$ 396,423</u>

Note: Table above represents fixed income investments, as well as debt securities in underlying equity funds.

Job Service Retirement Plan

Type (in thousands)	2025				
	Fair Value	Less Than 1		6-10 Years	Over 10 Years
		Year	1-6 Years		
Pooled Investments	\$ 67,137	\$ -	\$ 32,676	\$ 31,932	\$ 2,529

Note: Table above represents fixed income investments, as well as debt securities in underlying equity funds.

Type (in thousands)	2024				
	Fair Value	Less Than 1		6-10 Years	Over 10 Years
		Year	1-6 Years		
Pooled Investments	66,271	-	32,212	31,626	2,433

Note: Table above represents fixed income investments, as well as debt securities in underlying equity funds.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

Retiree Health Insurance Credit Fund

Type (in thousands)	2025				
	Fair Value	Less Than 1 Year	1-6 Years	6-10 Years	Over 10 Years
Pooled Investments	\$ 68,635	\$ -	\$ 6,067	\$ 54,290	\$ 8,278

Note: Table above represents fixed income investments, as well as debt securities in underlying equity funds.

Type (in thousands)	2024				
	Fair Value	Less Than 1 Year	1-6 Years	6-10 Years	Over 10 Years
Pooled Investments	\$ 63,927	\$ -	\$ 5,544	\$ 51,027	\$ 7,356

Note: Table above represents fixed income investments, as well as debt securities in underlying equity funds.

Securities Lending

Securities are loaned versus collateral that may include cash; U.S. government and select OECD government debt securities; and domestic and international equities from major indices as defined specifically in the non-cash collateral guidelines within the Securities Lending Authorization Agreement. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest.

Non-cash collateral cannot be pledged or sold unless the borrower defaults.

All securities loans can be terminated on demand by either the lender or the borrower, although the average term of North Dakota State Investment Board loans was approximately 58 days as of June 30, 2025.

Cash open collateral is invested in a short term investment pool, the NDSIB USD Cash fund, which had an interest sensitivity of 1 days as of this statement date.

There were no violations of legal or contractual provisions, no borrower or lending agent default losses known to the securities lending agent.

There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to participating clients on approximately the fifteenth day of the following month.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower and Northern Trust has failed to live up to its contractual responsibilities relating to the lending of those securities. Northern Trust's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

The following represents the balances relating to the securities lending transactions at June 30, 2025. (Amounts are reported in thousands and at fair value.)

All values in \$000			
2025	Securities Lent	Non-Cash Collateral Value	Cash Collateral Investment Value
Lent for cash collateral:			
US agency securities	\$ 593	\$ -	\$ 604
US government securities	-	-	-
US corporate fixed income securities	32,562	-	33,292
Global agency securities	-	-	-
Global government securities	-	-	-
Global corporate fixed income securities	-	-	-
US equities	11,302	-	11,527
Global equities	-	-	-
Lent for non-cash collateral:			
US agency securities	225	230	-
US government securities	1,300	1,333	-
US corporate fixed income securities	33,926	34,770	-
US equities	28,171	28,818	-
Global equities	1,287	7,192	-
Global corporate fixed	80	89	-
Total	<u>\$ 109,446</u>	<u>\$ 72,432</u>	<u>\$ 45,423</u>

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 3 DUE TO/FROM AND TRANSFERS IN/OUT FIDUCIARY AND PROPRIETARY FUNDS AND STATE AGENCY TRANSACTIONS

The June 30, 2025 due from/to fiduciary and proprietary funds are summarized as follows:

Fund	Due From Fiduciary and Proprietary Funds	Due to Fiduciary and Proprietary Funds
Fiduciary		
Public Employees Retirement System	\$ 104,299	\$ -
Highway Patrolmen's Retirement System	-	-
Retiree Health Insurance Credit Fund	-	104,299
Retirement Plan for Employees of Job Service North Dakota	-	-
Pretax Benefits Program	-	-
Deferred Compensation Plan	-	-
Defined Contribution Plan	-	-
Proprietary		
Uniform Group Insurance Program	-	-
	<u>\$ -</u>	<u>\$ -</u>

As of June 30, 2024 there were no due from/to balances on the fiduciary or proprietary funds as the Plan liquidated all account balances as of June 30, 2024.

These balances are a result of a time lag between the dates the expenditures are incurred, the allocations determined, and when the transactions are entered into the accounting system.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

**NOTE 3 DUE TO/FROM AND TRANSFERS IN/OUT FIDUCIARY AND PROPRIETARY FUNDS
AND STATE AGENCY TRANSACTIONS (CONTINUED)**

June 30, 2025 due from/to state agencies are summarized as follows:

Fund	Due From State Agencies	Due to State Agencies
Fiduciary		
Public Employees Retirement System		
NDIT	\$ -	\$ 14,446
Attorney General	-	3,495
Central Supply	-	16
Central Duplicating	-	317
Total	<u>\$ -</u>	<u>\$ 18,274</u>
Retiree Health Insurance Credit Fund		
Job Service	\$ 174	\$ -
Attorney General	-	924
Total	<u>\$ 174</u>	<u>\$ 924</u>
Defined Contribution Plan		
NDIT	\$ -	\$ 249
Total	<u>\$ -</u>	<u>\$ 249</u>
Pretax Benefits Program		
NDIT	\$ -	\$ 2,429
Central Supply	-	4
OMB	-	4
Central Duplicating	-	73
Attorney General	-	279
Total	<u>\$ -</u>	<u>\$ 2,789</u>
Deferred Compensation Plan		
NDIT	\$ -	\$ 4,626
Central Supply	-	8
Central Duplicating	-	73
Attorney General	-	366
Total	<u>\$ -</u>	<u>\$ 5,073</u>
Proprietary		
Uniform Group Insurance Program		
NDIT	\$ -	\$ 9,228
Central Supply	-	12
Central Duplicating	-	293
OMB	-	36
Attorney General	-	4,547
Total	<u>\$ -</u>	<u>\$ 14,116</u>

These balances are a result of a time lag between the dates that services are provided, the payments are made, and the transactions are entered into the accounting system.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

**NOTE 3 DUE TO/FROM AND TRANSFERS IN/OUT FIDUCIARY AND PROPRIETARY FUNDS
AND STATE AGENCY TRANSACTIONS (CONTINUED)**

The June 30, 2024 due from/to state agencies are summarized as follows:

Fund	Due From State Agencies	Due to State Agencies
Fiduciary		
Public Employees Retirement System		
NDIT	\$ -	\$ 11,485
Attorney General	-	1,539
Central Supply	-	16
Central Duplicating	-	885
RIO	-	743
Total	<u>\$ -</u>	<u>\$ 14,668</u>
Retiree Health Insurance Credit Fund		
Job Service	\$ 183	\$ -
Total	<u>\$ 183</u>	<u>\$ -</u>
Defined Contribution Plan		
NDIT	\$ -	\$ 175
Attorney General	-	227
Total	<u>\$ -</u>	<u>\$ 402</u>
Pretax Benefits Program		
NDIT	\$ -	\$ 2,293
Central Supply	-	\$ 4
Central Duplicating	-	\$ 212
Attorney General	-	206
Total	<u>\$ -</u>	<u>\$ 2,715</u>
Deferred Compensation Plan		
NDIT	\$ -	\$ 4,213
Central Supply	-	\$ 8
Central Duplicating	-	\$ 212
Attorney General	-	691
Total	<u>\$ -</u>	<u>\$ 5,124</u>
Proprietary		
Uniform Group Insurance Program		
NDIT	\$ -	\$ 8,754
Central Supply	-	\$ 12
Central Duplicating	-	852
Attorney General	-	943
Total	<u>\$ -</u>	<u>\$ 10,561</u>

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

**NOTE 3 DUE TO/FROM AND TRANSFERS IN/OUT FIDUCIARY AND PROPRIETARY FUNDS
AND STATE AGENCY TRANSACTIONS (CONTINUED)**

The June 30, 2025 transfers in/out are summarized as follows:

Fund Type/Fund	Transfers In	Transfers Out
Fiduciary Funds		
Defined Contribution Plan	\$ 1,885,886	\$ -
Deferred Compensation Plan	1,100,000	-
Pretax Benefit Program	-	450,000
Public Employee Retirement System	-	2,210,885
Proprietary Funds		
Uniform Group Insurance Program	-	325,000

The June 30, 2024 transfers in/out are summarized as follows:

Fund Type/Fund	Transfers In	Transfers Out
Fiduciary Funds		
Defined Contribution Plan	\$ 45,482	\$ -
Deferred Compensation Plan	1,070,000	-
Pretax Benefit Program	-	350,000
Public Employee Retirement System	-	405,482
Proprietary Funds		
Uniform Group Insurance Program	-	360,000

The transfer to the Defined Contribution Retirement Fund is for those employees electing to transfer from the PERS plan. The transfers to the Deferred Compensation Plan are to cover administrative expenses pursuant to NDCC 54-52-04 subsection 11.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 4 CAPITAL ASSETS

A statement of changes in equipment and accumulated depreciation for the System for the year ended June 30, 2025 and 2024 is as follows:

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
Proprietary Funds:				
Capital Assets Being Depreciated:				
Software	\$ 3,078,679	\$ -	\$ -	\$ 3,078,679
Less Accumulated Amortization for:				
Software	(3,006,668)	(24,915)	-	(3,031,583)
Total Capital Assets Being Depreciated, Net	<u>72,011</u>	<u>(24,915)</u>	<u>-</u>	<u>47,096</u>
Proprietary Funds Capital Assets, Net	<u>\$ 72,011</u>	<u>\$ (24,915)</u>	<u>\$ -</u>	<u>\$ 47,096</u>
Fiduciary Funds:				
Capital Assets Being Depreciated:				
Machinery & Equipment	5,195	\$ -		5,195
Software	7,683,124	-	-	7,683,124
Total Capital Assets Being Depreciated	<u>7,688,319</u>	<u>-</u>	<u>-</u>	<u>7,688,319</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	(1,529)	(802)		(2,331)
Software	(7,469,757)	(68,626)	-	(7,538,383)
Total Capital Assets Being Depreciated, Net	<u>217,033</u>	<u>(69,428)</u>	<u>-</u>	<u>147,605</u>
Fiduciary Funds Capital Assets, Net	<u>\$ 217,033</u>	<u>\$ (69,428)</u>	<u>\$ -</u>	<u>\$ 147,605</u>
	Balance			Balance
	7/1/2023	Additions	Deletions	6/30/2024
Proprietary Funds:				
Capital Assets Being Depreciated:				
Software	\$ 3,078,679	\$ -	\$ -	\$ 3,078,679
Less Accumulated Amortization for:				
Software	(2,981,754)	(24,914)	-	(3,006,668)
Total Capital Assets Being Depreciated, Net	<u>96,925</u>	<u>(24,914)</u>	<u>-</u>	<u>72,011</u>
Proprietary Funds Capital Assets, Net	<u>\$ 96,925</u>	<u>\$ (24,914)</u>	<u>\$ -</u>	<u>\$ 72,011</u>
Fiduciary Funds:				
Capital Assets Being Depreciated:				
Machinery & Equipment	5195	-		5,195
Software	\$ 7,683,124	\$ -	\$ -	\$ 7,683,124
Total Capital Assets Being Depreciated	<u>7,688,319</u>	<u>-</u>	<u>-</u>	<u>7,688,319</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	(733)	(796)		(1,529)
Software	(7,401,129)	(68,628)	-	(7,469,757)
Total Capital Assets Being Depreciated, Net	<u>286,457</u>	<u>(69,424)</u>	<u>-</u>	<u>217,033</u>
Fiduciary Funds Capital Assets, Net	<u>\$ 286,457</u>	<u>\$ (69,424)</u>	<u>\$ -</u>	<u>\$ 217,033</u>

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 5 LEASE OBLIGATIONS

Intra-Agency Lease

The system entered into an intra-agency lease for office space until June 30, 2027. Expenditures for this lease were \$99,843 for the year ended June 30, 2025 and June 30, 2024, respectively. The future minimum lease payment for the fiscal year ending June 30, 2025 is \$99,843.

The lease contains clauses stating that renewal is dependent upon appropriation funding by the State Legislature. Lease obligations for operating and capital leases are payable from all funds of the System.

NOTE 6 CHANGE IN LONG-TERM LIABILITIES

	Proprietary Fund	Fiduciary Fund
	Accrued Compensated Absences	Accrued Compensated Absences
Balance - June 30, 2023	\$ 85,164	\$ 132,373
Increases	4,868	19,416
Decreases	(40)	(68)
Balance - June 30, 2024	89,992	151,721
Increases	177,498	479,577
Decreases	(132,212)	(315,649)
Balance - June 30, 2025	<u>\$ 135,278</u>	<u>\$ 315,649</u>
Balance - Due Within One Year	\$ 39,664	\$ 92,548

The accrued annual compensated absences is generally liquidated by excess revenue in the Uniform Group Insurance Program and the Pension Trust Funds.

NOTE 7 NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

All eligible employees of the System, except those electing to participate in the North Dakota Defined Contribution Retirement Plan, contribute to the North Dakota Public Employees Retirement System (PERS), a state-wide cost-sharing multiple-employer defined benefit pension plan, which is detailed in the notes that follow.

The System is required to contribute to PERS at a statutorily determined rate for permanent employees. The System's contributions to PERS for the years ended June 30, 2025 and 2024, were \$354,614 and \$318,220 which were equal to the required contributions for each year.

The System is required to contribute to the North Dakota Defined Contribution Retirement Plan at a statutorily determined rate for permanent employees who have elected to participate in this plan. The System's contributions to this plan for the years ended June 30, 2025 and 2024, were \$29,763 and \$27,937.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 8 DESCRIPTION OF PLANS

General

The System administers three defined benefit pension plans and a defined contribution plan. The Public Employees Retirement System (PERS) is a cost-sharing multiple-employer retirement plan. The PERS was established July 1, 1966 as a defined contribution plan and was changed to a defined benefit plan by the 1977 North Dakota Legislature, and was changed back to a defined contribution plan by the 2023 North Dakota Legislature. The PERS is administered in accordance with Chapter 54-52 of the North Dakota Century Code. The Highway Patrolmen's Retirement System (HPRS) was established July 1, 1949 and is administered in accordance with Chapter 39-03 of the North Dakota Century Code. The HPRS is a single-employer defined benefit plan. The North Dakota Defined Contribution Retirement Plan was established on January 1, 2000 and is administered in accordance with Chapter 54-52.6 of the North Dakota Century Code. The Retirement Plan for Employees of Job Service North Dakota is a single-employer defined benefit public employee retirement plan administered by the Agency. The plan is established under NDCC 52-11-01 with benefit provisions established through the plan document, as amended.

The costs of administering PERS, HPRS, and the Retirement Plan for Employees of Job Service North Dakota are financed through the contributions and investment earnings of each plan. The administrative costs of the Defined Contribution Plan are funded by forfeitures of non-vested employer contributions and administrative fees charged to individual participant accounts.

The following brief description of the PERS, HPRS, Defined Contribution Plan and the Retirement Plan for Employees of Job Service North Dakota is provided for general information purposes only. Participants should refer to the applicable chapters of the North Dakota Century Code for more complete information.

The PERS covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions (Main System). It also covers Supreme and District Court Judges, the National Guard Security Officers and Firefighters, peace officers and correctional officers employed by political subdivisions, as of August 1, 2017, firefighters employed by participating political subdivisions, and as of August 1, 2025 state firefighters and correctional officers. Effective August 1, 2015, current and newly eligible members of the National Guard System were transferred to the Law Enforcement System. The HPRS covers substantially all sworn officers of the North Dakota Highway Patrol. An optional Defined Contribution Retirement Plan (DC Plan) was established effective January 1, 2000. The DC plan was available to state employees who are in positions not classified by the Human Resource Management Services division of the State of North Dakota, and as of January 1, 2025 will be the retirement plan offered to new public employees who are not peace officers, judges, or Highway Patrol. The Retirement Plan for Employees of Job Service North Dakota is limited to employees participating in the plan as of September 30, 1980.

Responsibility for administration of the defined benefit pension plans and the defined contribution plan is assigned to a Board comprised of eleven members. The Board consists of a Chairman, who is appointed by the Governor; three additional members appointed by the Governor; four members of the legislative assembly appointed by the chairman of the legislative management; and three members elected by the active membership of the NDPERS system.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 8 DESCRIPTION OF PLANS (CONTINUED)

The plans are not subject to the provisions of the Employee Retirement Income Security Act of 1974. The number of participating political subdivisions in the PERS was:

	2025	2024
Cities	102	100
Counties	52	51
School Districts	132	133
Other	96	95
Total Participating Political Subdivisions	<u>382</u>	<u>379</u>

Employee membership data is as follows:

	PERS		HPRS		Job Service	
	2025	2024	2025	2024	2025	2024
Retirees, Beneficiaries, and Disability						
Currently Receiving Benefits	16,200	15,632	154	147	155	163
Terminated Vested Participants	10,637	10,210	36	39	-	-
Inactive Participants	8,733	8,457	18	20	-	-
Active Plan Participants						
Vested	17,786	17,362	79	70	1	1
Nonvested	7,127	8,437	83	97	-	-
Total Plan Membership	<u>60,483</u>	<u>60,098</u>	<u>370</u>	<u>373</u>	<u>156</u>	<u>164</u>

The defined contribution plan had 1,506 and 86 active participants as of June 30, 2025 and June 30, 2024, respectively.

BENEFITS

PERS

Benefits are set by statute. The System has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the main system are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016, the Rule of 85 is replaced with the Rule of 90 with a minimum age of 60. The annual pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the annual pension benefit is equal to 1.75% of their average monthly salary, using the three highest periods of twelve consecutive months employed during the last one hundred eighty months of employment. The Plan permits early retirement at ages 55-64 with three or more years of service.

Supreme and District Court Judges are entitled to unreduced monthly pension benefits beginning at normal retirement age of (65) or the Rule of 85. The monthly pension benefit is equal to a percentage of average monthly salary using the highest 36 months out of the last 180 months of service. The percentage is equal to 3.50% of average monthly salary multiplied by the first ten years of service, plus 2.80% of the average monthly salary times the second ten years of service, plus 1.25% of average monthly salary times years of service in excess of twenty years. The judicial retirement formula is only applied to eligible judicial service. Non-judicial service benefits are calculated using the 2.00% multiplier. The Plan permits early retirement at ages 55-64 with five or more years of service.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 8 DESCRIPTION OF PLANS (CONTINUED)

Members of the National Guard System are entitled to unreduced monthly pension benefits at normal retirement age (55). Effective August 1, 2015, the National Guard System became part of the Law Enforcement System. Members of the Law Enforcement System are entitled to unreduced monthly pension benefits at normal retirement age (55) or the Rule of 85. The monthly pension benefit for the National Guard/Law Enforcement is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The Plan permits early retirement at ages 50-55 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

HPRS

Benefits are set by statute. The System has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members are entitled to unreduced pension benefits upon attainment of age 55 and 10 years of eligible employment or when the sum of age and years of credited service equals or exceeds 80. The annual pension benefit is equal to a percentage of average monthly salary using the highest 36 months out of the last 180 months of service. The percentage is equal to the sum of the first 25 years of service multiplied by 3.60% and 1.75% multiplied by years of service in excess of 25, if any. The Plan permits early retirement at ages 50-54, with ten or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Defined Contribution Plan

Benefits are set by statute. Members are entitled to their vested account balance. A participating member is immediately 100% vested in the member's contributions. A participating member vests in the employer contributions made on the member's behalf as follows:

Upon completion of two years of service	50%
Upon completion of three years of service	75%
Upon completion of four years of service	100%

Members may elect to receive their account balance in a lump sum, lump sum direct rollover or periodic distribution. Legislation was passed during the 2015 session providing eligible members of the Defined Contribution Plan a special election period in which to elect to return to the PERS defined benefit plan.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 8 DESCRIPTION OF PLANS (CONTINUED)

Retirement Plan for Employees of Job Service North Dakota

Benefits are established through the plan document, as amended by the Board. The System provides a post-retirement cost-of living adjustment each year based on the Consumer Price Index. Employees are entitled to annual pension benefits beginning at normal retirement age (65). Employees may elect optional retirement eligibility at age 62 with 5 years of credited service, at age 60 with 20 years of credited service, or at age 55 with 30 years of credited service. Pension benefits are calculated based on the final average earnings (basic monthly earnings averaged over the highest three consecutive years of basic earnings) of the employee multiplied by the sum of:

- 1.5% times years of credited service up to five plus
- 1.75% times years of credited service between six and ten plus
- 2.0% times years of credited service in excess of ten years

Death and Disability Benefits

PERS

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System and Public Safety, or less than five years of service for Supreme and District Court Judges, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System and Public Safety, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

For Judges who have earned more than five years of credited service, the death benefit is the greater of (i) lump sum payment of accumulated contributions, or (ii) 100% of the members' accrued benefit (not reduced on account of age), payable for the spouse's lifetime.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the System in the North Dakota Administrative Code.

For Judges only, the disability benefit formula is 70% of final average salary minus Social Security and Workers Compensation benefits.

HPRS

Death and disability benefits are set by statute. If an active member dies with less than ten years of credited service, a death benefit equal to the value of the member's accumulated contributions, plus interest is paid to the member's beneficiary. If the member has earned more than ten years of credited service, the surviving spouse, if any, will be entitled to a single payment refund or life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to any designated beneficiary.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 8 DESCRIPTION OF PLANS (CONTINUED)

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits that are up to 70% of their final average salary, reduced by worker's compensation, with a minimum benefit of \$100. To qualify under this section the member must meet the criteria established by the System for being totally disabled and apply for benefits within one year of termination.

Defined Contribution Plan

Death and disability benefits are set by statute. Upon the death of a participating member or former participating member, the vested account balance of that deceased participant is available to the participant's designated beneficiary(ies).

A member who becomes totally and permanently disabled while employed by the State is eligible to receive a distribution of the vested account balance. To qualify under this section, the member must meet the criteria established by the System for being totally disabled.

Retirement Plan for Employees of Job Service North Dakota

The plan document provides disability and death benefits. If the death of a participant occurs prior to his/her annuity starting date, the surviving spouse who has been married at least two years prior to the participant's death or, if married less than two years is a parent of a child of this marriage, then the spouse shall receive monthly benefits. The amount is the greater of the benefit had the participant retired on the day before he/she died and elected the Contingent Annuitant Option with 55% of his/her retirement benefit continued to his/her spouse or 55% of the smaller of 40% of the deceased participant's average monthly earnings or the deceased participant's normal retirement benefit obtained by increasing their credited service by the period of time between their date of death and the date they would have attained age 60. Upon remarriage of the surviving spouse before age 60, the death benefits will cease.

If a participant becomes totally disabled, he/she will be eligible for a monthly disability benefit that shall be equal to the greater of 40% of the participant's average annual earnings or the accrued benefit determined as their date of disability.

Refunds of Member Contributions

Upon termination, if a member of PERS or HPRS is not vested (is not 65 or does not have three years of service for the Main System and National Guard/Law Enforcement, or five years of service for the Supreme and District Court Judges, credited for the PERS, or is not 60 or does not have ten years of service credited for the HPRS), they will receive the accumulated member contributions plus interest, or may elect to receive this amount at a later date. If a member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Contributions

Contribution rates for PERS, HPRS, and the Defined Contribution Plan are set by state statute and are a percentage of salaries and wages. Contribution rates for the Job Service Retirement Plan are established in the plan document, as amended, which prescribes that they are actuarially determined using the frozen initial liability actuarial cost method which is the same as the aggregate cost method.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 8 DESCRIPTION OF PLANS (CONTINUED)

PERS

Member contributions are set by statute. During the 1983-1985 biennium the State and some of the participating political subdivisions implemented the employer pickup provision of the IRS code whereby a portion or all of the required member contributions are made by the employer. The State is paying 4% of the member contribution. Some of the political subdivisions are paying all or part of the member contributions. The 2019 Legislative Assembly passed legislation that ended the RHIC plan for new hires after January 1, 2020 and redirected the 1.14% RHIC employer contribution to the retirement account. Employer contributions are set by statute except the contribution rates for the National Guard/Law Enforcement Plans which are set by the Board.

Contribution rates are established by statute as a percent of covered compensation as follows:

Rates Set by Statute					
	Member	Employer			
		Before 2024	2024-2025	2026 and Later	
				State	Political Subdivision
Main System Permanent Employees					
- Hired before 2020	7.00%	7.12%	8.12%	Actuarial*	8.12%
- Hired after 2019	7.00%	8.26%	9.26%	Actuarial*	9.26%
Main System Temporary Employees					
- Hired before 2020	14.12%	0.00%	0.00%	0.00%	0.00%
- Hired after 2019	15.26%	0.00%	0.00%	0.00%	0.00%
Judges	8.00%	17.52%	17.52%	17.52%	17.52%

* The 2026 and 2027 contribution will be based on the amount sufficient to fund the Main System on an actuarial basis from the July 1, 2024 valuation with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

Rates Determined by the Board of Retirement								
Public Safety with prior Main System service - National Guard Members	Member	Employer						
		Before 2024	2024 and 2025	2026 and Later				
	5.50%	9.81%	11.40%	12.63%				
	5.50%	9.81%	11.40%	12.63%				
	5.50%	7.93%	9.16%	8.81%				
Public Safety without prior Main System service	5.50%	7.93%	9.16%	8.81%				
Public Safety with prior Main System service - BCI Employees - State Public Safety Employees	Member			Employer				
	Before 2024	2024	2025 and Later	Before 8/1/2023	8/1/2023 to 12/31/2023	12/31/2023 to 8/1/2025	8/1/2025 to 12/31/2025	2026 and Later
	6.00%	7.00%	8.00%	9.81%	20.67%	22.26%	22.26%	23.49%
	6.00%	6.00%	6.00%	N/A	12.75%	14.34%	14.46%	15.69%
	6.00%	6.00%	6.00%	N/A	12.75%	14.34%	14.46%	15.69%

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 8 DESCRIPTION OF PLANS (CONTINUED)

The member's account balance includes employee contributions, interest, and the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. Members of the Supreme and District Court Judges are not eligible to vest in the employer contributions if contributing to the deferred compensation plan.

The minimum monthly member contribution to the deferred compensation plan is \$25 and the maximum vesting in the employer contributions may not exceed the following:

1 to 12 months of service	Greater of one percent of monthly salary or \$25
13 to 24 months of service	Greater of two percent of monthly salary or \$25
25 to 36 months of service	Greater of three percent of monthly salary or \$25
Longer than 36 months of service	Greater of four percent of monthly salary or \$25

HPRS

Member and employer contributions are set by statute as a percent of covered compensation. The state is paying 4.0% of the member contribution. The member contribution rate is 15.3% and the employer rate is 21.7%.

Defined Contribution Plan

Member and employer contributions are set by statute as a percent of covered compensation. The state is paying 4% of the member contribution. The member contribution rate is 7.00% and the employer rate is 7.12% for members first enrolled prior to January 1, 2020. For members first enrolled after January 1, 2020 the member contribution rate is 7.00% and the employer rate is 8.26%.

The defined contribution plan became the primary retirement plan for new hires after January 1, 2025 for new hires that would currently be eligible for the Main plan. These mandatory contribution rates will be 4% from the employee and 5.26% from the employer. Members will have a one-time lifetime election to increase their contributions an additional 1%, 2%, or 3%, with the employer matching those incremental elections.

Retirement Plan for Employees of Job Service North Dakota

Employees' contributions are established at 7.0% of total compensation. The funding policy of the plan provides for employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. For the fiscal years ended June 30, 2025 and June 30, 2024 there were no employer contributions necessary into the plan.

Effective July 1, 1999, the "scheduled contribution" will be zero as long as the plan's actuarial value of assets exceeds the actuarial present value of projected benefits. The "scheduled contribution" and amortization will be determined when the plan is not in surplus and will be based on a funding policy adopted by the Employer.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 9 NET PENSION LIABILITY OF THE PLANS

The components of the net pension liability (asset) of the Plans at June 30, 2025 and 2024, are as follows:

2025	PERS	HPRS	JSND
Total Pension Liability	\$ 6,434,434,147	\$ 170,768,068	\$ 66,299,036
Plan Fiduciary Net Position	4,782,174,476	118,915,919	84,535,941
Net Pension Liability (Asset)	<u>\$ 1,652,259,671</u>	<u>\$ 51,852,149</u>	<u>\$ (18,236,905)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	74.32%	69.64%	127.51%
2024	PERS	HPRS	JSND
Total Pension Liability	\$ 6,218,968,568	\$ 181,312,966	\$ 70,275,109
Plan Fiduciary Net Position	4,265,287,349	107,221,460	82,803,641
Net Pension Liability (Asset)	<u>\$ 1,953,681,219</u>	<u>\$ 74,091,506</u>	<u>\$ (12,528,532)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	68.59%	59.14%	117.83%

The plan provisions used in the measurement of the total pension liability are the same as those used in the PERS, HPRS and JSND Actuarial Valuation and Reviews as of July 1, 2025 and 2024.

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2025 valuation were based upon the results of an actuarial experience study for the period July 1, 2019 – July 1, 2024 and the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019 as adopted by the Board.

PERS:

The total pension liability as of June 30, 2025 and 2024, was determined by actuarial valuations as of July 1, 2025 and 2024, respectively, using the following actuarial assumptions, applied to all periods included in the measurement (unless noted otherwise):

Actuarial Cost

Method	Entry Age Normal
Inflation	2.40% in 2025; 2.25% in 2024
Salary Increases	3.50% to 17.75% including inflation (3% for Judges).
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 9 NET PENSION LIABILITY OF THE PLANS (CONTINUED)

Mortality Rates Sex-distinct Pub-2010 tables for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2021 scale.

Other Notes The employer rates to the System are the statutory/Board approved contribution rates of 8.12% of payroll for the Main System (9.26% for members enrolled on or after January 1, 2020), 17.52% for the Judges System, 11.40% for Public Safety with prior Main System service System, 22.26% for BCI, 14.34% for State Public Safety, and 9.16% for Public Safety without prior Main System service System. From August 1, 2025 to December 31, 2025, the contribution rate for State Public Safety increases from 14.34% to 14.46%. Beginning January 1, 2026, the contribution rates are updated to 12.63% for Public Safety with prior Main System service System, 23.49% for BCI, 15.69% for State Public Safety, and 8.81% for Public Safety without prior Main System service System.

The benefit accrual rate for members first enrolled on or after January 1, 2020 in the Main and Public Safety Systems is 1.75% (compared to 2.00% for members enrolled before January 1, 2020). The actuarial assumptions used in the actuarial valuation as of July 1, 2025 were based on an experience review for the period from July 1, 2019 to July 1, 2024, and were adopted for first use commencing with the actuarial valuation as of July 1, 2025.

In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025 and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

Highway Patrol

The total pension liability as of June 30, 2025 and 2024, was determined by actuarial valuations as of July 1, 2025 and 2024, using the following actuarial assumptions, applied to all periods included in the measurement (unless noted otherwise):

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Plan Fiduciary Net Position (Market value of assets, no assets smoothing)
Inflation	2.40% in 2025; 2.25% in 2024
Salary Increases	Service-based table for members with less than five years of service and age-based table for members with more than five years of service
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality Rates	Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 107% for males and 100% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 113% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 87% for males and 88% for females. Mortality rates are projected from 2010 using the MP-2021 scale.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 9 NET PENSION LIABILITY OF THE PLANS (CONTINUED)

Other Notes

There were no benefit changes during the year.

The assumptions were updated beginning with the actuarial valuation as of July 1, 2025 based on an experience study covering the period of July 1, 2019 through July 1, 2024.

The employer rate to the System is the current statutory contribution rate of 21.70% of payroll.

JSND

The total pension liability as of June 30, 2025 and 2024, was determined by actuarial valuations as of July 1, 2025 and 2024, using the following actuarial assumptions, applied to all periods included in the measurement (unless noted otherwise):

Actuarial Cost

Method

Entry Age Normal

Asset Valuation

Method

Plan Fiduciary Net Position (Market value of assets, no assets smoothing)

COLA

2.40% in 2025, 2.25% in 2024

Inflation

2.40% in 2025, 2.25% in 2024

Salary Increases

3.50%

Investment Rate

of Return

3.00%

Retirement Age

Age-based table of rates that are specific to the type of eligibility condition

Mortality Rates

Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 107% for males and 100% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 113% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 87% for males and 88% for females. Mortality rates are projected from 2010 using the MP-2021 scale.

Other Notes

There were no benefit changes during the year

The assumptions were updated beginning with the actuarial valuation as of July 1, 2025 based on an experience study covering the period July 1, 2019 through July 1, 2024.

The System has assets in excess of the present value of future benefits. Therefore, no employer contributions are being made.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 9 NET PENSION LIABILITY OF THE PLANS (CONTINUED)

Investment Rate of Return

The long-term expected investment rate of return assumption for PERS, HPRS, and JSND was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the pension plan's target asset allocation as of July 1, 2025 and 2024 are summarized in the following tables:

PERS and HPRS

Asset Class	FY 2025 Long-Term Expected Real Rate of Return	FY 2024 Long-Term Expected Real Rate of Return
Domestic Equity	5.03%	5.40%
International Equity	6.10%	7.00%
Private Equity	8.30%	8.50%
Domestic Fixed Income	2.32%	2.88%
Global Real Assets	5.47%	6.10%
Cash Equivalents	0.00%	0.00%

JSND*

Asset Class	FY 2025 Long-Term Expected Real Rate of Return	FY 2024 Long-Term Expected Real Rate of Return
Domestic Equity	6.85%	6.85%
Core Fixed Income	3.12%	3.12%
Limited Duration Fixed Income	1.80%	1.80%
Global Equity	7.14%	7.14%
Diversified Short-Term Fixed Income	3.00%	3.00%
Short-Term Corporate Fixed Income	1.63%	1.63%
US High Yield	5.54%	5.54%
Emerging Market Debt	6.47%	6.47%

*The real rate of return used by the actuary is based on the short-term expected rate of return due to the closed plan status

Discount Rate

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments the use of a municipal bond rate is required.

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 9 NET PENSION LIABILITY OF THE PLANS (CONTINUED)

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the June 30, 2025 valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 5.20%; and the resulting Single Discount Rate is 6.50%. For the June 30, 2024 valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.97%; and the resulting Single Discount Rate is 6.50%.

For HPRS, the expected rate of return on pension plan investments is 6.50%, the municipal bond rate is 5.20% and the resulting Single Discount Rate is 6.30% for June 30, 2025. The expected rate of return on pension plan investments is 6.50%, the municipal bond rate is 3.97% and the resulting Single Discount Rate is 5.39% for June 30, 2024.

For JSND, the discount rate was 3.00% as of June 30, 2025 and June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates equal to those based on the July 1, 2025 and July 1, 2024 Actuarial Valuation Reports. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions (for JSND it is assumed no future contribution will be made), the pension plans' fiduciary net position were projected to be available to make all projected future benefit payments for current plan members as of June 30, 2025. Therefore, the short-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2025 and 2024.

Sensitivity of Net Pension Liability (Asset)

The following presents the net pension liability (asset) of the Plans as of June 30, 2025, calculated using the discount rate of 6.50% for PERS (6.50% as of June 30, 2024), 6.30% for HPRS (5.39% as of June 30, 2024) and 3.00% for JSND (3.00% as of June 30, 2024), as well as what the Plan's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 9 NET PENSION LIABILITY OF THE PLANS (CONTINUED)

Net Pension Liability (Asset) as of June 30, 2025	1% Decrease (5.50%)	Current Discount (6.50%)	1% Increase (7.50%)
PERS	\$ 2,499,881,227	\$ 1,652,259,671	\$ 949,460,821
	1% Decrease (5.30%)	Current Discount (6.30%)	1% Increase (7.30%)
HPRS	76,950,785	51,852,149	31,437,504
	1% Decrease (2.00%)	Current Discount (3.00%)	1% Increase (4.00%)
JSND	\$ (12,136,514)	\$ (18,236,905)	\$ (23,518,734)
Net Pension Liability (Asset) as of June 30, 2024	1% Decrease (5.50%)	Current Discount (6.50%)	1% Increase (7.50%)
PERS	\$ 2,786,979,091	\$ 1,953,681,219	\$ 1,263,776,006
	1% Decrease (4.39%)	Current Discount (5.39%)	1% Increase (6.39%)
HPRS	102,430,339	74,091,506	51,317,331
	1% Decrease (2.00%)	Current Discount (3.00%)	1% Increase (4.00%)
JSND	\$ (5,738,620)	\$ (12,528,532)	\$ (18,369,021)

NOTE 10 RETIREE HEALTH INSURANCE CREDIT (RHIC) FUND

The Retiree Health Insurance Credit Fund, a cost-sharing multiple-employer other post-employment benefit (OPEB) plan, is administered by the System to provide members that were first enrolled in the plan prior to January 1, 2020 and are receiving retirement benefits from the PERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long term care plan and any other health insurance plan. Effective August 1, 2019 the credit is expanded to also include any dental, vision, and long term care plan. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

Employee membership data is as follows:

	2025	2024
Retired Participants, Receiving Benefits	16,164	15,599
Active Participants, Not Receiving Benefits	15,381	16,283
	<u>31,545</u>	<u>31,882</u>

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 10 RETIREE HEALTH INSURANCE CREDIT (RHIC) FUND (CONTINUED)

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "*prefunded credit applied*" on the Statement of Changes in Plan Net Position for the pension trust funds.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

NOTE 11 NET OPEB LIABILITY OF THE RHIC FUND

The components of the net OPEB liability of the RHIC Plan at June 30, 2025 and June 30, 2024 are as follows:

<u>2025</u>	<u>RHIC</u>
Total OPEB Liability	\$ 273,402,330
RHIC Fiduciary Net Position	<u>207,627,644</u>
Net OPEB Liability (Asset)	<u><u>\$ 65,774,686</u></u>
RHIC Fiduciary Net Position as a Percentage of the Total OPEB Liability	75.94%
<u>2024</u>	<u>RHIC</u>
Total OPEB Liability	\$ 272,981,552
RHIC Fiduciary Net Position	<u>186,576,000</u>
Net OPEB Liability (Asset)	<u><u>\$ 86,405,552</u></u>
RHIC Fiduciary Net Position as a Percentage of the Total OPEB Liability	68.35%

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 11 NET OPEB LIABILITY OF THE RHIC FUND (CONTINUED)

Actuarial Assumptions

Actuarial Cost	
Method	Entry Age Normal
Asset Valuation	
Method	Plan Fiduciary Net Position (Market value of assets, no asset smoothing)
Inflation	2.40% for 2025; 2.25% for 2024
Salary Increases	Not applicable
Investment Rate of Return	5.75%
Mortality Rates	Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 107% for males and 100% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 113% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 87% for males and 88% for females. Mortality rates are projected from 2010 using the MP-2021 scale.
Other Notes:	RHIC is for the most part a closed plan. There were no benefit changes during the year. The assumptions were updated beginning with the actuarial valuation as of July 1, 2025 based on an experience study covering the period July 1, 2019 through July 1, 2024. The employer rate to the System is the statutory contribution rate of 1.14% of payroll.

Investment Rate of Return

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2025 and 2024 are summarized in the following table:

Asset Class	FY 2025	FY 2024
	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	4.00%	4.00%
Small Cap Domestic Equities	6.00%	6.00%
International Equities	7.00%	7.00%
Core-Plus Fixed Income	3.29%	3.29%

**NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 11 NET OPEB LIABILITY OF THE RHIC FUND (CONTINUED)

Discount Rate

For the purpose of the June 30, 2025 valuation, the expected rate of return on OPEB plan investments is 5.75%; the municipal bond rate is 5.20%; and the resulting single discount rate is 5.75%. The expected rate of return on OPEB plan investments is 5.75%; the municipal bond rate is 3.97%; and the resulting single discount rate is 5.75% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan member and statutory/Board approved employer contributions will be made at rates equal to those based on the July 1, 2025, and July 1, 2024, RHIC actuarial valuation reports. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability (Asset)

The following presents the net OPEB liability of the Plans as of June 30, 2025 (using a single discount rate of 5.75%) and June 30, 2024 (using a 5.75% single discount rate), as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

Net OPEB Liability (Asset) as of June 30, 2025	1% Decrease (4.75%)	Current Discount (5.75%)	1% Increase (6.75%)
RHIC	\$ 97,199,254	\$ 65,774,686	\$ 39,280,843
Net OPEB Liability (Asset) as of June 30, 2024	1% Decrease (4.75%)	Current Discount (5.75%)	1% Increase (6.75%)
RHIC	\$ 118,095,167	\$ 86,405,552	\$ 59,715,285

The benefit provided by the North Dakota Retiree Health Insurance Credit Fund is a fixed dollar subsidy and is not affected by healthcare cost trend. Therefore, a healthcare cost trend rate was not performed.

NOTE 12 DEFERRED COMPENSATION PLAN FOR PUBLIC EMPLOYEES

The System was given the authority by Chapter 54-52.2 to administer an employee deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan allows employees of the State of North Dakota or any of its political subdivisions, institutions, departments, or agencies to participate, providing that the employee has signed a participant agreement, which permits them to defer a portion of their salary until future years. Each participant may defer the lesser of \$23,500 for calendar year 2025 (\$23,000 for 2024) or 100% of gross annual compensation. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive use of the employee or their beneficiary.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 12 DEFERRED COMPENSATION PLAN FOR PUBLIC EMPLOYEES (CONTINUED)

The deferred compensation plan had 17,106 and 16,997 active participants as of June 30, 2025 and 2024, respectively.

The related investments of participants are reported at fair value as follows by the participating employer:

	2025		2024	
Investment Balance by:				
State of North Dakota	\$ 215,501,395	88%	\$ 204,464,881	93%
Other Jurisdictions	28,664,646	12%	15,607,200	7%
Total Investments	<u>\$ 244,166,041</u>	100%	<u>\$ 220,072,081</u>	100%

NOTE 13 FEDERAL INCOME TAX STATUS

The System is qualified under Section 401(a) of the Internal Revenue Code (IRC) and is exempt from the payment of any federal income taxes under Section 501(a) of the IRC and by virtue of being an agency of the state of North Dakota.

NOTE 14 UNIFORM GROUP INSURANCE PROGRAM SURPLUS

The Uniform Group Insurance Program, a proprietary fund, contracted with Sanford Health Plan to provide health care insurance to the employees of the State of North Dakota, or any of its political subdivisions, institutions, departments or agencies. The contract for the 2021-2023 biennium provides for an accounting of premiums paid and claims incurred during the biennium. The final gain or loss was determined two years after the end of the biennium, which for the 2021-2023 biennium occurred in 2025 with an initial settlement occurring in 2024. For this period, claims exceeded premiums, resulting in no settlement in 2024 or 2025. No other insurance contracts have a gain sharing provision.

The System again entered into a similar contract with Sanford Health Plan for the 2023-2025 biennium. The final gain or loss is determined two years after the end of the biennium, which for the 2023-2025 biennium will occur in 2027 with an initial settlement occurring in 2026. In the event of a loss, the system does not have any risk.

The accumulated surplus and other invested funds in the amounts of \$60.8 million and \$60.7 million are shown as cash, invested cash and commingled domestic fixed income investments on the Statement of Net Position as of June 30, 2025 and 2024, respectively.

NOTE 15 RISK MANAGEMENT

The System is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are funds/pools established by the state for risk management issues:

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 15 RISK MANAGEMENT (CONTINUED)

The 1995 Legislative Session established the Risk Management Fund (RMF), an internal service fund, to provide a self-insurance vehicle for funding the liability exposures of state agencies resulting from the elimination of the state's sovereign immunity. The RMF manages the tort liability of the state, its agencies' employees and the University System. All state agencies participate in the RMF and their fund contribution was determined using a projected cost allocation approach. The statutory liability of the State is limited to a total of \$250,000 per person and \$1,000,000 per occurrence.

The System also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The agency pays an annual premium to the Fire and Tornado Fund to cover property damage to building and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of one million dollars per occurrence during a 120-month period. The State Bonding Fund currently provides the agency with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The System participates in the North Dakota Workforce Safety, an Enterprise Fund of the State of North Dakota. Workforce Safety is a state insurance fund and a *"no fault"* insurance system covering the State's employers and employees financed by premiums assessed to employers. The premiums are available for the payment of claims to employees injured in the course of employment.

There have been no significant reductions in insurance coverage from the prior year and settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 16 RELATED PARTIES

As stated in Note 1 of these financial statements, the System is a state agency of the state of North Dakota, as such, the other state agencies of the state and political subdivisions are related parties.

NOTE 17 SUBSEQUENT EVENTS

The System evaluated subsequent events through December 1, 2025 which is the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2025, but prior to December 1, 2025 that provided additional evidence about conditions that existed at June 30, 2025, have been recognized in the financial statements for the year ended June 30, 2025. Events or transactions that provided evidence about conditions that did not exist at June 30, 2025, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2025.

North Dakota Public Employees Retirement System – Financial Section
Required Supplementary Information
Schedule of Changes to the Net Pension Liability and Related Ratios
For the Years Ended June 30

Public Employees Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 185,874,284	\$ 169,457,318	\$ 224,785,082	\$ 143,197,284	\$ 242,751,143	\$ 135,139,549	\$ 172,183,673	\$ 164,018,071	\$ 113,148,379	\$ 126,443,929
Interest	400,326,853	374,970,693	335,804,159	345,662,042	296,285,379	317,129,009	294,701,001	279,835,016	269,769,850	243,284,784
Change of Benefit Terms	17,729,735	(1,787,775)	(9,138,927)	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	57,525,793	138,249,770	72,722,916	3,714,515	47,335,729	17,186,877	(210,895,384)	(65,345,796)	(3,612,020)	15,914,938
Changes of Assumptions	(138,006,655)	-	(1,132,002,859)	1,375,418,631	(1,743,329,166)	1,859,558,804	(464,473,143)	125,224,437	741,491,982	108,139,418
Benefit Payments, Including Refund of Employee Contributions	(307,984,431)	(290,047,015)	(271,514,014)	(252,066,249)	(231,300,404)	(218,553,888)	(197,757,937)	(182,521,663)	(162,991,968)	(149,664,141)
Net Change in Total Pension Liability	215,465,579	390,842,991	(779,343,643)	1,615,926,223	(1,388,257,319)	2,110,460,351	(406,241,790)	321,210,065	957,806,223	344,118,928
Total Pension Liability - Beginning	6,218,968,568	5,828,125,577	6,607,469,220	4,991,542,997	6,379,800,316	4,269,339,965	4,675,581,755	4,354,371,690	3,396,565,467	3,052,446,539
Total Pension Liability - Ending (A)	\$ 6,434,434,147	\$ 6,218,968,568	\$ 5,828,125,577	\$ 6,607,469,220	\$ 4,991,542,997	\$ 6,379,800,316	\$ 4,269,339,965	\$ 4,675,581,755	\$ 4,354,371,690	\$ 3,396,565,467
Plan Fiduciary Net Position										
Contributions - Employer	\$ 141,401,901	\$ 123,000,618	\$ 101,933,327	\$ 96,630,783	\$ 91,265,640	\$ 85,504,033	\$ 81,588,318	\$ 80,727,209	\$ 78,933,571	\$ 77,080,576
Contributions - Employee	110,729,651	102,073,900	93,407,915	89,633,939	85,914,756	81,477,666	78,213,580	77,486,189	76,007,456	74,218,276
Service Credit Repurchase	5,552,427	6,539,922	5,151,247	10,249,235	7,129,269	10,818,588	7,219,697	19,984,972	11,805,070	9,179,163
Net Investment Income	505,529,472	347,742,067	281,849,564	(256,072,364)	844,933,209	101,105,998	159,824,092	249,165,181	311,760,863	11,333,836
Transfers and Other Income	65,036,447	135,022,897	10,885	14,125	(1,723)	(2,580)	(5,641)	(24,440)	32,183	23,574,937
Benefit Payments, Including Refund of Employee Contributions	(307,984,431)	(290,047,015)	(271,514,014)	(252,066,249)	(231,300,404)	(218,553,888)	(197,757,937)	(182,521,663)	(162,991,968)	(149,664,141)
Administrative Expense	(3,378,340)	(2,985,782)	(2,670,084)	(2,340,267)	(2,569,186)	(2,729,759)	(2,531,304)	(2,472,761)	(2,607,243)	(2,537,799)
Net Change in Plan Fiduciary Net Position	516,887,127	421,346,607	208,168,840	(313,950,798)	795,371,561	57,620,058	126,550,805	242,344,687	312,939,932	43,184,848
Plan Fiduciary Net Position - Beginning	4,265,287,349	3,843,940,742	3,635,771,902	3,949,722,700	3,154,351,139	3,096,731,081	2,970,180,276	2,727,835,589	2,414,895,657	2,371,710,809
Plan Fiduciary Net Position - Ending (B)	4,782,174,476	4,265,287,349	3,843,940,742	3,635,771,902	3,949,722,700	3,154,351,139	3,096,731,081	2,970,180,276	2,727,835,589	2,414,895,657
Net Pension Liability - Ending (A)-(B)	\$ 1,652,259,671	\$ 1,953,681,219	\$ 1,984,184,835	\$ 2,971,697,318	\$ 1,041,820,297	\$ 3,225,449,177	\$ 1,172,608,884	\$ 1,705,401,479	\$ 1,626,536,101	\$ 981,669,810
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.32%	68.59%	65.96%	55.03%	79.13%	49.44%	72.53%	63.53%	62.65%	71.10%
Covered Payroll	\$ 1,489,461,311	\$ 1,454,921,813	\$ 1,318,276,116	\$ 1,248,307,560	\$ 1,213,675,937	\$ 1,167,767,935	\$ 1,098,416,146	\$ 1,075,957,954	\$ 1,063,371,798	\$ 1,048,548,467
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	110.93%	134.28%	150.51%	85.84%	85.84%	276.21%	106.75%	158.50%	152.96%	93.62%

North Dakota Public Employees Retirement System – Financial Section
Required Supplementary Information
Schedule of Changes to the Net Other Post Employment Liability and Related Ratios
For the Years Ended June 30

Highway Patrolmen's Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 6,294,172	\$ 5,351,440	\$ 5,680,665	\$ 3,280,944	\$ 6,693,393	\$ 2,877,493	\$ 2,818,006	\$ 2,738,268	\$ 2,701,326	\$ 2,226,286
Interest	9,750,642	9,043,645	8,549,678	8,547,642	7,304,593	7,869,528	7,527,064	7,203,350	6,951,177	6,311,403
Change of Benefit Terms	-	-	-	-	(135,457)	-	-	-	-	-
Differences Between Expected and Actual Experience	1,365,879	4,060,971	416,739	1,844,603	(2,196,613)	729,281	(67,748)	(621,359)	21,564	39,748
Changes of Assumptions	(20,829,473)	(4,364,722)	(5,009,411)	39,467,011	(60,572,392)	66,142,608	3,042,863	-	1,257,370	3,945,801
Benefit Payments, Including Refund of Employee Contributions	(7,126,118)	(6,688,100)	(6,391,116)	(5,848,024)	(5,951,877)	(5,704,586)	(5,391,115)	(4,981,377)	(4,806,319)	(4,713,495)
Net Change in Total Pension Liability	(10,544,898)	7,403,234	3,246,555	47,292,176	(54,858,353)	71,914,324	7,929,070	4,338,882	6,125,118	7,809,743
Total Pension Liability (Asset) - Beginning	181,312,966	173,909,732	170,663,177	123,371,001	178,229,354	106,315,030	98,385,960	94,047,078	87,921,960	80,112,217
Total Pension Liability (Asset) - Ending (A)	\$ 170,768,068	\$ 181,312,966	\$ 173,909,732	\$ 170,663,177	\$ 123,371,001	\$ 178,229,354	\$ 106,315,030	\$ 98,385,960	\$ 94,047,078	\$ 87,921,960
Plan Fiduciary Net Position										
Contributions - Employer	\$ 3,587,419	\$ 2,515,772	\$ 2,573,696	\$ 2,686,795	\$ 2,293,404	\$ 2,176,902	\$ 2,090,886	\$ 2,152,970	\$ 2,155,944	\$ 2,127,355
Contributions - Employee	2,515,950	1,747,354	1,769,864	1,825,729	1,548,335	1,469,682	1,411,619	1,453,533	1,455,540	1,436,236
Contributions - Transfer from General Fund	-	3,000,000	-	-	-	-	-	-	-	-
Service Credit Repurchase	80,310	30,861	592,870	159,747	400,751	205,461	167,824	281,573	249,436	-
Net Investment Income	12,679,319	8,620,703	7,195,352	(6,509,971)	19,637,841	2,667,371	4,250,901	6,716,525	8,500,352	316,963
Transfers and Other Income	108	142	65	62	(11)	(16)	(41)	(187)	221	-
Benefit Payments, Including Refund of Employee Contributions	(7,126,118)	(6,688,100)	(6,391,116)	(5,848,024)	(5,951,877)	(5,704,586)	(5,391,115)	(4,981,377)	(4,806,319)	(4,713,495)
Administrative Expense	(42,529)	(40,394)	(30,106)	(65,650)	(37,097)	(45,870)	(43,555)	(30,353)	(30,195)	(31,450)
Net Change in Plan Fiduciary Net Position	11,694,459	9,186,338	5,710,625	(7,751,312)	17,891,346	768,944	2,486,519	5,592,684	7,524,979	(864,391)
Plan Fiduciary Net Position - Beginning	107,221,460	98,035,122	92,324,497	100,075,809	82,184,463	81,415,519	78,929,000	73,336,316	65,811,337	66,675,728
Plan Fiduciary Net Position - Ending (B)	118,915,919	107,221,460	98,035,122	92,324,497	100,075,809	82,184,463	81,415,519	78,929,000	73,336,316	65,811,337
Net Pension Liability (Asset) - Ending (A)-(B)	\$ 51,852,149	\$ 74,091,506	\$ 75,874,610	\$ 78,338,680	\$ 23,295,192	\$ 96,044,891	\$ 24,899,511	\$ 19,456,960	\$ 20,710,762	\$ 22,110,623
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.64%	59.14%	56.37%	54.10%	81.12%	46.11%	76.58%	80.22%	77.98%	74.85%
Covered Payroll	\$ 15,098,680	\$ 14,820,158	\$ 11,991,087	\$ 12,267,230	\$ 11,516,196	\$ 11,409,711	\$ 10,354,210	\$ 10,737,297	\$ 10,629,403	\$ 10,526,791
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	343.42%	499.94%	632.76%	638.60%	202.28%	841.78%	240.48%	181.21%	194.84%	210.04%

North Dakota Public Employees Retirement System – Financial Section
Required Supplementary Information
Schedule of Changes to the Net Other Post Employment Liability and Related Ratios
For the Years Ended June 30

Retirement Plan for Employees of Job Service North Dakota

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 16,254	\$ 15,333	\$ 15,315	\$ 41,998	\$ 58,356	\$ 57,560	\$ 70,295	\$ 80,344	\$ 55,500	\$ 71,420
Interest	2,029,683	2,085,721	2,038,054	2,342,037	2,628,514	3,038,156	3,129,175	3,500,344	4,130,232	4,281,440
Change of Benefit Terms	-	-	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	(381,749)	1,318,799	4,761,066	3,413,145	(201,346)	(1,122,296)	(504,895)	(310,124)	(1,648,283)	(2,006,791)
Changes of Assumptions	(346,995)	-	-	4,717,298	2,898,630	539,852	-	5,811,755	4,421,401	69,885
Benefit Payments, Including Refund of Employee Contributions	(5,293,266)	(5,283,299)	(5,168,647)	(4,865,682)	(4,668,820)	(4,581,575)	(4,626,846)	(4,582,577)	(4,534,153)	(4,601,196)
Net Change in Total Pension Liability	(3,976,073)	(1,863,446)	1,645,788	5,648,796	715,334	(2,068,303)	(1,932,271)	4,499,742	2,424,697	(2,185,242)
Total Pension Liability (Asset) - Beginning	70,275,109	72,138,555	70,492,767	64,843,971	64,128,637	66,196,940	68,129,211	63,629,469	61,204,772	63,390,014
Total Pension Liability (Asset) - Ending (A)	\$ 66,299,036	\$ 70,275,109	\$ 72,138,555	\$ 70,492,767	\$ 64,843,971	\$ 64,128,637	\$ 66,196,940	\$ 68,129,211	\$ 63,629,469	\$ 61,204,772
Plan Fiduciary Net Position										
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	4,359	4,936	4,298	9,299	13,979	27,047	29,159	32,987	39,417	44,178
Service Credit Repurchase	-	-	-	-	-	-	-	-	-	-
Net Investment Income	7,039,875	4,611,660	2,486,882	(5,551,487)	6,025,272	2,621,067	6,229,630	2,918,585	5,238,877	4,840,333
Transfers and Other Income	-	-	-	-	-	-	-	-	-	-
Benefit Payments, Including Refund of Employee Contributions	(5,293,266)	(5,283,299)	(5,168,647)	(4,865,682)	(4,668,820)	(4,581,575)	(4,626,846)	(4,582,577)	(4,534,153)	(4,601,196)
Administrative Expense	(18,668)	(14,976)	(14,683)	(18,357)	(17,371)	(19,148)	(16,808)	(46,295)	(12,684)	(32,253)
Net Change in Plan Fiduciary Net Position	1,732,300	(681,679)	(2,692,150)	(10,426,227)	1,353,060	(1,952,609)	1,615,135	(1,677,300)	731,457	251,062
Plan Fiduciary Net Position - Beginning	82,803,641	83,485,320	86,177,470	96,603,697	95,250,637	97,203,246	95,588,111	97,265,411	96,533,954	96,282,892
Plan Fiduciary Net Position - Ending (B)	84,535,941	82,803,641	83,485,320	86,177,470	96,603,697	95,250,637	97,203,246	95,588,111	97,265,411	96,533,954
Net Pension Asset - Ending (A)-(B)	\$(18,236,905)	\$(12,528,532)	\$(11,346,765)	\$(15,684,703)	\$(31,759,726)	\$(31,122,000)	\$(31,006,306)	\$(27,458,900)	\$(33,635,942)	\$(35,329,182)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability										
	127.51%	117.83%	115.73%	122.25%	148.98%	148.53%	146.84%	140.30%	152.86%	157.72%
Covered Payroll	\$ 67,692	\$ 65,088	\$ 61,404	\$ 175,176	\$ 175,176	\$ 314,607	\$ 416,552	\$ 416,652	\$ 498,564	\$ 564,684
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	(26,941.00)%	(19,248.60)%	(18,478.87)%	(25,573.44)%	(18,130.18)%	(9,892.34)%	(7,443.56)%	(6,590.37)%	(6,746.56)%	(6,256.45)%

North Dakota Public Employees Retirement System – Financial Section
Required Supplementary Information
Schedule of Changes to the Net Other Post Employment Liability and Related Ratios
For the Years Ended June 30

Retiree Health Insurance Credit Fund

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service Cost	\$ 4,042,086	\$ 4,160,052	\$ 4,865,725	\$ 4,003,587	\$ 4,273,247	\$ 4,041,849	\$ 3,827,807	\$ 3,766,661	\$ 3,430,578
Interest	15,377,298	15,125,396	14,547,655	15,155,215	14,657,683	15,498,021	15,217,017	14,485,170	14,327,443
Differences Between Expected and Actual Experience	(875,718)	197,223	(776,702)	616,158	2,164,642	314,726	(1,374,146)	2,732,254	(2,231,206)
Changes of Assumptions	(2,822,893)	-	(10,642,733)	30,533,446	-	4,372,129	5,002,621	-	8,860,723
Benefit Payments, Including Refund of Employee Contributions	(15,299,995)	(14,794,295)	(14,214,800)	(13,746,110)	(12,884,511)	(12,317,075)	(11,505,070)	(11,016,060)	(10,014,370)
Net Change in Total OPEB Liability	420,778	4,688,376	(6,220,855)	36,562,296	8,211,061	11,909,650	11,168,229	9,968,025	14,373,168
Total OPEB Liability (Asset) - Beginning	272,981,552	268,293,176	274,514,031	237,951,735	229,740,674	217,831,024	206,662,795	196,694,770	182,321,602
Total OPEB Liability (Asset) - Ending (A)	\$ 273,402,330	\$ 272,981,552	\$ 268,293,176	\$ 274,514,031	\$ 237,951,735	\$ 229,740,674	\$ 217,831,024	\$ 206,662,795	\$ 196,694,770
Plan Fiduciary Net Position									
Contributions - Employer	\$ 12,392,992	\$ 12,328,091	\$ 12,137,476	\$ 12,565,573	\$ 13,110,651	\$ 13,392,266	\$ 12,977,460	\$ 12,834,547	\$ 12,575,627
Contributions - Employee	7,213	7,894	10,741	12,234	15,481	16,319	15,859	15,984	16,173
Service Credit Repurchase	210,207	282,386	282,185	456,895	375,038	556,585	377,329	746,942	464,323
Net Investment Income	24,143,347	20,803,951	15,975,072	(26,756,507)	36,526,655	6,904,869	8,178,932	8,210,898	12,074,082
Benefit Payments, Including Refund of Employee Contributions	(15,299,995)	(14,794,295)	(14,214,800)	(13,746,110)	(12,884,511)	(12,317,075)	(11,505,070)	(11,016,060)	(10,014,370)
Administrative Expense	(402,419)	(370,675)	(355,695)	(383,458)	(430,097)	(453,913)	(437,349)	(480,244)	(443,220)
Other	299	596	1	(1)	312	9,580	(857)	225	-
Net Change in Plan Fiduciary Net Position	21,051,644	18,257,948	13,834,980	(27,851,374)	36,713,529	8,108,631	9,606,304	10,312,292	14,672,615
Plan Fiduciary Net Position - Beginning	186,576,000	168,318,052	154,483,072	182,334,446	145,620,917	137,512,286	127,905,982	117,593,690	102,921,075
Plan Fiduciary Net Position - Ending (B)	207,627,644	186,576,000	168,318,052	154,483,072	182,334,446	145,620,917	137,512,286	127,905,982	117,593,690
Net OPEB Liability (Asset) - Ending (A)-(B)	\$ 65,774,686	\$ 86,405,552	\$ 99,975,124	\$ 120,030,959	\$ 55,617,289	\$ 84,119,757	\$ 80,318,738	\$ 78,756,813	\$ 79,101,080
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	75.94%	68.35%	62.74%	56.28%	76.63%	63.38%	63.13%	61.89%	59.78%
Covered Payroll	\$ 1,038,907,846	\$ 1,036,707,331	\$ 1,005,182,784	\$ 1,032,405,030	\$ 1,090,257,793	\$ 1,139,970,530	\$ 1,115,857,588	\$ 1,094,216,775	\$ 1,081,841,008
Plan Net Pension Liability (Asset) as a Percentage of Covered Payroll	6.33%	8.33%	9.95%	11.63%	5.10%	7.38%	7.20%	7.20%	7.31%

**Complete data for this schedule is not available prior to 2017.*

North Dakota Public Employees Retirement System – Financial Section
Required Supplementary Information
Schedule of Employer Contributions
For the Years Ended June 30

Public Employees Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	214,343	204,475	191,274	157,390	157,543	140,537	127,129	125,714	116,564	124,336
Contributions in Relation to the Actuarially Determined Contribution	206,402	258,001	101,933	96,631	91,266	85,504	81,588	80,727	78,934	77,081
Contribution Deficiency (Excess)	<u>7,941</u>	<u>(53,526)</u>	<u>89,341</u>	<u>60,759</u>	<u>66,277</u>	<u>55,033</u>	<u>45,541</u>	<u>44,987</u>	<u>37,630</u>	<u>47,255</u>
Covered Payroll	1,489,461	1,454,922	1,318,276	1,248,308	1,213,676	1,167,768	1,098,416	1,075,958	1,063,372	1,048,548
Contributions as a Percentage of Covered Payroll	13.86%	17.73%	7.73%	7.74%	7.52%	7.32%	7.43%	7.50%	7.42%	7.35%

Highway Patrolmen's Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	5,805	5,211	5,107	3,921	4,081	3,256	2,936	2,949	3,060	2,307
Contributions in Relation to the Actuarially Determined Contribution	3,587	5,516	2,574	2,687	2,293	2,177	2,091	2,153	2,156	2,127
Contribution Deficiency (Excess)	<u>2,218</u>	<u>(305)</u>	<u>2,533</u>	<u>1,234</u>	<u>1,788</u>	<u>1,079</u>	<u>845</u>	<u>796</u>	<u>904</u>	<u>180</u>
Covered Payroll	15,099	14,820	11,991	12,267	11,516	11,410	10,354	10,737	10,629	10,527
Contributions as a Percentage of Covered Payroll	23.76%	37.22%	21.46%	21.90%	19.91%	19.08%	20.20%	20.05%	20.28%	20.21%

Retiree Health Insurance Credit Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	14,675	14,676	14,766	12,414	13,340	12,145	12,707	12,252	11,696	7,544
Contributions in Relation to the Actuarially Determined Contribution	12,393	12,328	12,138	12,566	13,111	13,392	12,977	12,835	12,575	12,350
Contribution Deficiency (Excess)	<u>2,282</u>	<u>2,348</u>	<u>2,628</u>	<u>(152)</u>	<u>229</u>	<u>(1,247)</u>	<u>(270)</u>	<u>(583)</u>	<u>(879)</u>	<u>(4,806)</u>
Covered Payroll	1,038,908	1,036,707	1,005,183	1,032,405	1,090,258	1,139,971	1,115,858	1,094,217	1,081,841	1,142,375
Contributions as a Percentage of Covered Payroll	1.19%	1.19%	1.21%	1.22%	1.20%	1.17%	1.16%	1.17%	1.16%	1.08%

North Dakota Public Employees Retirement System – Financial Section
Notes to the Required Supplementary Information
For the Years Ended June 30, 2025 and 2024

PERS

Benefit Changes: Effective January 1, 2025, the Main System is closed to new members. Employees newly enrolled into the system on January 1, 2025 and later will participate in a new Defined Contribution Plan.

State employees participating in the Main System on January 1, 2025 who are at least age 18 with 5 years or less of participation will be eligible to irrevocably elect to transfer to the existing DC Plan during a three-month election period ending March 31, 2025. For members who elect to transfer to the existing DC Plan, NDPERS will transfer a lump sum from the Main System to the DC Plan based on the actuarial present value of the accrued benefit as of January 1, 2025, plus interest from January 1, 2025 to the date of transfer. The state employer of an employee who elects to transfer to the existing DC Plan shall contribute an additional amount of \$3,333 annually for up to three years, provided the employee continues employment.

Member and/or employer contribution rates were changed for all plans except the Judges Plan.

Changes of Assumptions: The following assumptions were changed: price inflation, salary increase rates, retirement rates, turnover rates, disability rates, and mortality rates. In addition, the amortization period for the Judges and Public Safety systems changed from open periods to closed periods..

HPRS

Benefit Changes: There were no changes made in the plan provisions since the prior valuation

Changes of Assumptions: The assumed price of inflation was updated to 2.4% and the assumed rate of salary increases was also adjusted.

JSND

Benefit Changes: There were no changes made in the plan provisions since the prior valuation

Changes of Assumptions: The inflation and Cost of Living adjustments were updated to 2.4% with the July 1, 2025 actuarial valuation.

RHIC

Benefit Changes: There were no changes made in the plan provisions since the prior valuation.

Changes of Assumptions: The following assumptions were changed: price inflation, salary increase rates, retirement rates, turnover rates, disability rates, RHIC participation rates, and mortality rates.

North Dakota Public Employees Retirement System – Financial Section
Notes to the Required Supplementary Information
For the Years Ended June 30, 2025 and 2024

Schedule of Employer Contributions – PERS

Valuation date	July 1, 2024
Actuarial cost method	Entry Age Normal Method.
Amortization Method	Level Percentage of Payroll, Open Period Assumed annual payroll growth of 3.50% (3.00% for Judges)
Remaining amortization period	20 years
Asset valuation method	5-Year smoothed marked
Inflation	2.25%
Salary Increases	3.50% to 17.75% including inflation
Investment Rate of Return	6.50%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Sex-distinct Pub-2010 tables for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.
Other Notes:	<p>The benefit accrual rate for members first enrolled on or after January 1, 2020 in the Main and Public Safety Systems is 1.75% (compared to 2.00% for members enrolled before January 1, 2020).</p> <p>The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020.</p> <p>The employer rates to the System are the statutory/Board approved contribution rates of 8.12% of payroll for the Main System (9.26% for members enrolled on or after January 1, 2020), 17.52% for the Judges System, 11.40% for Public Safety with prior Main System service System, 22.26% for BCI, 14.34% for State Public Safety, and 9.16% for Public Safety without prior Main System service System. In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025 and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on an actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.</p>

North Dakota Public Employees Retirement System – Financial Section
Notes to the Required Supplementary Information
For the Years Ended June 30, 2025 and 2024

Schedule of Employer Contributions – HPRS

Valuation date	July 1, 2025
Actuarial cost method	Entry Age Normal Method.
Amortization Method	Level Percentage of Payroll, Open Period Assumed annual payroll growth of 3.50%
Remaining amortization period	20 years
Asset valuation method	5-Year smoothed marked
Inflation	2.25%
Salary Increases	Service-based table for members with less than five years of service and age-based table for members with more than five years of service
Investment Rate of Return	6.5%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.
Other Notes:	There were no benefit changes during the year. The assumptions were updated beginning with the actuarial valuation as of July 1, 2020 based on an experience study covering the period July 1, 2014 through July 1, 2019. The investment return assumption was decreased from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. The employer rate to the System is the current statutory contribution rate of 21.20% of payroll. The statutory employer and employee contributions will each increase by an additional 0.5% of pay in January 1, 2025.

North Dakota Public Employees Retirement System – Financial Section
Notes to the Required Supplementary Information
For the Years Ended June 30, 2025 and 2024

Schedule of Employer Contributions – Job Service

Valuation date	July 1, 2025
Actuarial cost method	Frozen Initial Liability (Aggregate since no initial Liability remains)
Amortization Method	N/A
Asset valuation method	5-Year smoothed marked
Inflation	2.25%
COLA	2.25%
Salary Increases	3.50%
Investment Rate of Return	3.00%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

Other Notes:

There were no benefit changes during the year.

The assumptions were updated beginning with the actuarial valuation as of July 1, 2020 based on an experience study covering the period July 1, 2014 through July 1, 2019. The Board approved lowering the investment return assumption from 3.75 percent to 3.00 percent, first effective July 1, 2022.

The System has assets in excess of the present value of future benefits. Therefore, no employer contributions are being made.

North Dakota Public Employees Retirement System – Financial Section
Notes to the Required Supplementary Information
For the Years Ended June 30, 2025 and 2024

Schedule of Employer Contributions – RHIC

Valuation date	July 1, 2025
Actuarial cost method	Entry Age Normal Method.
Amortization Method	N/A
Asset valuation method	5-Year smoothed marked
Inflation	2.25%
Salary Increases	Not Applicable
Investment Rate of Return	5.75%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.
Other Notes:	<p>January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year. The investment return assumption was decreased from 6.50% to 5.75% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions were adopted by the Board based on an experience study covering the period July 1, 2015, through June 30, 2019. The determination of the actuarial rate was changed effective July 1, 2019 to equal the rate needed to pay off the unfunded liability and future NC contributions at the end of 20 years as a level percent of closed group (decreasing) payroll.</p> <p>The employer rate to the System is the statutory contribution rate of 1.14% of payroll.</p>

North Dakota Public Employees Retirement System – Financial Section
Required Supplementary Information
Schedule of Investment Returns

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public Employees Retirement	12.06%	9.14%	8.13%	-6.32%	27.43%	3.57%	5.69%	9.21%	13.01%	0.49%
Highway Patrolmen's Retirement	12.13%	8.85%	7.86%	-6.50%	23.90%	3.28%	5.39%	9.16%	12.93%	0.48%
Retirement Plan for Employees										
Job Service North Dakota	9.12%	6.03%	3.30%	-5.55%	6.81%	3.09%	7.00%	3.32%	5.85%	5.14%
Retiree Health Insurance Credit Fund	13.43%	12.84%	10.82%	-14.48%	25.58%	5.37%	6.75%	7.01%	11.75%	0.83%

North Dakota Public Employees Retirement System – Financial Section
Supplemental Information
Schedule of Investment Expenses – Fiduciary Funds
For the Fiscal Year Ended June 30, 2025

	Public Employees Retirement System*	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Program	Job Service Retirement Plan
Payments to State Investment Board:							
Investment Fees	\$ 8,099,157	\$ 203,197	\$ 633,846	\$ -	\$ -	\$ -	\$ 293,708
Administrative Expenses	1,672,046	34,801	-	-	-	-	-
	<u>9,771,203</u>	<u>237,998</u>	<u>633,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,708</u>
Payments to Providers:							
Investment Fees (Net of Plan Servicing Credits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,915</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investment Expenses	<u><u>\$ 9,771,203</u></u>	<u><u>\$ 237,998</u></u>	<u><u>\$ 633,846</u></u>	<u><u>\$ 24,915</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 293,708</u></u>

*Also includes GASB 68 admin expenses of the Retirement & Investment Office

North Dakota Public Employees Retirement System – Financial Section
Supplemental Information
Schedule of Investment Expenses – Fiduciary Funds
For the Fiscal Year Ended June 30, 2024

	Public Employees Retirement System*	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Program	Job Service Retirement Plan
Payments to State Investment Board:							
Investment Fees	\$ 8,427,819	\$ 208,971	\$ 542,564	\$ -	\$ -	\$ -	\$ 276,920
Administrative Expenses	1,467,779	24,245	-	-	-	-	-
	<u>9,895,598</u>	<u>233,216</u>	<u>542,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,920</u>
Payments to Providers:							
Investment Fees (Net of Plan Servicing Credits)	-	-	-	26,000	-	-	-
Total Investment Expenses	<u>\$ 9,895,598</u>	<u>\$ 233,216</u>	<u>\$ 542,564</u>	<u>\$ 26,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,920</u>

*Also includes GASB 68 admin expenses of the Retirement & Investment Office

North Dakota Public Employees Retirement System – Financial Section
Supplemental Information
Schedule of Administrative Expenses – Fiduciary Funds
For the Fiscal Year Ended June 30, 2025

	Public Employees Retirement System	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Program	Job Service Retirement Plan
Personnel Services:							
Salaries	\$ 1,596,613	\$ 9,803	\$ 51,355	\$ 37,407	\$ 244,642	\$ 486,342	\$ 3,026
Social Security	118,496	728	3,791	2,771	18,387	35,963	223
Retirement	194,278	1,193	6,365	4,819	28,614	55,770	374
Insurance	369,881	2,272	12,637	8,903	50,322	100,446	739
Total Personnel Services	2,279,268	13,996	74,148	53,900	341,965	678,521	4,362
Professional Services:							
Actuarial	196,868	22,958	39,275	-	-	-	10,280
Audit	47,915	294	1,732	1,409	12,052	24,105	102
Data Processing	434,293	2,676	17,965	14,806	98,284	194,949	313
Consulting	71,739	159	20,439	370	-	486,653	-
Legal Counsel	61,244	471	3,987	14,705	2,636	49,471	1,427
Misc Outside Services	20,355	110	225,057	1,799	67,804	47,182	1,552
Total Professional Services	832,414	26,668	308,455	33,089	180,776	802,360	13,674
Communication:							
Printing	28,523	175	462	450	939	137	27
Postage	39,696	235	1,237	817	3,220	2,369	73
Telephone	6,586	40	386	254	2,351	2,747	23
Total Communication	74,805	450	2,085	1,521	6,510	5,253	123
Rentals:							
Equipment Rent	1,519	9	77	45	382	764	5
Office Rent	38,526	237	1,697	1,138	9,691	19,382	100
Total Rentals	40,045	246	1,774	1,183	10,073	20,146	105
Miscellaneous:							
Depreciation/Amortization	35,396	461	11,022	91	6,370	15,964	122
Dues & Prof Development	19,158	118	601	346	1,442	2,760	27
Insurance	1,844	11	83	55	464	928	5
Supplies	82,342	508	3,646	2,840	20,465	41,053	214
Travel	13,068	71	605	482	1,804	3,155	36
Total Miscellaneous	151,808	1,169	15,957	3,814	30,545	63,860	404
Total Administrative Expenses	<u>\$ 3,378,340</u>	<u>\$ 42,529</u>	<u>\$ 402,419</u>	<u>\$ 93,507</u>	<u>\$ 569,869</u>	<u>\$ 1,570,140</u>	<u>\$ 18,668</u>

North Dakota Public Employees Retirement System – Financial Section
Supplemental Information
Schedule of Administrative Expenses – Fiduciary Funds
For the Fiscal Year Ended June 30, 2024

	Public Employees Retirement System	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Program	Job Service Retirement Plan
Personnel Services:							
Salaries	\$ 1,376,063	\$ 8,611	\$ 56,090	\$ 19,470	\$ 222,012	\$ 405,672	\$ 3,048
Social Security	101,453	635	4,105	1,457	16,072	29,878	223
Retirement	165,296	1,034	6,776	2,533	26,502	49,856	368
Insurance	348,048	2,178	13,912	6,867	51,051	101,448	756
Total Personnel Services	1,990,860	12,458	80,883	30,327	315,637	586,854	4,395
Professional Services:							
Actuarial	160,620	22,475	23,150	-	-	-	7,793
Audit	36,047	226	1,704	120	9,068	18,136	93
Data Processing	419,602	2,626	19,258	3,506	99,509	196,702	302
Consulting	19,250	120	1	2,681	77	100,900	-
Legal Counsel	82,973	519	5,892	8,181	10,994	49,216	210
Misc Outside Services	20,850	134	219,500	132	70,025	61,474	1,558
Total Professional Services	739,342	26,100	269,505	14,620	189,673	426,428	9,956
Communication:							
Printing	13,560	85	456	32	1,095	1,124	25
Postage	37,444	234	1,333	94	3,717	3,782	72
Telephone	7,129	45	414	29	2,369	2,722	23
Total Communication	58,133	364	2,203	155	7,181	7,628	120
Rentals:							
Equipment Rent	1,874	12	89	6	471	943	5
Office Rent	38,867	243	1,837	130	9,778	19,555	100
Total Rentals	40,741	255	1,926	136	10,249	20,498	105
Miscellaneous:							
Depreciation/Amortization	35,394	461	11,022	91	6,370	15,964	122
Dues & Prof Development	16,727	105	474	388	1,130	2,620	25
Insurance	1,923	12	91	6	484	967	5
Supplies	84,948	528	3,944	291	29,342	40,727	214
Travel	17,714	111	627	333	1,832	4,268	34
Total Miscellaneous	156,706	1,217	16,158	1,109	39,158	64,546	400
Total Administrative Expenses	<u>\$ 2,985,782</u>	<u>\$ 40,394</u>	<u>\$ 370,675</u>	<u>\$ 46,347</u>	<u>\$ 561,898</u>	<u>\$ 1,105,954</u>	<u>\$ 14,976</u>

North Dakota Public Employees Retirement System – Financial Section
Supplemental Information
Schedule of Consultant Expenses – Fiduciary Funds
For the Fiscal Year Ended June 30, 2025

	Public Employees Retirement System	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Program	Job Service Retirement Plan
Actuary Fees:							
Gabriel Roeder Smith & Co	\$ 196,868	\$ 22,958	\$ 39,275	-	-	-	\$ 10,280
Audit/Accounting Fees:							
UHY LLP	47,916	294	1,732	1,409	12,052	24,105	102
Disability Consulting Fees:							
Mid Dakota Clinic	-	-	-	-	-	-	-
IT Consulting:							
Sagitec Solution LLC	287,376	1,764	12,661	8,490	72,285	144,570	745
Miscellaneous Consulting Fees:							
Gabriel Roeder Smith & Co	25,881	159	1,297	-	-	-	-
Investment Consulting							
Callan Associates	-	-	-	370	-	53,255	-
Legal:							
Ice Miller, LLP	31,973	-	-	10,825	92	39,843	1,012
ND Attorney General	29,271	471	3,987	3,880	2,544	9,628	415
Totals	\$ 619,285	\$ 25,646	\$ 58,952	\$ 24,974	\$ 86,973	\$ 271,401	\$ 12,554

North Dakota Public Employees Retirement System – Financial Section
Supplemental Information
Schedule of Consultant Expenses – Fiduciary Funds
For the Fiscal Year Ended June 30, 2024

	Public Employees Retirement System	Highway Patrolmen's Retirement System	Retiree Health Insurance Credit Fund	Defined Contribution Retirement Fund	Pretax Benefits Program	Deferred Compensation Program	Job Service Retirement Plan
Actuary Fees:							
Gabriel Roeder Smith & Co	\$ 160,620	\$ 22,475	\$ 23,150	-	-	-	\$ 7,793
Audit/Accounting Fees:							
CliftonLarsonAllen LLP	36,047	226	1,704	120	9,068	18,136	93
Disability Consulting Fees:							
Mid Dakota Clinic	-	-	-	-	-	-	-
IT Consulting:							
Sagitec Solution LLC	289,918	1,814	13,703	968	72,933	145,866	745
Miscellaneous Consulting Fees:							
Gabriel Roeder Smith & Co	19,250	120	1	-	77	-	-
Investment Consulting							
Callan Associates	-	-	-	2,681	-	100,900	-
Legal:							
Ice Miller, LLP	11,848	253	4,268	7,108	22	34,312	136
ELSBERRY & SHIVELY PC	5,252	-	-	-	1,313	1,313	-
KLAUSNER KAUFMAN JENSEN & LEVI	23,288	-	-	-	5,822	5,822	-
ND Attorney General	42,585	267	1,624	1,074	3,838	7,769	74
Totals	\$ 588,808	\$ 25,155	\$ 44,450	\$ 11,951	\$ 93,073	\$ 314,118	\$ 8,841

North Dakota Public Employees Retirement System – Financial Section
Schedule of Appropriations
June 30, 2025

	Approved Fiscal Years 2023-2025	Fiscal Year 2024 Expenditures	Fiscal Year 2025 Expenditures	Unexpended
ALL FUND TYPES				
Salaries and Wages	9,068,789	4,381,411	4,552,582	134,796
Operating Expenses	2,542,712	1,180,593	1,244,450	117,669
Defined Benefit Closure	372,027	82,106	150,118	139,803
Contingency	250,000	0	0	250,000
	<u>12,233,528</u>	<u>5,644,110</u>	<u>5,947,150</u>	<u>642,268</u>

Reconciliation of Administrative Expenses to Appropriated Expenditures

Administrative expenses as reflected in the financial statements	2024	2025
Pension and OPEB trust funds	5,126,026	6,075,472
Enterprise funds - Group Insurance	405,711,817	410,481,361
Total administrative expenses	<u>410,837,843</u>	<u>416,556,833</u>
Adjustments:		
Change in accrued compensated absences	6,847	209,213
Professional Fees, premiums and benefits paid pursuant to NDCC54-52-	(405,106,272)	(410,724,174)
Amortization Expense	(94,339)	(94,342)
Contribution/premium over & short	31	(380)
	<u>5,644,110</u>	<u>5,947,150</u>



INVESTMENT SECTION

**North Dakota Public Employees Retirement System – Investment Section
Report on Investment Activity**



Retirement & Investment

December 12, 2025

Board of Trustees

Members of the System

This report is a summary of the investment portfolios managed by the State Investment Board (SIB) and market environment for the fiscal year ended June 30, 2025.

Introduction

For the fiscal year ended June 30, 2025, the North Dakota Public Employees Retirement System (PERS) investment portfolio experienced a net total return of 12.00%. The Job Service Pension Plan experienced a net total return of 8.91% for the same time period, while the Retiree Health Insurance Credit Fund returned 13.34% net of fees. The investment return calculations were prepared using a monthly time-weighted rate of return methodology based upon fair values and are subject to independent review.

2025 Summary

Risk assets delivered very strong performance over the past year, bringing global equities to +16.2% (MSCI ACWI Index). Fixed income assets also finished with strong positive performance, as spreads narrowed and treasury yields moved lower. During this period, markets delivered a bumpy ride throughout elections and a change in U.S. administration, shifting trade policy and tariff announcements which contributed to an April selloff following "Liberation Day." and some Treasury yield volatility due to uncertainty on timing of Federal Reserve rate cuts and fears around the nation's fiscal path. Although investors had expected domestic economic growth to slow in 2025, that slowing has so far proven more moderate than many had feared despite initial tariff concerns. Inflation did not reach the Federal Reserve's 2% goal, but showed some progress, now fluctuating in a 2.5%-3.0% range. Tariff-driven price increases were observed in specific categories but have so far not been broadly impactful. We expect sticky inflation and generally stronger-than-expected economic conditions to result in fewer rate cuts from the Federal Reserve and a higher-for-longer interest rate

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environment. The full economic effects of shifting trade policy will likely not be known until later in the year and into 2026.

International equities outperformed U.S. equities, though most of this outperformance was due to currency movements as the dollar fell sharply in the first half of 2025. Outperformance became particularly significant following the April market selloff, but a surprisingly strong rebound from U.S. equities has helped recoup much of that margin.

U.S. Equity

Domestic equities underperformed over the past year (S&P 500 +15.2% vs. MSCI ACWI ex-US +17.7%). Equity gains have been narrow with a handful of mega-cap stocks propelling the index higher. Forward P/E multiples climbed back to high levels, driven by earnings momentum in mega-cap growth stocks, and S&P 500 dividend yield fell to a historic low of 1.3%. Sentiment around artificial intelligence boosted long-term expectations for growth and contributed to investor enthusiasm despite lofty index valuations. A corporate productivity boom fueled by artificial intelligence investments may provide a path to further strong market gains despite elevated valuations, already high profit margins, higher cost of debt, and a moderation of economic growth.

Many investors have attributed this effect to trade policy—specifically aggressive U.S. trade negotiations with a wide variety of trading partners. This presents the U.S. with more trade friction and greater risks to its economy relative to its trading partners that each face trade negotiations with only a single country. During the April selloff, questions circulated around whether U.S. exceptionalism had ended and that non-U.S. assets were set for a comeback. However, this story faded after U.S. markets roared back to new highs in the subsequent months.

International Equity

International developed outperformed U.S. equities over the past year (MSCI EAFE +17.5%), but this was largely due to currency effects from dollar depreciation. European equities led the way among other regions (MSCI Euro +22.2%) during that period, with Germany (MSCI Germany +41.1%) showing impressive gains on optimism that relaxation of government debt limits and stimulus programs could kickstart a new wave of growth via more rapid industrial production and reinvestment.

Emerging market equities also outperformed the U.S. very slightly (MSCI EM +15.3%) fueled by a bounce back in Chinese markets (MSCI China +34.1%). Despite this rally, Chinese equities remain a significant detractor from emerging market performance over the longer-term, as demonstrated by China's -31% total underperformance over the past 10 years relative to the rest of the emerging markets complex (MSCI EM ex-China).

Fixed Income

The 10-year U.S. Treasury yield continues to hover around 4.2%, although yields moved in a very wide range from slightly below 4.0% following April's selloff to 4.6% after Moody's downgraded the U.S. credit rating and fears circulated around the country's fiscal path.

The Federal Reserve kept rates steady again in June in a target range of 4.25%-4.50%, expressing concerns about possible inflationary impacts of tariffs. Chair Jerome Powell at the meeting said that policymakers are "well positioned to wait" and that there were few signs of economic weakening. Markets are pricing in two rate cuts by the end of 2025, while the U.S. yield curve has returned to an upward sloping shape—the steepest since early 2022 when the Federal Reserve began quickly hiking interest rates. The 10-year U.S. Treasury yield was 0.6% higher than the 2-year yield as of June 30th. President Trump continued to place pressure on Powell to cut rates, and discussions are underway for electing a new chair in 2026.

Fixed income assets delivered high single-digit returns over the past year as medium- and shorter-term Treasury yields moved lower and credit spreads tightened. Core fixed income showed a +6.7% return (Bloomberg U.S. Aggregate) while high yield bonds returned +10.4% (Bloomberg U.S. Corporate High Yield). Despite increased borrowing costs, credit default activity has remained muted with no defaults occurring in June, which was only the third instance of no monthly defaults since 2022. Loans continued to surpass bonds in both default and distressed activity. High yield bond default rates rose 21 bps to 1.4% during Q2, well below the long-term annual average of over 3.0%. Loan default rates, by comparison, dropped slightly to 3.8%. High yield credit spreads tightened from 3.2% to 2.9% while investment grade spreads narrowed from 0.9% to 0.8%.

Commodities

The Bloomberg Commodity Index delivered robust returns over the past year, up +5.8%. Gold and Copper delivered an incredible rally during the period followed by Natural Gas. Central bank purchases, easing global monetary policy, and geopolitical tensions were likely tailwinds to gold prices, as well as the concern around fiscal situations of various global governments. Commodity futures curves have been in backwardation recently which has allowed for more positive total returns from the asset class.

Currency

In a reversal of 2024 trends, a depreciating U.S. dollar resulted in very significant volatility and gains for investors without a currency-hedging program in place. The dollar has fallen approximately -10% year-to-date which contributed to a +11.6% return to international developed equities (MSCI EAFE). Over the fiscal year ending June 30, unhedged currency exposure added +7.4% to international

developed equity returns and +2.3% to emerging market equities (MSCI EM). While it is difficult to attribute currency movements to individual causes, it is reasonable to assume that shifting trade policy, a weakening economy, and expectations for Federal Reserve rate cuts have had an impact on the recent dollar path.

Private Equity

Private markets have broadly faced a period of underperformance or mild outperformance relative to public markets, though this poor performance is mostly unrealized given the long-term nature of private markets. Direct private equity funds outperformed public markets by only +0.6% annualized over the past five years and +1.2% annualized over the past decade, ending December 31 (FTSE U.S. Direct Private Equity vs. Russell 3000 on a PME basis) while private real estate returns outperformed REITs by +0.1% annualized over the past five years and +2.3% annualized over the past decade (FTSE U.S. Real Estate Index vs. Wilshire REIT Index on a PME basis). Private natural resource funds outperformed the public market index by +0.6% annualized over the past five years and underperformed by -0.9% annualized over the past decade (FTSE Global Natural Resources vs. MSCI World Natural Resources on a PME basis).

If the very strong rally in public markets were to moderate, this could bring private asset performance more in line with historical trends. We continue to believe that private market investments offer structural advantages that will deliver for investors over a longer-term period.

Private equity outperformed public equity (+14.0% versus +10.3% for the Russell 3000 Index PME) for the year ending March 31, on a public market equivalent basis. Fundraising has slowed, with approximately \$193 billion raised in Q1 across global private equity markets compared to \$225 billion raised over the same period during 2024. Deal count was substantially less, at 296 relative to 445 during the same period last year. In 2024, funds in the quickest top quartile were raised in 11.1 months. In 2024, this sped up to 9.0 months. The median fund took 18.7 relative to 19.1 months the year prior.

Private Credit

Private credit returned +10.2% for the year ending March 31. A majority of this return is attributable to income, given that private loans have floating rate coupons. This compared to a +7.7% return from U.S. high yield bonds (Bloomberg U.S. High Yield Index) and +7.0% return from bank loans (S&P UBS Leveraged Loans).

Fundraising in closed-end vehicles rebounded substantially, at \$68.7 billion during Q1 across 42 funds, relative to \$30.4 billion the same period of 2024 across 25 funds.

Real Estate

NFI-ODCE total return gross of fees for Q1 2025 was +1.1%, similar to +1.2% in the previous quarter, and up from -2.4% a year ago. For the one-year ending March 30, 2025, the NFI-ODCE total return gross of fees was +2.0%, comprised of 4.2% income and a -2.1% price appreciation return, a significant improvement from recent years of deep losses. The index consists of 25 funds totaling \$278 billion of gross real estate assets. Investors' net outflows continued at -\$1.7 billion being pulled out during Q1, which compared to -\$3.4 billion last quarter.

Outlook

The U.S. economy remains relatively strong—a stable labor market and consumer spending trends suggest a low chance of recession in 2025. Tariff inflation effects appear very small so far, though more effects will likely show in the coming quarters. Domestic risk asset pricing fully reflects this good outcome, and we are back to an environment where high prices may temper investor enthusiasm to take much more risk than policy.

We expect moderate positive growth in 2025 with no recession. Inflation may rise to around 3%-3.5% by end of year due to tariffs and other price pressures traditionally associated with good economic growth. We do not believe that this would be enough inflation to spook markets or to cause major disruptions. The labor market will likely continue to show mixed signals but remain generally stable with less hiring and possibly signs of growing labor productivity which could add to investor sentiment. Earnings forecasts, which are currently high (+10.3% earnings growth for 2025) could further propel U.S. equities despite high valuations.

Summary

Both public equity and fixed income markets provided good returns this past year. The equity market had a return of 15.9% and the fixed income market returned 6.1% as measured by the industry standard benchmarks of the MSCI ACWI IMI index and the Bloomberg Aggregate.

As public markets returns improved, real estate returns as represented by an industry standard NCREIF Property Index, was up +2.0% for the year ending March 2025. The market is beginning to recover but the returns continue to be low compared to history. Private equity and Private credit had a strong return of 10.3% and +10.2% respectively for the year ending March 31st.

The Pension Pool, Insurance Pool and Legacy Fund one-year returns for the period ending June 30, 2025, were 11.8%, 7.9%, and 12.7% respectively. Over the five-year period ending June 30, 2025, the Pension Pool, Insurance Pool and Legacy Fund generated net investment returns of 9.2%, 3.6%,

**North Dakota Public Employees Retirement System – Investment Section
Report on Investment Activity**

and 8.3% respectively. The Pension Pool outperformed its policy benchmark by 50 basis points, the Insurance Pool outperformed its benchmark by 90 basis points, and the Legacy Fund outperformed its policy benchmark by 100 basis points. All in all, the State Investment Board (SIB) is pleased with longer-term performance.

The US economy is growing at an above trend pace fueled by Infrastructure investments related to the AI buildout. Inflation remains sticky, with the CPI inflation measure at about 3% but quite a bit lower than the inflation rate of the previous two years. The Federal Reserve has lowered its target rate by 1.5%, which is generally good for investment returns. The major risks continue to be higher than average valuations in both the equity and credit markets, fiscal deficits and global conflicts.

The funds in SIB's care are invested with a long-term view in mind, expecting some years to have lower returns and other years to have higher returns. A diligent investment process is used to allocate the funds to balance the risks under an assumed range of return scenarios and to select, size and monitor manager mandates in a sound fiduciary manner. The SIB and our staff are focused on prudently managing the portfolios in our care.

Sincerely,



SCOTT ANDERSON, CFA

Chief Investment Officer

North Dakota Public Employees Retirement System – Investment Section Investment Policies

By state law, PERS and HPRS assets are invested by the North Dakota State Investment Board (SIB). This change became effective July 1, 1989, with the primary purpose being to achieve cost savings through pooling of assets for investment. The System also contracts with the SIB to invest the assets of the Job Service Retirement Plan and the Retiree Health Insurance Credit Plan (RHIC).

State law requires that the SIB apply the prudent investor rule when investing funds under its supervision. The “prudent investor rule” means fund fiduciaries shall exercise the judgment and care, similar to that of an institutional investor who exercises ordinary prudence, discretion, and intelligence when managing the assets of large investments entrusted to it. The funds belonging to the System must be invested exclusively for the benefit of the members and the beneficiaries in accordance with the System’s investment goals and objectives.

The Retirement Board is responsible for establishing policies on investment goals and objectives and asset allocation, which are to be viewed over the long term. The investment goals for PERS and HPRS are: to accumulate sufficient wealth through a diversified portfolio of investments which will enable the State of North Dakota to pay all current and future retirement benefits and expense obligations of the Fund and, to obtain investment returns in excess of that needed to allow for increases in a retiree’s annuity to maintain the purchasing power of their retirement benefit.

The Board acknowledges the material impact that funding the pension plan has on the State’s financial performance. To enable the State to continue offering secure pension benefits to plan participants, the Board believes that the Fund should pursue the following secondary goals:

- Stabilize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid both substantial volatility in contributions and sizable fluctuations in the funding status of the plan.

The investment performance objectives for the PERS, HPRS, Job Service and RHIC plans are:

- The fund’s rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.
- The fund’s risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of five years.
- The risk-adjusted performance of the fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.

The investment goals for the Job Service Retirement Plan are:

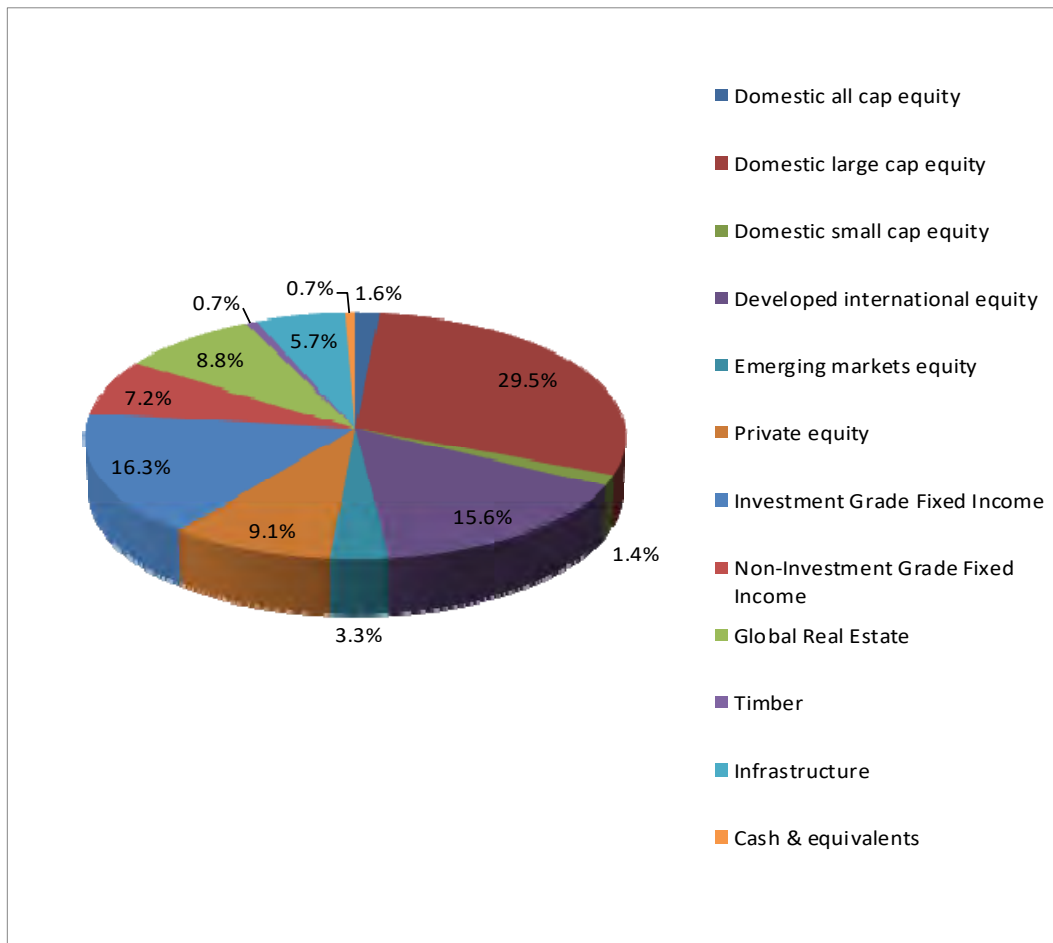
- To maintain a level of surplus sufficient to eliminate the need for future contributions.
- To achieve a rate of return which exceeds the rate of inflation, as measured by the Consumer Price Index
- To maximize the Plan’s surplus to increase future benefit payments as a secondary objective.

The investment goals for the Retiree Health Insurance Credit Plan are:

- To accumulate sufficient wealth through a diversified portfolio of investments which will enable the State of North Dakota to pay all current and future retirement benefits and expense obligations of the fund.
- To obtain an investment return in excess of that needed to allow for increases in a retiree’s credit to maintain the purchasing power of their benefit.

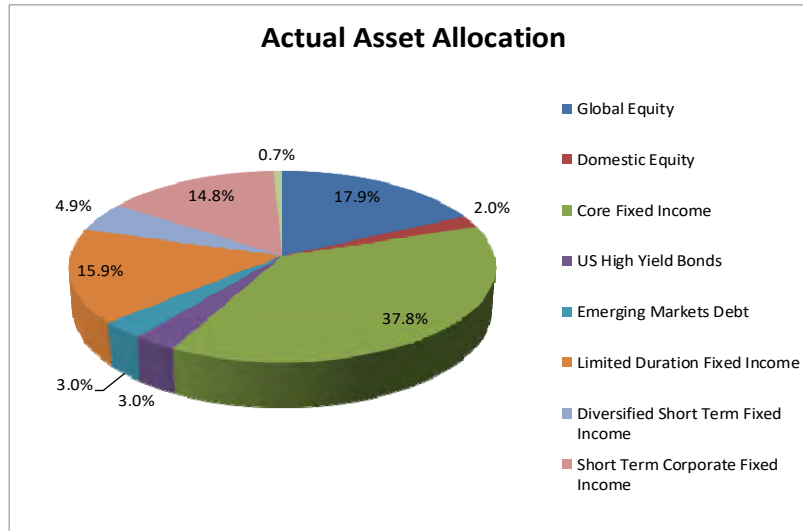
The SIB is responsible for carrying out the Retirement Board’s investment goals, objectives and policies; implementing the asset allocation plan submitted by the System, maintaining a separate accounting and preparing periodic investment performance reports for the System funds under their authority. The System’s assets may be pooled with other funds, at the discretion of the SIB.

Public Employees and Highway Patrolmen's Retirement Systems Asset Allocation - June 30, 2025



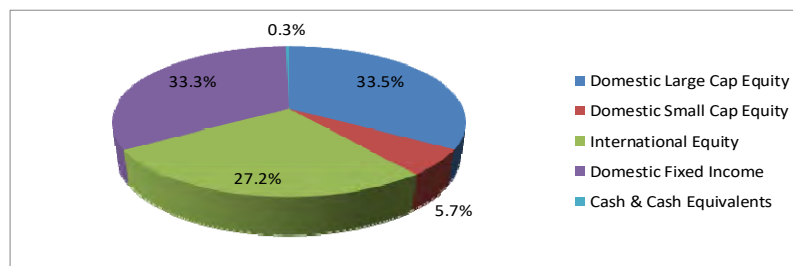
<u>Asset Class</u>	<u>Fair Value</u>	<u>Actual %</u>	<u>Policy %</u>
Domestic all cap equity	\$ 75,449,068	1.6%	51.0%
Domestic large cap equity	1,433,901,627	29.5%	
Domestic small cap equity	69,683,068	1.4%	
Developed international equity	758,311,039	15.6%	
Emerging markets equity	161,946,736	3.3%	
Private equity	443,338,880	9.1%	7.0%
Investment Grade Fixed Income	791,070,440	16.3%	16.0%
Non-Investment Grade Fixed Income	347,429,171	7.2%	7.0%
Global Real Estate	428,985,569	8.8%	11.0%
Timber	33,748,070	0.7%	0.9%
Infrastructure	277,973,709	5.7%	7.1%
Cash & equivalents	33,973,652	0.7%	0.0%
Total	\$ 4,855,811,030	100.0%	100.0%

Job Service Retirement Plan Asset Allocation - June 30, 2025



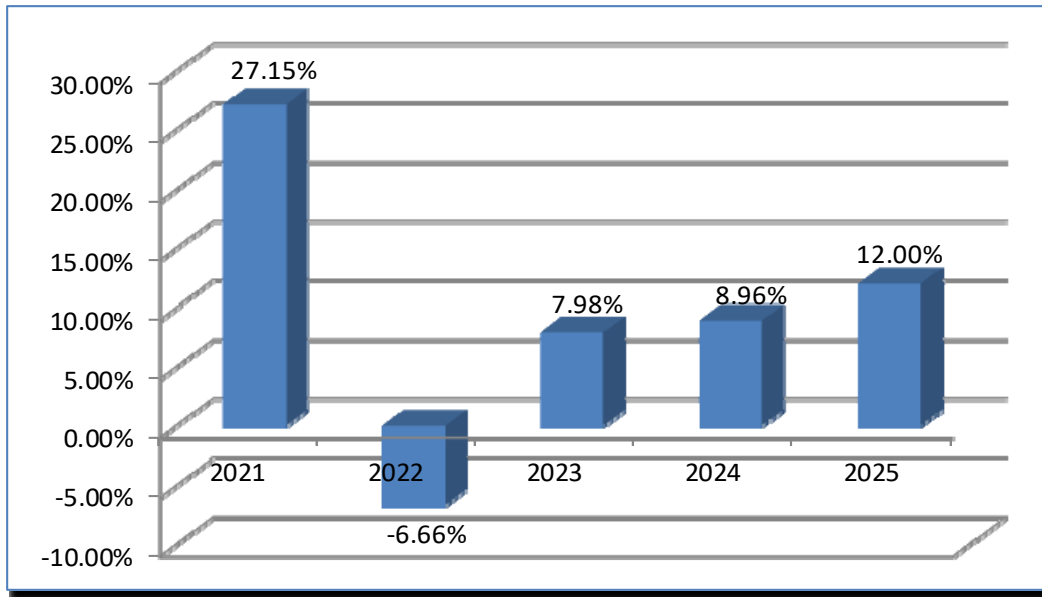
<u>Asset Class</u>	<u>Fair Value</u>	<u>Actual %</u>	<u>Policy %</u>
Global Equity	15,166,664	17.9%	18.0%
Domestic Equity	1,681,131	2.0%	2.0%
Core Fixed Income	31,931,966	37.8%	38.0%
US High Yield Bonds	2,528,631	3.0%	3.0%
Emerging Markets Debt	2,529,496	3.0%	3.0%
Limited Duration Fixed Income	13,417,623	15.9%	16.0%
Diversified Short Term Fixed Income	4,175,256	4.9%	5.0%
Short Term Corporate Fixed Income	12,554,062	14.8%	15.0%
Cash & Equivalents	596,153	0.7%	0.0%
Total	\$ 84,580,982	100.0%	100.0%

Retiree Health Insurance Credit Program Asset Allocation - June 30, 2025



<u>Asset Class</u>	<u>Fair Value</u>	<u>Actual %</u>	<u>Policy %</u>
Domestic Large Cap Equity	\$ 68,990,120	33.5%	33.0%
Domestic Small Cap Equity	11,742,278	5.7%	6.0%
International Equity	56,000,244	27.2%	26.0%
Domestic Fixed Income	68,634,970	33.3%	35.0%
Cash & Cash Equivalents	595,239	0.3%	0.0%
Total	\$ 205,962,852	100.0%	100.0%

Public Employees and Highway Patrolmen's Retirement Systems Investment Results



Public Employees and Highway Patrolmen's Retirement Systems (PERS)
Schedule of Investment Results⁽¹⁾
For the Five Years Ended June 30, 2025

	2021	2022	2023	2024	2025	Annualized 3 Year	Annualized 5 Year
Total Fund (PERS)	27.15%	-6.66%	7.98%	8.96%	12.00%	9.63%	9.36%
Actual Total Fund Policy Benchmark	25.84%	-7.04%	8.65%	9.38%	11.01%	9.68%	9.07%
Global Equity	43.33%	-13.21%	N/A	N/A	N/A	N/A	N/A
MSCI World	39.04%	-14.34%	-6.19%	N/A	15.76%	N/A	N/A
Large Cap Domestic Equities	42.57%	-12.72%	20.49%	24.86%	16.37%	20.52%	16.85%
Russell 1000	43.07%	-13.04%	19.36%	23.88%	15.66%	19.59%	16.30%
Small Cap Domestic Equities	40.81%	-16.93%	15.10%	3.03%	5.56%	7.77%	7.92%
Russell 2000	62.02%	-25.20%	12.31%	10.06%	7.68%	10.00%	10.04%
Developed International Equities	37.48%	-20.00%	18.49%	9.24%	19.14%	16.42%	5.73%
Benchmark ⁽²⁾	33.60%	-16.76%	17.41%	N/A	18.70%	15.73%	11.51%
Emerging Markets Equities	46.48%	-28.22%	-1.87%	13.46%	14.03%	8.28%	5.95%
MSCI Emerging Markets Net	40.90%	-25.28%	1.75%	12.55%	15.29%	9.70%	6.81%
Private Equity ⁽³⁾	48.81%	11.73%	9.24%	2.95%	10.30%	7.45%	15.58%
Investment Grade Fixed Income	1.51%	-10.66%	-0.74%	4.36%	6.93%	3.47%	0.09%
Bloomberg Aggregate	-0.33%	-10.29%	-0.94%	2.63%	6.08%	2.55%	-0.73%
Below Investment Grade Fixed Income	14.41%	-0.78%	7.36%	9.31%	8.94%	8.54%	7.73%
Bloomberg High Yield Corp 2% Issuer Cap	15.34%	-12.82%	9.07%	10.43%	10.29%	9.93%	5.96%
Global Real Estate	8.91%	24.96%	-10.87%	-15.06%	0.62%	-8.67%	0.72%
NCREIF Total	7.37%	21.45%	-6.60%	-5.53%	1.17%	-3.71%	3.09%
Timber	4.87%	7.37%	-5.29%	7.95%	4.31%	2.17%	3.73%
NCREIF Timber	3.10%	12.01%	11.13%	9.84%	5.60%	8.83%	8.28%
Infrastructure	14.49%	8.26%	8.61%	5.74%	13.20%	9.14%	10.01%
Benchmark	5.26%	18.33%	-3.04%	-3.64%	2.18%	-1.54%	3.52%
Cash	0.11%	0.22%	3.79%	5.49%	4.91%	4.73%	2.88%
90 Day T-bills	0.09%	0.17%	3.59%	5.40%	4.68%	4.56%	2.76%

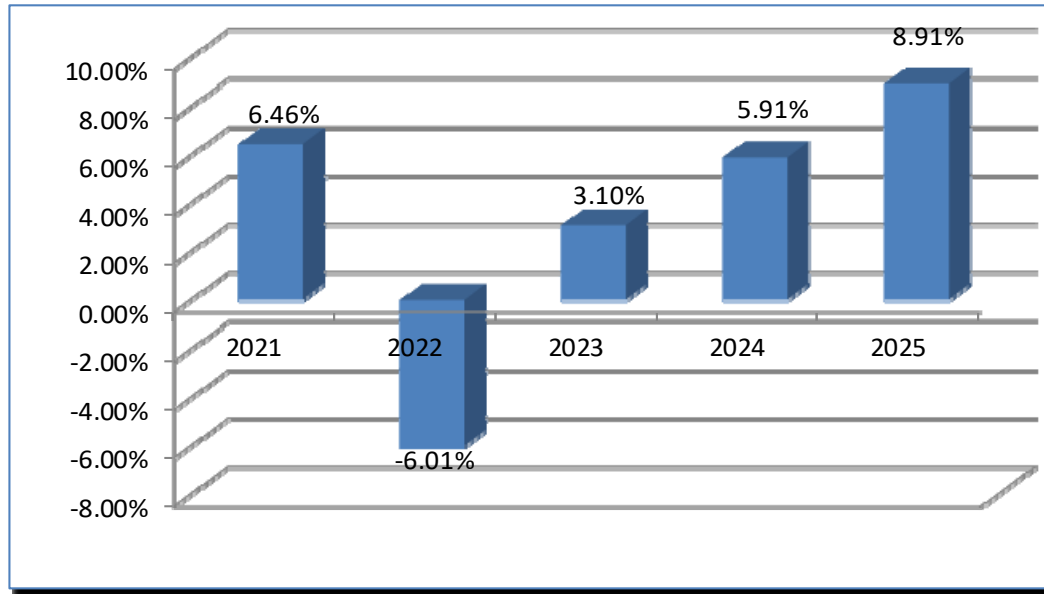
⁽¹⁾ The investment return calculations were prepared using a monthly time-weighted rate of return methodology based upon market values

⁽²⁾ MSCI EAFE through 6/30/16 and MSCI World ex-US thereafter.

⁽³⁾ It has been determined that there is no benchmark that is an accurate reflection of the System's investments in this asset class. For total fund policy purposes, the actual asset class return is used.

North Dakota Public Employees Retirement System – Investment Section
Investment Results

Job Service Retirement Plan
Investment Results



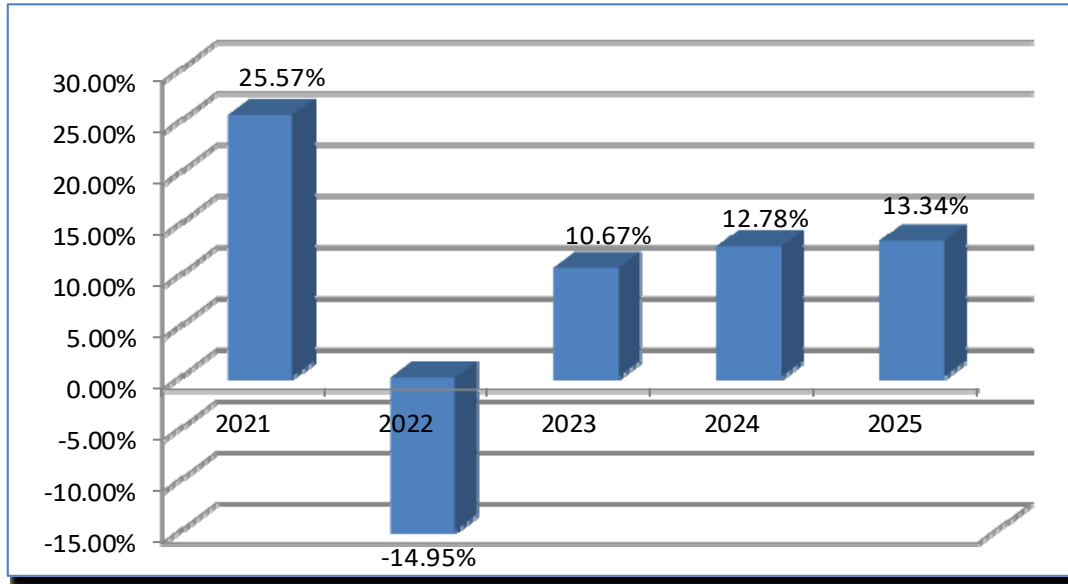
Job Service Retirement Plan
Schedule of Investment Results⁽¹⁾⁽²⁾
For the Five Years Ended June 30, 2025

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	Annualized	
						<u>3 Year</u>	<u>5 Year</u>
Total Fund	6.46%	-6.01%	3.10%	5.91%	8.91%	5.95%	3.54%
Actual Fund Policy Benchmark	7.97%	-7.91%	4.22%	5.14%	8.08%	5.80%	3.32%
Global Equity	25.05%	-0.77%	8.37%	11.00%	18.77%	12.62%	12.13%
Weighted Benchmark - Global Equity	40.57%	-14.29%	16.08%	9.22%	16.71%	13.95%	12.26%
Global Fixed Income	2.21%	-7.20%	1.85%	4.65%	6.56%	4.34%	1.50%
Weighted Benchmark - Global Fixed Income	0.73%	-5.73%	1.16%	4.11%	5.95%	3.72%	1.17%
Cash	0.11%	0.22%	3.92%	5.55%	4.91%	4.79%	2.92%
90 Day T-bills	0.09%	0.17%	3.59%	5.40%	4.68%	4.56%	2.76%

⁽¹⁾ The investment return calculations were prepared using a monthly time-weighted rate of return methodology based upon market values

⁽²⁾ Mid year 2016 the investments were removed from pension pools and were directly managed

Retiree Health Insurance Credit Program Investment Results



Retiree Health Insurance Credit Plan Schedule of Investment Results⁽¹⁾ For the Five Years Ended June 30, 2025

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	Annualized	
						<u>3 Year</u>	<u>5 Year</u>
Total Fund	25.57%	-14.95%	10.67%	12.78%	13.34%	12.25%	8.60%
Large Cap Domestic Equity	42.52%	-13.36%	18.95%	23.48%	15.17%	19.15%	15.87%
Russell 1000	43.07%	-13.04%	19.36%	23.88%	15.65%	19.58%	16.30%
Small Cap Domestic Equity	58.28%	-17.10%	9.47%	14.33%	8.82%	10.85%	12.31%
Russell 2000	62.02%	-25.20%	12.31%	10.06%	7.69%	10.00%	10.04%
International Equity	35.68%	-20.27%	13.81%	11.11%	19.88%	14.87%	10.40%
MSCI EAFE	35.72%	-19.42%	12.72%	11.62%	17.72%	13.99%	10.13%
Core Plus Fixed Income	3.59%	-12.27%	1.33%	3.85%	7.45%	4.18%	0.55%
Barclays Aggregate	-0.33%	-10.29%	-0.94%	3.55%	7.09%	3.18%	-0.36%
Cash	0.01%	0.12%	3.39%	5.47%	4.83%	4.56%	2.74%
90 Day T-bills	0.09%	0.17%	3.59%	5.40%	4.67%	4.55%	2.76%

⁽¹⁾ The investment return calculations were prepared using a monthly time-weighted rate of return methodology based upon market values

North Dakota Public Employees Retirement System – Investment Section
Largest Holdings

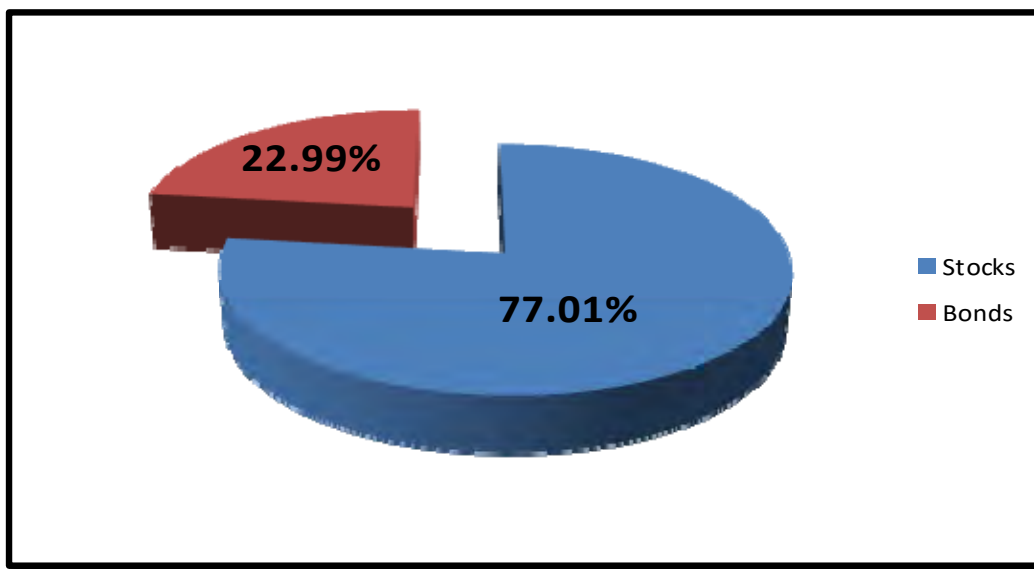
Largest Holdings by Market Value at June 30, 2025

Stocks		Fair Value
Microsoft Corporation	\$	54,790,631
Apple Incorporated		52,412,310
Nvidia Corp Com		38,936,605
Amazon Company Incorporated		26,351,335
Alphabet Incorporated (Class A)		26,287,001
Meta Platforms Inc (Class A)		19,231,568
Alphabet Incorporated (Class C)		14,298,443
Broadcom Inc Com		13,133,266
Eli Lilly & Co Com		11,583,618
Berkshire Hathaway Inc (Class B)		11,298,267

Bonds		
FNMA 30 Year Pass-Throughs 5.5% 30 Years Settles August	\$	13,102,353
FNMA Single Family Mtg 5 30 Years Settles September		12,512,528
FNMA Single Family Mortgage 4.5% 30 Years Settles August		9,704,224
United States Of Amer Treas Notes 4.0% 06-30-2028		8,077,103
United States Treas Bds Dtd 00300 4.75% 11-15-2053		6,922,048
United States Treas Infl Indexed Nts 0.75% 07-15-2028		6,679,852
FNMA 30 Year Pass-Throughs 6% 30 Years Settles August		6,302,776
United States Treas Bds Dtd 11/15/2023 4.75% 11-15-2043		5,976,075
United States Treas Bds 1.375% 11-15-2040		5,582,838
FNMA Single Family Mortgage 4% 30 Years Settles August		5,263,086

A complete list of all holdings is available upon request

Percentage of Largest Holdings



North Dakota Public Employees Retirement System – Investment Section
Schedule of Investment Fees

Public Employees and Highway Patrolmen's Retirement System
Schedule of Investment Fees
For the Fiscal Year Ended June 30, 2025

Investment Manager's Fees:	Assets Under Management	Fees
Global Equity	\$75 Million	\$ -
Domestic Large Cap Equity	\$1.40 Billion	4,570,503
Domestic Small Cap Equity	\$70 Million	449,832
Developed International Equity	\$758 Million	1,590,569
Emerging Markets Equity	\$162 Million	269,235
Private Equity	\$443 Million	4,582,996
Investment Grade Fixed Income	\$791 Million	1,616,503
Below Investment Grade Fixed Income	\$347 Million	3,950,396
Global Real Estate	\$429 Million	2,772,086
Timber	\$34 Million	256,567
Infrastructure	\$278 Million	8,675,071
Cash & Equivalents	\$34 Million	27,837
Total Investment Managers' Fees		<u>\$ 28,761,595</u>
Other Investment Service Fees:		
Custodian Fees	\$4.86 Billion	\$ 379,237
Investment Consultant Fees	\$4.86 Billion	216,527
SIB Administrative Fees	\$4.86 Billion	1,421,919
Total Investment Service Fees		<u>\$ 2,017,683</u>

Job Service Retirement Plan
Schedule of Investment Fees
For the Fiscal Year Ended June 30, 2025

	Assets Under Management	Fees
Investment Management Fees	\$85 Million	\$ 293,708
Custodian Fees	\$85 Million	5,713
SIB Contract Fees	\$85 Million	23,754
Total Investment Expense		<u>\$ 323,175</u>

Retiree Health Insurance Credit Plan
Schedule of Investment Fees
For the Fiscal Year Ended June 30, 2025

Other Investment Service Fees:	Assets Under Management	Fees
Investment Retiree Health Insurance Credit Program Ass	\$206 Million	\$ 633,846
Custodian Fees	\$206 Million	13,024
SIB Contract Fees	\$206 Million	54,105
Total Investment Service Fees		<u>\$ 700,975</u>

**PUBLIC EMPLOYEES AND HIGHWAY PATROLMEN'S SCHEDULE OF COMMISSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**PERS SCHEDULE OF COMMISSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Brokers	Number of shares traded	Total commissions	Commissions per share
State Street Global Markets LLC	5,639,400	\$ 33,830	\$ 0.006
Morgan Stanley	3,708,982	30,805	0.008
Instinent	1,827,236	21,079	0.012
Bernstein Institutional	1,452,375	15,211	0.010
Liquidnet Inc	1,189,523	13,572	0.011
UBS	1,169,844	14,148	0.012
Jefferies LLC	1,029,831	12,624	0.012
J.P. Morgan	920,721	19,180	0.021
Bofa Securities, Inc	856,018	11,862	0.014
RBC Capital Markets LLC	576,630	8,658	0.015
Other 89 Brokers *	6,174,453	118,879	0.019
Total commissions	24,545,013	\$ 299,847	\$ 0.012

* A complete listing of investment brokers utilized is available upon request.

Note: This schedule includes only brokerage costs for agency trades of common and preferred stock.

** Commissions do not apply to the Job Service or RHIC Funds

Defined Contribution Investments

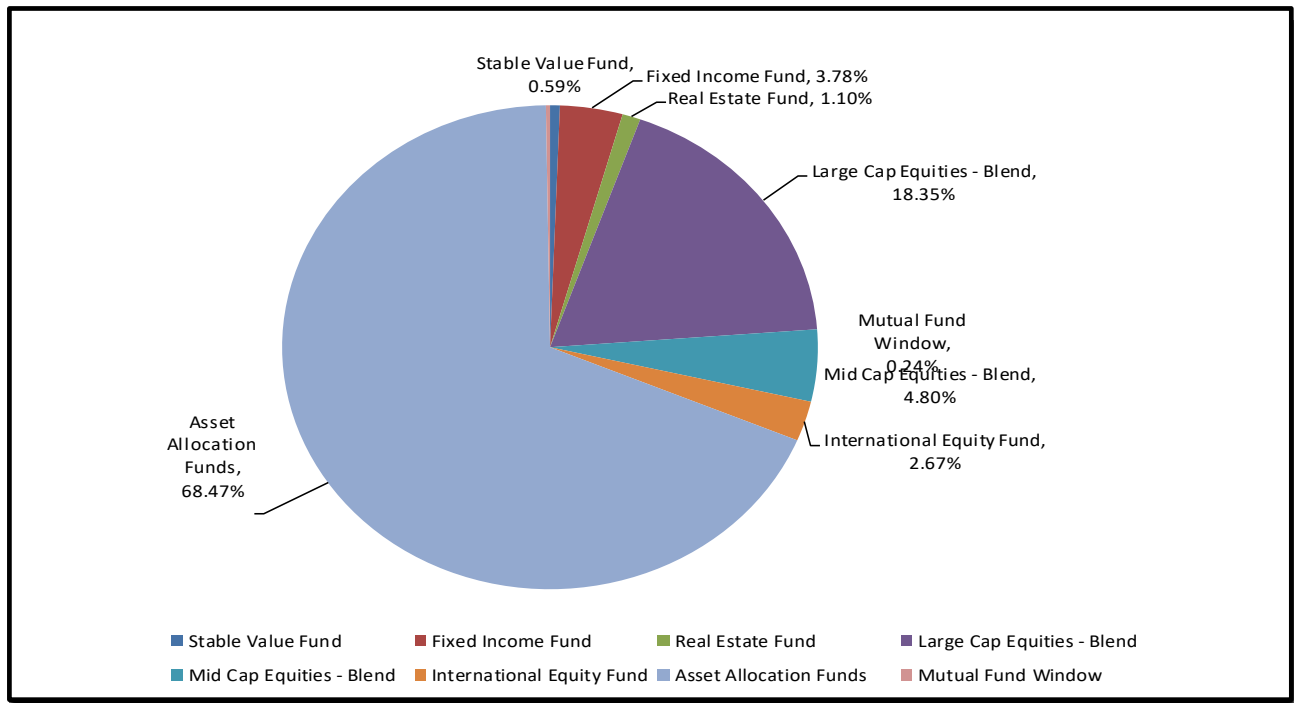
The Defined Contribution Retirement Plan (Plan) is a long-term retirement savings vehicle and is intended as a source of retirement income for eligible participants. Each participating member shall direct the investment of the individual's accumulated employer and employee contributions and earnings to one or more investment choices within available categories of investment provided by the Board. The available investment options cover a broad range of investment risk and rewards appropriate for this kind of retirement savings program. Participants bear the risk and reap the rewards of investment returns that result from the investment options that they select. Empower is the record-keeper for the Plan.

The Board has adopted an investment policy that serves the following purposes:

- Establishes an investment program that will allow plan participants the opportunity to structure an investment strategy that meets their individual return objectives and risk tolerances
- Defines the investment categories offered by the Plan
- Establishes benchmarks and performance standards for each investment category to evaluate each fund's performance
- Establishes a procedure for reporting and evaluating the various funds and a methodology for monitoring their performance
- Defines the procedures for investment fund evaluation and formal fund review.

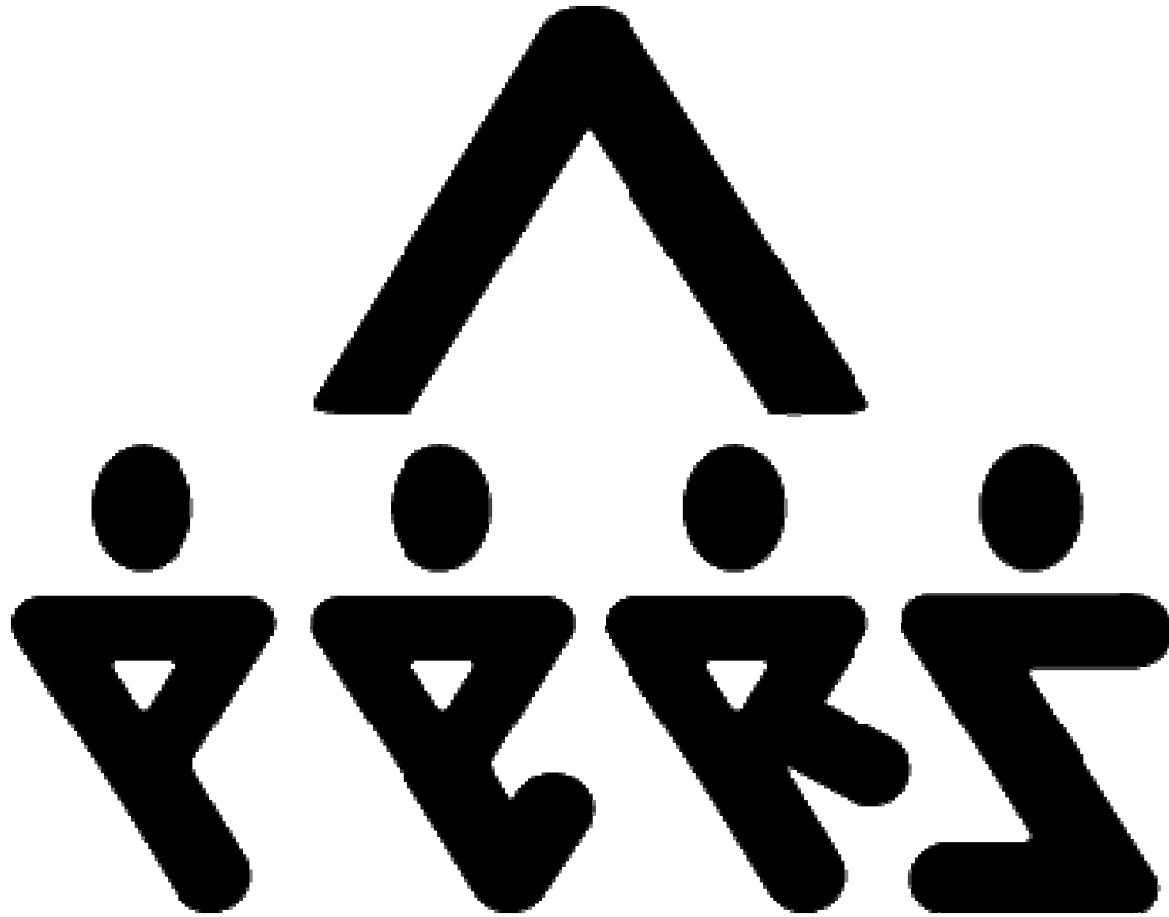
Defined Contribution Retirement Plan Investment Options - June 30, 2025

Investment Options	Market Value	Percent
Stable Value Fund	\$ 181,738	0.59%
Fixed Income Fund	1,155,313	3.78%
Real Estate Fund	337,390	1.10%
Large Cap Equities - Blend	5,615,442	18.35%
Mid Cap Equities - Blend	1,469,102	4.80%
International Equity Fund	816,358	2.67%
Asset Allocation Funds	20,950,682	68.47%
Mutual Fund Window	74,452	0.24%
Total	<u>\$ 30,600,477</u>	<u>100.00%</u>



Defined Contribution Retirement Plan - Schedule of Investment Results **For the Five Years Ended June 30, 2025**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>3-Year Annualized</u>	<u>5-Year Annualized</u>
Stable Value Fund/Money Market Fund:							
Vanguard Treasury Money Market - VUSXX	0.04%	0.17%	3.69%	5.40%	4.69%	4.59%	2.78%
Galliard Stable Value C	-	-	-	-	3.06%	2.73%	2.36%
New York Life Ins Co Anchor Acct	-	-	-	-	3.57%	3.37%	2.82%
3 Month T-Bill Index (2)	0.01%	0.17%	3.59%	5.40%	4.68%	4.56%	2.76%
Fixed Income Fund:							
Baird Core Plus Bond Fund - BCOSX	1.52%	-11.27%	0.30%	4.05%	6.57%	3.76%	0.23%
Vanguard Total Bond Market Index	-0.42%	-0.94%	-0.90%	2.76%	6.04%	2.59%	-0.71%
Blmbg: Aggregate Flt Adj	-0.33%	-10.38%	-0.85%	2.73%	6.07%	2.61%	-0.71%
Blmbg: Universal	4.42%	-5.14%	-1.40%	2.71%	6.51%	3.28%	-0.15%
Real Estate (Sector) Fund:							
Cohen & Steers Realty Shares (2)	35.75%	-4.66%	-2.57%	6.85%	11.12%	4.97%	8.41%
FTSE NAREIT All Equity REITs Index (2)	32.80%	-5.89%	-4.39%	5.78%	9.20%	3.36%	6.66%
Large Cap US Equities:							
Vanguard Institutional Index	42.50%	-10.65%	19.55%	24.51%	15.12%	19.67%	16.60%
S&P 500 Index	40.79%	-10.62%	19.59%	24.56%	15.16%	19.71%	16.64%
Small/Mid Cap US Equities:							
JP Morgan SMID Cap Equity	48.79%	-26.86%	24.01%	9.31%	7.40%	8.02%	9.42%
Russell 2500 Index	43.77%	-29.57%	23.13%	11.98%	9.91%	11.31%	11.44%
International Equity Funds							
MFS International Diversification	-	-	-	-	18.79%	14.26%	9.49%
Vanguard Total International Stock Index Inv (2)	36.51%	-18.94%	12.31%	10.96%	18.27%	13.81%	10.28%
MSCI ACWI	35.72%	-15.75%	16.53%	19.38%	17.72%	13.99%	10.13%
FTSE GI All Cap ex US Indx	33.76%	-19.27%	12.51%	11.68%	13.98%	10.40%	6.71%
Asset Allocation Funds:							
Nuveen Lifecylce Ret Inc	16.29%	-11.37%	6.13%	9.21%	8.66%	8.16%	5.58%
Income Benchmark (1)	16.07%	-10.93%	6.26%	9.46%	10.28%	8.65%	5.81%
Nuveen Lifecycle 2010 Fund	16.33%	-11.39%	6.21%	9.21%	8.66%	8.20%	5.59%
2010 Benchmark (1)	15.70%	-10.69%	5.85%	8.96%	9.80%	8.19%	5.57%
Nuveen Lifecycle 2015 Fund	18.14%	-11.85%	6.60%	9.45%	8.73%	8.42%	5.93%
2015 Benchmark (1)	17.75%	-11.28%	6.67%	9.67%	10.31%	8.87%	6.17%
Nuveen Lifecycle 2020 Fund	20.07%	-12.59%	7.40%	10.11%	9.04%	9.04%	6.47%
2020 Benchmark (1)	19.84%	-11.84%	7.52%	10.40%	10.81%	9.57%	6.83%
Nuveen Lifecycle 2025 Fund	23.29%	-13.53%	8.67%	11.00%	9.36%	9.87%	7.30%
2025 Benchmark (1)	23.28%	-12.51%	8.64%	11.27%	11.33%	10.41%	7.67%
Nuveen Lifecycle 2030 Fund	26.80%	-14.60%	10.23%	12.36%	9.92%	11.00%	8.29%
2030 Benchmark (1)	27.05%	-13.25%	10.03%	12.50%	12.14%	11.55%	8.74%
Nuveen Lifecycle 2035 Fund	30.25%	-15.58%	12.09%	13.93%	10.47%	12.35%	9.39%
2035 Benchmark (1)	30.82%	-13.99%	11.81%	13.92%	12.98%	12.90%	9.91%
Nuveen Lifecycle 2040 Fund	33.89%	-16.41%	14.08%	15.76%	11.20%	13.84%	10.66%
2040 Benchmark (1)	34.58%	-14.55%	13.64%	15.68%	14.16%	14.49%	11.31%
Nuveen Lifecycle 2045 Fund	37.57%	-17.18%	15.36%	16.91%	11.71%	14.83%	11.65%
2045 Benchmark (1)	38.38%	-15.03%	14.69%	16.83%	14.95%	15.49%	12.38%
Nuveen Lifecycle 2050 Fund	38.33%	-17.46%	15.85%	17.53%	11.98%	15.28%	11.95%
2050 Benchmark (1)	39.56%	-15.28%	15.13%	17.37%	15.35%	15.94%	12.73%
Nuveen Lifecycle 2055 Fund	38.80%	-17.52%	16.07%	17.72%	12.11%	15.45%	12.10%
2055 Benchmark (1)	40.08%	-15.36%	15.35%	17.59%	15.47%	16.13%	12.91%
Nuveen Lifecycle 2060 Fund	39.31%	-17.58%	16.17%	17.90%	12.22%	15.62%	12.26%
2060 Benchmark (1)	40.61%	-15.43%	15.58%	17.80%	15.60%	16.32%	13.10%
Nuveen Lifecycle 2065 Fund	-	-	-	-	12.28%	15.73%	-
2065 Benchmark (1)	-	-	-	-	15.73%	16.51%	-



ACTUARIAL SECTION



November 26, 2025

Board Members
North Dakota Public Employees Retirement System
Bismarck, North Dakota

Members of the Board:

At your request, we have performed an actuarial valuation, which includes actuarial valuation results for funding purposes and separate actuarial valuation results for accounting purposes for the North Dakota Public Employees Retirement System ("NDPERS") as of July 1, 2025. The purpose of the funding actuarial valuation, which is performed annually, is to determine the funding status and actuarial employer contribution rate for NDPERS. The actuarial valuation was performed at the request of the Board and is intended for use by the Board and NDPERS and those designated by the Board and NDPERS. This report may be provided to parties other than the Board and NDPERS only in its entirety and only with the permission of the Board and NDPERS. GRS is not responsible for reliance upon this valuation for any other purpose, or by any other party.

Actuarial Assumptions and Methods

The actuarial valuation report was prepared using actuarial assumptions adopted by the Board as authorized under North Dakota Administrative Code Section 71-02. All actuarial assumptions used in this report are reasonable for the purposes of this actuarial valuation.

Most of the actuarial assumptions used for this valuation were based on an experience review for the period from July 1, 2019 to July 1, 2024. The actuarial assumptions were first adopted for use commencing with the actuarial valuation as of July 1, 2025.

The Actuarially Determined Employer Contribution (ADEC) rate for the Main System is calculated using a 20-year open period, level percentage of payroll amortization method. The remaining amortization period will be reset to 20 years in each future actuarial valuation. For the Judges and Public Safety systems, the ADEC is calculated using a 20-year closed period, level percentage of payroll amortization method, beginning with the actuarial valuation as of July 1, 2025.

The ADEC rates are calculated for benchmarking purposes. Contributions to the Judges and Public Safety Plans are based on fixed statutory contribution rates. Beginning in 2026, contributions to the Main System are based on the amount sufficient to fund the System on an actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis (including DC Plan payroll) over a closed period beginning on January 1, 2026 and ending June 30, 2056.

North Dakota Public Employees Retirement System – Actuarial Section

Public Employees Retirement System

Board Members
November 26, 2025
Page 2

The actuarial assumptions and methods used, including the economic and demographic assumptions, the actuarial cost method and the asset valuation method, meet the Actuarial Standards of Practice issued by the Actuarial Standards Board for the funding of public sector pension plans and are set by the Board. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). Assumptions and methods required under GASB Statement Nos. 67 and 68 were used in the preparation of the accounting disclosures and schedules required by GASB Statement Nos. 67 and 68.

Benefit Provisions

Main System

Effective January 1, 2025, the Main System is closed to new members. Employees newly enrolled into the system on January 1, 2025 and later participate in a new Defined Contribution Plan. Main System active membership count reduced by 1,128 for the 2025 valuation, and is expected to decline in future valuations. The closure of the Plan is reflected in the GASB projections.

State employees participating in the Main System on January 1, 2025 who are at least age 18 with 5 years or less of participation were eligible to irrevocably elect to transfer to the existing DC Plan during a three-month election period ending March 31, 2025. For members who elected to transfer to the existing DC Plan, NDPERS transferred a lump sum from the Main System to the DC Plan based on the actuarial present value of the accrued benefit as of January 1, 2025, plus interest from January 1, 2025 to the date of transfer. The state employer of an employee who elected to transfer to the existing DC Plan shall contribute an additional amount of \$3,333 annually for up to three years, provided the employee continues employment.

The following changes in plan provisions occurred since the previous actuarial valuation:

- The state may make lump sum payments to the Main System in lieu of ongoing percent of payroll ADEC contributions, which are otherwise required beginning January 1, 2026.
- Various employee groups became eligible for State Public Safety benefits.
- Employers may enter into agreements with PERS to extend Public Safety benefits to dispatchers and emergency medical services personnel.
- Members eligible for unreduced benefits are not eligible for disability benefits.

Participant Data

A total of 24,913 active members (including the Main System, Judges and Public Safety) were included in the actuarial valuation as of July 1, 2025. Between the 2024 and 2025 actuarial valuations, the number of active employees decreased by 886 members, or 3.4 percent. The average annual actuarial valuation pay increased by 6.0 percent, from \$56,395 to \$59,787 between the 2024 and 2025 actuarial valuations. There were 6,015 active members who were eligible for retirement (normal, early or Rule of 85, 88 or 90) as of July 1, 2025.

The number of benefit recipients increased from 15,632 to 16,200, or 3.6 percent, since the last actuarial valuation. The average monthly benefit increased by 1.9 percent, from \$1,463 to \$1,491. During the year ending June 30, 2025, there were 1,025 members awarded a benefit.



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There were 8,733 inactive members as of July 1, 2025, who were vested and elected to receive a deferred benefit. The average monthly deferred benefit is \$556. There were 10,637 inactive members as of July 1, 2025, who were not vested or elected to receive a refund of contributions.

Actuarial Valuation Assets

On a market value basis, NDPERS assets had an investment return of approximately 11.84 percent (net of investment expenses). On an actuarial value of asset basis, NDPERS assets had an investment return of approximately 8.72 percent, which compares to the prior year assumed rate of return of 6.50 percent.

The actuarial value of assets is currently 96.8 percent of the market value of assets. There are \$152,697,077 in net asset gains currently being deferred that will be phased into the actuarial value of assets over the next four years.

Statutory and Actuarial Employer Contributions

The actuarially determined contribution rate is calculated as the normal cost contribution (to fund benefits accruing during the year) plus a contribution to amortize the unfunded liability. For the Main System, the unfunded liability contribution rate is calculated using a 20-year open period, level percentage of payroll amortization method. The remaining amortization period will be reset to 20 years in each future actuarial valuation. If employers contributed the actuarial contribution rate, the contribution rate would be expected to gradually decrease using a 20-year open amortization period as the funded ratio gradually increased. An open amortization period is expected to gradually improve the funded ratio. However, the funded ratio is not expected to reach 100 percent under this method (assuming no actuarial gains or losses) because the remaining unfunded liability at each future actuarial valuation date is re-amortized over a new 20-year period.

For the Judges and Public Safety Systems, the unfunded liability contribution rate is calculated using a 20-year closed period, level percentage of payroll amortization method beginning with the actuarial valuation as of July 1, 2025. The remaining amortization method will be decreased with each future valuation, so that the unfunded liability is expected to be paid off in full 20 years from 2025.



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The contributions that are made by employers are based on fixed contribution rates that are set by statute or the Board (and not based on the actuarially determined rate). The statutory contribution rates and the actuarial contribution rates are as follows.

Rates Set by Statute					
	Member	Employer			
		Before 2024	2024-2025	2026 and Later	
				State	Political Subdivision
Main System Permanent Employees					
- Hired before 2020	7.00%	7.12%	8.12%	Actuarial*	8.12%
- Hired after 2019	7.00%	8.26%	9.26%	Actuarial*	9.26%
Main System Temporary Employees					
- Hired before 2020	14.12%	0.00%	0.00%	0.00%	0.00%
- Hired after 2019	15.26%	0.00%	0.00%	0.00%	0.00%
Judges	8.00%	17.52%	17.52%	17.52%	17.52%

* The 2026 and 2027 contribution will be based on the amount sufficient to fund the Main System on an actuarial basis from the July 1, 2024 valuation with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

Rates Determined by the Board of Retirement								
	Member	Employer						
		Before 2024	2024 and 2025	2026 and Later				
	Public Safety with prior Main System service - National Guard Members	5.50%	9.81%	11.40%		12.63%		
	5.50%	9.81%	11.40%	12.63%				
Public Safety without prior Main System service	5.50%	7.93%	9.16%	8.81%				
	Member			Employer				
	Before 2024	2024	2025 and Later	Before 8/1/2023	8/1/2023 to 12/31/2023	12/31/2023 to 8/1/2025	8/1/2025 to 12/31/2025	2026 and Later
Public Safety with prior Main System service								
- BCI Employees	6.00%	7.00%	8.00%	9.81%	20.67%	22.26%	22.26%	23.49%
- State Public Safety Employees	6.00%	6.00%	6.00%	N/A	12.75%	14.34%	14.46%	15.69%

Main System

Beginning in 2026, contributions to the Main System are based on the amount sufficient to fund the System on an actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis (including DC Plan payroll) over a closed period beginning on January 1, 2026 and ending June 30, 2056.

In July 2025, the plan received a one-time cash infusion equal to \$25 million. The plan is also expected, effective January 1, 2026, to receive an additional \$65 million cash infusion during the current biennium. The total cash infusion amount of \$90 million is intended to satisfy the current biennium's ADEC requirement, in lieu of the state's ongoing percent of payroll ADEC contributions described above.



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In October, 2024, the plan received a cash infusion of \$65 million. The Main System is also a potential recipient of future state contributions of \$65 million per biennium, contingent upon state tax revenues. Future cash infusions will be reflected when received.

"Spillover" contributions to the Main System from employers of Defined Contribution participants are not reflected. This source of revenue will be recognized after receipt.

Judges

The statutory contribution rate is significantly higher than the actuarial contribution rate for Judges.

Public Safety with Prior Main System Service

Effective January 1, 2026, the employer contribution rate increased by 1.23 percent of pay, from 11.40 percent of pay to 12.63 percent. Contribution rates are higher for BCI employers and peace officers employed by the State. The statutory contribution rate is higher than the actuarial contribution rate.

Public Safety without Prior Main System Service

Effective January 1, 2026, the employer contribution rate will decrease by 0.35 percent of pay, from 9.16 percent of pay to 8.81 percent. The statutory contribution rate is higher than the actuarial contribution rate.

Reliance on Others

The actuarial valuation was based upon information furnished by the NDPERS Staff, concerning benefits provided by the North Dakota Public Employees Retirement System, financial transactions, plan provisions and census data for active members, terminated members, retirees and beneficiaries as of July 1, 2025. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the NDPERS Staff.

The trend data in the Financial Section and the schedules and other data in this Section are prepared by NDPERS Staff with our input. Data prior to fiscal year 2016 was prepared by NDPERS Staff and the prior actuary. Specifically, these exhibits are:

- Actuarial Assumptions and Cost Method;
- Changes in Actuarial Assumptions and Cost Method;
- Active Member Valuation Data;
- Retirees and Beneficiaries Added to and Removed from the Rolls;
- Solvency Test;
- Analysis of Financial Experience;
- Schedule of Retired Members by Type of Benefit; and
- Schedule of Average Monthly Benefit Payments.



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Accounting Schedules under GASB Statement Nos. 67 and 68

The total pension liability (actuarial accrued liability) is based on a measurement date of July 1, 2025, using the Entry Age Normal actuarial cost method. A single discount rate of 6.50 percent (which is the same rate used in the funding actuarial valuation calculations) was used to measure the total pension liability.

All other assumptions and methods used in the funding actuarial valuation for calculation of the actuarial accrued liabilities as of July 1, 2025, were used in the GASB Statement Nos. 67 and 68 actuarial valuation for calculation of the total pension liability for fiscal year ending June 30, 2025.

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position (market value of assets) as of June 30, 2025.

Certification

To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the North Dakota Public Employees Retirement System as of the actuarial valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Bonita J. Wurst and Abra D. Hill are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements in this report.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This actuarial valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

This report should not be relied on for any purpose other than the purpose stated.

The signing actuaries are independent of the plan sponsor.



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Respectfully submitted,

Gabriel, Roeder, Smith & Company

Bonita J. Wurst

Bonita J. Wurst, ASA, EA, MAAA, FCA
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Consultant



North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Actuarial Assumptions and Cost Method – Public Employees Retirement System
(Adopted July 1, 2025)

Mortality Tables:

The mortality assumptions are as follows:

Type	Assumption	Male Scaling Factor	Female Scaling Factor
Post-Retirement Non-Disabled	Pub-2010 Healthy Retiree Mortality Table (for General Employees), sex distinct	107%	100%
Post-Retirement Disabled	Pub-2010 Disabled Retiree Mortality Table (for General Employees), sex distinct	117%	113%
Pre-Retirement	Pub-2010 Employee Mortality Table (for General Employees), sex distinct	87%	88%

Disability Incidence Rates:

Before Age 65:

Males: 7.5% of OASDI disability incidence rates

Females: 7.0% of OASDI disability incidence rates

Age 65 and Later : .15% per year

Sample rates are as follows:

Age	All Plans	
	Male	Female
20	0.0045%	0.0042%
25	0.0064%	0.0060%
30	0.0083%	0.0077%
35	0.0111%	0.0103%
40	0.0165%	0.0154%
45	0.0270%	0.0252%
50	0.0454%	0.0424%
55	0.0757%	0.0706%
60	0.1220%	0.1139%
65	0.1500%	0.1500%

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Rates of Separation from Active Membership:

Service and Age-Based Rates for First Five Years of Service						
Service Beginning of Year	Main System			Public Safety		
	Age					
	Under 30	30-39	40+	Under 30	30-39	40+
0	22.00%	15.00%	13.00%	18.00%	18.00%	15.00%
1	22.00%	15.00%	13.00%	18.00%	18.00%	15.00%
2	20.00%	14.00%	13.00%	18.00%	15.00%	14.00%
3	17.00%	14.00%	13.00%	17.00%	13.00%	14.00%
4	15.00%	12.00%	12.00%	15.00%	10.00%	10.00%
Age	Age-Based Rates Only after First Five Years of Service					
	Main System			Public Safety		
20-24	15.00%			12.00%		
25-29	12.00%			11.00%		
30-34	9.00%			8.50%		
35-39	6.50%			8.50%		
40-44	5.00%			6.00%		
45-49	4.20%			5.00%		
50-54	3.90%			5.00%		
55-59	3.60%			5.00%		
60+	3.30%			5.00%		

No pre-retirement termination is assumed for Judges.

Vested participants that terminate are assumed to elect the option with the greater present value:

- 1) A refund of their accumulated contributions with interest or
- 2) A deferred benefit.

Withdrawal rates end upon eligibility for early retirement. Early retirement eligibility is as follows:

Main System: Earlier of 1) age 55 and 3 years of service, and 2) eligibility for Rule of 85. For members hired after 1/1/16, earlier of 1) age 55 and 3 years of service, and 2) eligibility for Rule of 90.

Judges: Earlier of 1) age 55 and 5 years of service, and 2) eligibility for Rule of 85.

Public Safety: Age 50 and 3 years of service.

Refund of Employee Contributions:

Inactive vested members are assumed to elect a refund of employee contributions in lieu of a deferred pension benefit when it is more valuable than the deferred annuity

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Retirement Rates:

Age	Main System			Public Safety		Judges	
	Reduced	Unreduced - Rule of 85	Unreduced - Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85
50		50.0%		25.0%	3.0%		
51		25.0%		25.0%	3.0%		
52		25.0%		25.0%	3.0%		
53		20.0%		25.0%	3.0%		
54		20.0%		25.0%	3.0%		
55	1.0%	9.0%		25.0%	6.0%	10.0%	2.0%
56	1.0%	9.0%		25.0%	6.0%	10.0%	2.0%
57	1.0%	9.0%		25.0%	6.0%	10.0%	2.0%
58	1.0%	9.0%		25.0%	6.0%	10.0%	2.0%
59	1.5%	9.0%		25.0%	6.0%	10.0%	2.0%
60	1.5%	10.0%		25.0%	6.0%	10.0%	2.0%
61	2.0%	10.0%		25.0%	15.0%	10.0%	2.0%
62	6.0%	20.0%		40.0%	25.0%	10.0%	2.0%
63	6.0%	15.0%		40.0%	25.0%	25.0%	2.0%
64	6.0%	15.0%		40.0%	25.0%	50.0%	2.0%
65		32.5%	20.0%	40.0%	40.0%	50.0%	10.0%
66		32.5%	20.0%	40.0%	40.0%	50.0%	10.0%
67		25.0%	20.0%	40.0%	40.0%	50.0%	10.0%
68		25.0%	15.0%	40.0%	40.0%	50.0%	10.0%
69		20.0%	15.0%	40.0%	40.0%	50.0%	10.0%
70		20.0%	15.0%	100.0%	100.0%	100.0%	20.0%
71		20.0%	15.0%	100.0%	100.0%	100.0%	20.0%
72		20.0%	15.0%	100.0%	100.0%	100.0%	20.0%
73		20.0%	10.0%	100.0%	100.0%	100.0%	20.0%
74		20.0%	10.0%	100.0%	100.0%	100.0%	20.0%
75		50.0%	50.0%	100.0%	100.0%	100.0%	100.0%
76		50.0%	50.0%				
77		50.0%	50.0%				
78		50.0%	50.0%				
79		50.0%	50.0%				
80+		100.0%	100.0%				

Investment Rate of Return:

6.50% per annum, net of investment expenses

Annual Administrative Expenses:

Prior year expenses, adjusted for inflation

Assumed expenses for 2024 are as follows:

Main System:	\$ 2,877,923
Judges:	\$ 29,919
Public Safety With Prior Main Service:	\$ 121,332
Public Safety Without Prior Main Service:	\$ 23,788

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Salary Scale:

Service At Beginning of Year	Main System		Public Safety	Judges
	State Employee	Non-State Employee		
0	10.75%	14.50%	17.75%	3.00%
1	7.50%	7.50%	13.00%	3.00%
2	6.50%	7.50%	11.25%	3.00%
3	6.25%	6.25%	7.00%	3.00%
4	6.25%	6.25%	7.00%	3.00%
5	5.50%	6.00%	6.50%	3.00%
6	5.50%	6.00%	6.50%	3.00%
7	5.50%	6.00%	6.50%	3.00%
8	5.50%	6.00%	6.50%	3.00%
9	5.50%	6.00%	6.50%	3.00%
10	5.25%	5.50%	5.75%	3.00%
11	5.25%	5.50%	5.75%	3.00%
12	5.25%	5.50%	5.75%	3.00%
13	5.25%	5.50%	5.75%	3.00%
14	5.25%	5.50%	5.75%	3.00%
15	4.75%	5.00%	5.25%	3.00%
16	4.75%	5.00%	5.25%	3.00%
17	4.75%	5.00%	5.25%	3.00%
18	4.75%	5.00%	5.25%	3.00%
19	4.75%	5.00%	5.25%	3.00%
20	4.50%	5.00%	5.25%	3.00%
21	4.50%	5.00%	5.25%	3.00%
22	4.50%	5.00%	5.25%	3.00%
23	4.50%	5.00%	5.25%	3.00%
24	4.50%	5.00%	5.25%	3.00%
25	4.25%	4.50%	4.50%	3.00%
26	4.25%	4.50%	4.50%	3.00%
27	4.25%	4.50%	4.50%	3.00%
28	4.25%	4.50%	4.50%	3.00%
29+	3.50%	4.00%	3.50%	3.00%

Inflation:

2.40% per annum

Payroll Growth:

Main System and Public Safety: 3.5% per annum

Judges: 3.00% per annum

Marital Status:

It is assumed that 75% of participants in the Main System and Public Safety and 100% of Judges have an eligible spouse at the time of retirement or pre-retirement death. The male spouse is assumed to be three years older than the female spouse.

Spouses are assumed to be the opposite sex of the employees and retirees. The relatively low rate of same-sex spouses does not have a material actuarial impact on the actuarial valuation results.

Part Time Employees:

One full year of service is credited for each future year of service.

Split Service:

Liabilities are held in both plans based on service in each plan, and are based on the actuarial assumptions of the plan in which they are currently active.

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Actuarial Cost Method:

Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using the Individual Entry Age Normal actuarial cost method having the following characteristics:

- The normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and
- Each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial Value of Assets:

The calculated value is determined by adjusting the fair value of the assets to reflect the investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at a rate of 20% per year. The asset smoothing method was adopted by the Board for use beginning with July 1, 2017, actuarial valuation. Net deferred gains attributable to fiscal years 2016 and prior were fully recognized as of July 1, 2017.

Social Security Disability (for Judges' Disability Benefit Offset):

Eligibility: 50% of disabled judges

Consumer Price Index Increase: 2.40% per annum

Wage Base Increases: 3.00% per annum

Workers' Compensation (for Judges' Disability Benefit Offset):

None assumed for disability benefit offset

Account Balance Due to Vested Employer Contribution (PEP):

Participation under Chapter 54/52.2: if not elected, none. If elected, 100% of active members of the Main System and Public Safety.

Contribution: Maximum allowed based on service at the beginning of the Plan year.

Benefit Election:

Main System and Public Safety:

- 50% of new retirements are assumed to elect the life annuity,
- 45% are assumed to elect the 50% joint and survivor annuity, and
- 5% are assumed to elect a Refund of Member Contributions

Judges:

- All participants elect the 50% joint and survivor annuity

Changes in Actuarial Assumptions and Methods - Public Employees Retirement System:

The actuarial assumptions used in the actuarial valuation as of July 1, 2025 were based on an experience review for the period from July 1, 2019 to July 1, 2024, and were adopted for first use commencing with the July 1, 2025 actuarial valuation. The following assumptions were changed: price inflation, salary increase rates, retirement rates, turnover rates, disability rates, and mortality rates. In addition, the amortization period for the Judges and Public Safety systems changed from open periods to closed periods.

Summary of Plan Provisions - Public Employees Retirement System

This section summarizes the major benefit provisions of the North Dakota Public Employees Retirement System as included in the valuation. It is not intended to be, nor should it be, interpreted as a complete statement of all plan provisions. Benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases.

Effective January 1, 2025, the Main System is closed to new members. Employees newly enrolled into the system on January 1, 2025 and later will participate in a new Defined Contribution Plan.

1. Normal Service Retirement:

Main System and Judges:

Eligibility: Attainment of age 65 with at least 10 years of eligible employment or with age plus service equal to at least 85 (Rule of 85)

For members enrolled after December 31, 2015, into the Main System, attainment of age 65 or at age 60 with age plus service equal to at least 90 (Rule of 90).

Benefit: 2% of final average salary multiplied by years of service for the Main System (1.75% for members hired on or after January 1, 2020), and 3.50% of final average salary for each of the first ten years of service, 2.80% for each of the next ten years of service and 1.25% for service in excess of twenty years for the Judges Plan.

Public Safety:

Eligibility: Attainment of age 55 and three consecutive years of service (10 years for BCI members hired on or after August 1, 2023), or if not former National Guard, at any age with age plus service equal to at least 85 (Rule of 85). Former National Guard is eligible for Rule of 85 on August 1, 2015.

Benefit: 2% of final average salary multiplied by years of service (1.75% for members hired on or after January 1, 2020).

For BCI members who retire on or after August 1, 2023, 3.00% of final average salary for the first twenty years plus 1.75% of final average salary for additional years.

2. Early Service Retirement:

Main System:

Eligibility: Attainment of age 55 with three years of service

Benefit: The Normal Service Retirement Benefit as determined above. A benefit that begins before age 65 (or Rule of 85, if earlier) is reduced by one-half of one percent for each month before the earlier of age 65 or the age at which the Rule of 85 is met.

For members enrolled after December 31, 2015, into the Main System, a benefit that begins before age 65 (or Rule of 90, if earlier) is reduced by 2/3 of one percent for each month before the earlier of age 65 or the age at which the Rule of 90 is met.

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Judges:

Eligibility: Attainment of age 55 with five years of service

Benefit: The Normal Service Retirement Benefit as determined above. A benefit that begins before age 65 (or Rule of 85, if earlier) is reduced by one-half of one percent for each month before age 65 or the age at which the Rule of 85 is met.

Public Safety:

Eligibility: Attainment of age 50 with three years of service

Benefit: The Normal Service Retirement Benefit as determined above. A benefit that begins before age 55 (or Rule of 85, if earlier) is reduced by one-half of one percent for each month before the earlier of age 65 or the age at which the Rule of 85 is met.

3. Disability Benefit:

Main System and Public Safety:

Eligibility: Six months of service and inability to engage in any substantial gainful activity

Benefit: 25% of the member's final average salary at disability minus workers' compensation benefits, with a minimum of \$100 per month.

Judges:

Eligibility: Six months of service and inability to engage in any substantial gainful activity

Benefit: 70% of the member's final average salary at disability minus Social Security and Workers' Compensation benefits paid.

4. Deferred Vested Retirement:

Main System:

Eligibility: Three years of service

Benefit: The Normal Service Retirement Benefit payable at age 65 or the Rule of 85, if earlier. Reduced early retirement benefits can be elected upon attainment of age 55.

Public Safety:

Eligibility: Three years of service (10 years for BCI members hired on or after August 1, 2023)

Benefit: The Normal Service Retirement Benefit payable at age 55 or the Rule of 85, if earlier. Reduced early retirement benefits can be elected upon attainment of age 50.

Judges:

Eligibility: Five years of service

Benefit: The Normal Service Retirement Benefit payable at age 65 or the Rule of 85, if earlier. Reduced early retirement benefits can be elected upon attainment of age 55.

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

5. Pre-Retirement Death Benefits:

Main System and Public Safety:

Vested participants with a surviving spouse:

Eligibility: Three years of service (10 years for BCI members hired on or after August 1, 2023).

Benefit: One of the following options:

- Lump sum payout of member's accumulated contributions with interest
- 50% of the member's accrued benefit (not reduced on account of age) payable for the surviving spouse's lifetime
- Continuation portion of 100% joint and survivor annuity (only if participant was eligible for normal retirement).
- A partial lump sum payment in addition to the one of the annuity options above.

Non-vested members or vested members without a surviving spouse

Eligibility: Non-vested or no surviving spouse

Benefit: Lump sum payout of member's accumulated contributions with interest.

Judges:

Vested participants with a surviving spouse:

Eligibility: Five years of service

Benefit: One of the following options:

- Lump sum payout of member's accumulated contributions with interest
- 100% of the member's accrued benefit (not reduced on account of age) payable for the surviving spouse's lifetime

Non-vested members or vested members without a surviving spouse

Eligibility: Non-vested or no surviving spouse

Benefit: Lump sum payout of member's accumulated contributions with interest.

6. Refund of Member Contributions

Paid to terminated non-vested members and terminated vested members who choose refund in lieu of a monthly retirement benefit.

7. Accumulated Member Contributions

Member contributions accumulate with interest at the following rates:

<u>Time Period</u>	<u>Per Annum Interest Rate</u>
Through June 30, 1981	5.0%
July 1, 1981 to June 30, 1986	6.0%
Effective June 30, 1986	7.50% (0.5% less than the actuarial interest rate assumption)
Effective January 1, 2018	7.25% (0.5% less than the actuarial interest rate assumption)
Effective January 1, 2020	7.00% (0.5% less than the actuarial interest rate assumption)
Effective January 1, 2021	6.50% (0.5% less than the actuarial interest rate assumption)
Effective January 1, 2023	6.00% (0.5% less than the actuarial interest rate assumption)

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

8. Standard and Optional Forms of Payment:

Standard form of payment:

Main System and Public Safety:

Monthly benefit for life with a refund to beneficiary at death of the remaining balance (if any) of accumulated member contributions

Judges:

Monthly benefit for life, with 50% payable to an eligible survivor

Optional forms of payment:

- Life annuity (for Judges)
- 50% joint and survivor annuity with pop-up (for Main System and Public Safety)
- 100% joint and survivor annuity with pop-up
- Ten-year certain and life annuity
- Twenty-year certain and life annuity
- Social Security level income annuity
- A partial lump sum payment in addition to one of the annuity options above
- An actuarially equivalent graduated benefit option with either a one percent or two percent increase to be applied the first day of January of each year. Not available for disability or early retirements or in combination with a partial lump sum option, a deferred normal retirement option, or a Social Security level income annuity.

9. Final Average Salary:

Average of the highest salary received by the member for any 36 months employed during the last 180 months of employment. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment.

10. Contributions:

Contribution rates specified in the Century Code (except employer rate for Public Safety); differ between permanent full-time employees and part-time temporary employees. Rates are as follows:

Rates Set by Statute					
	Member	Employer			
		Before 2024	2024-2025	2026 and Later	
				State	Political Subdivision
Main System Permanent Employees					
- Hired before 2020	7.00%	7.12%	8.12%	Actuarial*	8.12%
- Hired after 2019	7.00%	8.26%	9.26%	Actuarial*	9.26%
Main System Temporary Employees					
- Hired before 2020	14.12%	0.00%	0.00%	0.00%	0.00%
- Hired after 2019	15.26%	0.00%	0.00%	0.00%	0.00%
Judges	8.00%	17.52%	17.52%	17.52%	17.52%

* The 2026 and 2027 contribution will be based on the amount sufficient to fund the Main System on an actuarial basis from the July 1, 2024 valuation with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Rates Determined by the Board of Retirement					
	Member	Employer			
		Before 2024	2024 and 2025	2026 and Later	
Public Safety with prior Main System service	5.50%	9.81%	11.40%	12.63%	
- National Guard Members	5.50%	9.81%	11.40%	12.63%	
Public Safety without prior Main System service	5.50%	7.93%	9.16%	8.81%	

	Member			Employer				
	Before 2024	2024	2025 and Later	Before 8/1/2023	8/1/2023 to 12/31/2023	12/31/2023 to 8/1/2025	8/1/2025 to 12/31/2025	2026 and Later
Public Safety with prior Main System service								
- BCI Employees	6.00%	7.00%	8.00%	9.81%	20.67%	22.26%	22.26%	23.49%
- State Public Safety Employees	6.00%	6.00%	6.00%	N/A	12.75%	14.34%	14.46%	15.69%

11. Portability Enhancement Provision:

Effective January 1, 2000: A member's account balance includes vested employer contributions equal to the member's contributions to the deferred compensation Plan under chapter 54-52.2.

The vested employer contribution may not exceed:

- For months 1-12 of service credit, \$25 or 1% of the member's monthly salary, whichever is greater
- For months 13-24 of service credit, \$25 or 2% of the member's monthly salary, whichever is greater
- For months 25-36 of service credit, \$25 or 3% of the member's monthly salary, whichever is greater
- For service exceeding 36 months, \$25 or 4% of the member's monthly salary, whichever is greater

Vested employer contributions are credited to the member's account balance

12. Rollovers:

The fund may accept rollovers from other qualified plans under ruled adopted by the Board for the purchase of additional service credit.

13. Special Election to Transfer to DC Plan:

State employees participating in the Main System on January 1, 2025 who are at least age 18 with 5 years or less of participation will be eligible to irrevocably elect to transfer to the existing DC Plan during a three-month election period ending March 31, 2025. For members who elect to transfer to the existing DC Plan, NDPERS will transfer a lump sum from the Main System to the DC Plan based on the actuarial present value of the accrued benefit as of January 1, 2025, plus interest from January 1, 2025 to the date of transfer. The state employer of an employee who elects to transfer to the existing DC Plan shall contribute an additional amount of \$3,333 annually for up to three years, provided the employee continues employment.

Changes in Plan Provisions Since the Previous Valuation:

The following changes in plan provisions occurred since the previous actuarial valuation:

- The state may make lump sum payments to the Main System in lieu of ongoing percent of payroll ADEC contributions, which are otherwise required beginning January 1, 2026.
- Various employee groups became eligible for State Public Safety benefits.
- Employers may enter into agreements with PERS to extend Public Safety benefits to dispatchers and emergency medical services personnel.
- Members eligible for unreduced benefits are not eligible for disability benefits.

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Solvency Test - PERS
2016 – 2025

A short-term solvency test is one means of checking a system's progress under its funding program. In a short-term solvency test, the plan's present assets (primarily cash and investments) are compared with:

- 1) Active member contributions on deposit
- 2) The liabilities for future benefits to present retired lives; and
- 3) The liabilities for service already rendered by active members.

In a system that has been following level percent of payroll financing, the liabilities for service already rendered by active members (liability 3) should be partially covered by the remainder of present assets. If the system continues using level cost financing, the funded portion of liability 3 will increase over time.

(Amounts in Millions)

Valuation Date 7/1	Total Actuarial Accrued Liability	(1)	(2)	(3)	Actuarial Value of Assets	Portion (%) of Actuarial Accrued Liability		
		Active Member Contributions*	Retirees, Beneficiaries and Inactive Members	Active Members (Employer Financed Portion)		By Assets		
						(1)	(2)	(3)
2016	\$3,396.6	\$879.3	\$1,559.5	\$957.8	\$2,265.3	100%	89%	0%
2017	3,726.8	943.0	1,751.0	1,032.8	2,633.2	100%	97%	0%
2018	3,959.1	1,027.6	1,917.4	1,014.0	2,868.8	100%	96%	0%
2019	4,269.3	1,068.4	2,163.0	1,037.9	3,081.9	100%	93%	0%
2020	4,717.4	1,138.6	2,404.6	1,174.2	3,260.6	100%	88%	0%
2021	4,991.5	1,213.5	2,601.0	1,177.0	3,546.8	100%	90%	0%
2022	5,533.6	1,256.4	2,921.5	1,355.7	3,750.4	100%	85%	0%
2023	5,828.1	1,299.6	3,132.4	1,396.1	3,899.5	100%	83%	0%
2024	6,219.0	1,368.8	3,303.5	1,546.7	4,247.2	100%	87%	0%
2025	6,434.5	1,438.9	3,453.4	1,542.2	4,629.5	100%	92%	0%

*Includes vested employer contributions for members who have the Portability Enhancement Provision (PEP).

Schedule of Funding Progress
(Amounts in Millions)

July 1	Actuarial Accrued Liability	Valuation Assets	Unfunded Actuarial Accrued Liabilities	Ratio of Assets to AAL	Active Member Payroll	UAAL as Percent of Active Member Payroll
2016	3,396.6	2,265.3	1,131.3	66.7%	1048.5	107.9%
2017	3,726.8	2,633.2	1,093.6	70.7%	1063.4	102.8%
2018	3,959.1	2,868.8	1,090.3	72.5%	1076.0	101.3%
2019	4,269.3	3,081.9	1,187.5	72.2%	1098.4	108.1%
2020	4,717.4	3,260.6	1,456.8	69.1%	1167.8	124.8%
2021	4,991.5	3,546.8	1444.7	71.1%	1213.7	119.0%
2022	5,533.6	3,750.4	1,783.2	67.8%	1,248.30	142.9%
2023	5,828.1	3,899.5	1,928.6	66.9%	1,318.28	146.3%
2024	6,219.0	4,247.2	1,971.8	68.3%	1,454.92	135.5%
2025	6,434.4	4,629.5	1,805.0	71.9%	1,489.46	121.2%

Schedule of Active Member Valuation Data – PERS - 2016–2025

Main System				
Valuation Date 7/1	Number	Annual Payroll (\$ in Millions)	Average Annual Pay ¹	% Increase in Avg Pay
2016	22,762	\$1,007.8	\$44,274	2.0%
2017	22,574	1,020.8	45,222	2.1%
2018	22,711	1,027.3	45,234	0.0%
2019	22,826	1,040.2	45,570	0.7%
2020	23,487	1,103.1	46,967	3.1%
2021	23,370	1,132.4	48,455	3.2%
2022	23,487	1,160.8	49,425	2.0%
2023	23,678	1,222.9	51,646	4.5%
2024	23,839	1,311.8	55,027	6.5%
2025	22,711	1,323.5	58,278	5.9%

Judges				
Valuation Date 7/1	Number	Annual Payroll (\$ in Millions)	Average Annual Pay ¹	% Increase in Avg Pay
2016	56	\$7.9	\$141,733	(0.6)%
2017	54	7.9	145,668	2.8%
2018	55	8.0	145,615	(0.0)%
2019	56	8.2	145,791	0.1%
2020	57	8.4	148,047	1.5%
2021	57	8.7	151,836	2.6%
2022	57	8.7	153,147	0.9%
2023	57	9.0	157,101	2.6%
2024	60	10.0	166,507	6.0%
2025	58	10.0	173,155	4.0%

¹ Annual payroll and average annual pay are based on annualized payroll as of the actuarial valuation date.

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Valuation Date 7/1	Public Safety with Prior Main System Service			
	Number	Annual Payroll (\$ in Millions)	Average Annual Pay ¹	% Increase in Avg Pay
2016	498	\$28.2	\$56,678	(3.6)%
2017	498	28.8	57,762	1.9%
2018	598	34.5	57,728	(0.1)%
2019	732	43.0	58,731	1.7%
2020	745	45.4	60,918	3.7%
2021	967	61.5	63,633	4.5%
2022	990	64.7	65,400	2.8%
2023	1,044	71.6	68,539	4.8%
2024	1,649	117.3	71,113	3.8%
2025	1,872	137.6	73,480	3.3%

Valuation Date 7/1	Public Safety without Prior Main System Service			
	Number	Annual Payroll (\$ in Millions)	Average Annual Pay ¹	% Increase in Avg Pay
2016	100	\$4.6	\$46,217	(4.1)%
2017	117	5.9	50,400	9.0%
2018	119	6.1	51,352	1.9%
2019	140	7.1	50,646	(1.4)%
2020	200	10.8	54,124	6.9%
2021	200	11.1	55,485	2.5%
2022	245	14.0	57,125	3.0%
2023	240	14.9	62,066	8.6%
2024	251	15.9	63,219	1.9%
2025	272	18.3	67,336	6.5%

¹Annual payroll and average annual pay are based on annualized payroll as of the actuarial valuation date.

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Analysis of Financial Experience - PERS

Changes in the Contribution Rate During Years Ended June 30
 Resulting from Differences Between Assumed Experience and Actual Experience

<u>Plan Year Ended</u>	Main System			
	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Employer Cost Rate - Beginning of Year	12.46%	14.70%	14.86%	14.07%
Death after Retirement	0.00	(0.03)	(0.07)	(0.06)
Withdrawal from Employment	0.01	0.03	(0.05)	0.03
Financial Experience-Investments	0.03	0.10	(0.08)	(0.42)
Salary Scale and Service	(0.18)	0.06	0.44	0.08
Contribution Income	0.36	0.46	(0.28)	0.03
Administrative Expenses	(0.03)	0.02	0.02	0.02
Plan Experience	0.11	0.12	0.13	(0.06)
Demographic Changes	(0.35)	(0.57)	(0.90)	0.11
Assumption Changes	2.33	0.00	0.00	(1.01)
Death and Retirement from Withdrawals	(0.04)	(0.03)	0.00	0.00
Employer Cost Rate - End of Year	14.70%	14.86%	14.07%	12.79%

<u>Plan Year Ended</u>	Judges			
	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Employer Cost Rate - Beginning of Year	8.62%	11.90%	11.26%	11.81%
Plan Change	0.00	0.00	0.00	0.00
Plan Experience	1.91	(0.47)	0.85	0.09
Investment Loss/(Gain)	(0.18)	0.21	0.21	(1.08)
Contribution Loss/(Gain)	(0.78)	(0.38)	(0.51)	(0.42)
Assumption Changes	2.33	0.00	0.00	(0.85)
Employer Cost Rate - End of Year	11.90%	11.26%	11.81%	9.55%

<u>Plan Year Ended</u>	Law Enforcement With Prior Main Service*			
	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Employer Cost Rate - Beginning of Year	9.81%	11.40%	12.37%	12.63%
Plan Change	0.00	1.17	0.00	0.00
Plan Experience	(0.72)	(0.36)	0.43	(0.08)
Investment Loss/(Gain)	(0.01)	0.03	(0.08)	(0.18)
Contribution Loss/(Gain)	(0.04)	0.13	(0.09)	(0.06)
Assumption Changes	2.36	0.00	0.00	(1.62)
Employer Cost Rate - End of Year	11.40%	12.37%	12.63%	10.69%

<u>Plan Year Ended</u>	Law Enforcement Without Prior Main Service			
	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Employer Cost Rate - Beginning of Year	7.93%	9.16%	9.14%	8.81%
Plan Change	0.00	0.00	0.00	0.00
Plan Experience	(0.62)	(0.11)	(0.34)	(0.04)
Investment Loss/(Gain)	0.00	0.02	(0.04)	(0.17)
Contribution Loss/(Gain)	(0.10)	0.07	0.05	(0.08)
Assumption Changes	1.95	0.00	0.00	(1.03)
Employer Cost Rate - End of Year	9.16%	9.14%	8.81%	7.49%

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Retirees and Beneficiaries Added to and Removed from the Rolls PERS - 2016–2025

Main System

Plan Year	Beg. of Year		Added to Rolls		Removed from Rolls		End of Year Balance		Average Annual Benefit	% Increase in Annual Benefits
	No.	Ann. Benefits*	No.	Ann. Benefits*	No.	Ann. Benefits*	No.**	Ann. Benefits*		
Retirement										
2016	9,979	\$ 129.9	703	\$ 12.3	(288)	\$ (2.6)	10,394	\$ 139.6	\$ 13,435	7.5%
2017	10,394	139.6	870	16.1	(307)	(3.0)	10,957	152.8	13,943	9.4%
2018	10,957	152.8	953	19.7	(372)	(3.6)	11,538	169.0	14,645	10.6%
2019	11,538	169.0	913	18.8	(334)	(3.0)	12,117	184.9	15,257	9.4%
2020	12,117	184.9	1,032	20.5	(401)	(4.3)	12,748	201.1	15,772	8.8%
2021	12,748	201.1	1,025	18.6	(412)	(4.3)	13,361	215.3	16,116	7.1%
2022	13,361	215.3	1,036	22.8	(420)	(4.7)	13,977	233.4	16,701	8.4%
2023	13,977	233.4	1,094	21.5	(316)	(4.2)	14,755	250.7	16,990	7.4%
2024	14,755	250.7	1,045	20.9	(430)	(5.5)	15,370	266.1	17,314	6.2%
2025	15,370	266.1	995	19.7	(449)	(5.0)	15,916	280.8	17,644	5.5%

* \$ in millions.

** Excludes 35 pensioners as of June 30, 2016, 41 pensioners as of June 30, 2017, 37 pensioners as of June 30, 2018, 37 pensioners as of June 30, 2019, 42 pensioners as of June 30, 2020, 35 pensioners as of June 30, 2021, 32 pensioners as of June 30, 2022, 37 pensioners as of June 30, 2023, 41 pensioners as of June 30, 2024, and 44 pensioners as of June 30, 2025 in suspended status.

Judges

Plan Year	Beg. of Year		Added to Rolls		Removed from Rolls		End of Year Balance		Average Annual Benefit	% Increase in Annual Benefits
	No.	Ann. Benefits	No.	Ann. Benefits	No.	Ann. Benefits	No.	Ann. Benefits		
	Retirement									
2016	44	\$ 2,183,809	2	\$ 85,597	(3)	(\$147,638)	43	\$ 2,121,768	\$ 49,343	-2.8%
2017	43	2,121,768	10	674,619	(3)	(156,433)	50	2,639,954	52,799	24.4%
2018	50	2,639,954	7	331,377	(2)	(68,572)	55	2,902,760	52,777	10.0%
2019	55	2,902,760	3	241,678	0	0	58	3,144,438	54,214	8.3%
2020	58	3,144,438	3	293,611	(1)	(94,084)	60	3,343,965	55,733	6.3%
2021	60	3,343,965	3	293,778	0	0	63	3,637,743	57,742	8.8%
2022	63	3,637,743	1	48,097	0	0	64	3,685,840	57,591	1.3%
2023	64	3,685,840	4	299,379	(2)	(63,485)	66	3,921,734	59,420	6.4%
2024	66	3,921,734	4	153,173	(3)	(128,165)	67	3,946,741	58,907	0.6%
2025	67	3,946,741	4	287,123	(5)	(213,830)	66	4,020,035	60,910	1.9%

Totals may not add due to rounding.

North Dakota Public Employees Retirement System – Actuarial Section
Public Employees Retirement System

Public Safety with prior Main System Service

Plan Year	Beg of Year		Added to Rolls		Removed from Rolls		End of Year Balance		Average Annual Benefit	% Increase in Annual Benefits
	No.	Ann. Benefits	No.	Ann. Benefits	No.	Ann. Benefits	No.	Ann. Benefits		
Retirement										
2016	73	\$ 1,402,658	7	\$ 53,522	(1)	(\$10,529)	79	\$ 1,445,651	\$ 18,299	3.1%
2017	79	1,445,651	11	390,805	0	0	90	1,836,456	20,405	27.0%
2018	90	1,836,456	15	371,954	(2)	(22,510)	103	2,185,900	21,222	19.0%
2019	103	2,185,900	15	309,766	(3)	(87,471)	115	2,408,195	20,941	10.2%
2020	115	2,408,195	12	223,956	(2)	(38,955)	125	2,593,195	20,746	7.7%
2021	125	2,593,195	15	399,735	(3)	(44,015)	137	2,948,915	21,525	13.7%
2022	137	2,948,915	14	341,750	(3)	(18,787)	148	3,271,877	22,107	11.0%
2023	148	3,271,877	13	345,199	(3)	(81,531)	158	3,535,545	22,377	8.1%
2024	158	3,535,545	15	507,458	(5)	(58,652)	168	3,984,351	23,716	12.7%
2025	168	3,984,351	25	685,052	(3)	(74,303)	190	4,595,100	24,185	15.3%

Public Safety without prior Main System Service

State Safety Workers' Pension System Service										Average	% Increase
Plan	Beg of Year		Added to Rolls		Removed from Rolls		End of Year Balance		Annual	in Annual	
Year	No.	Ann. Benefits	No.	Ann. Benefits	No.	Ann. Benefits	No.	Ann. Benefits	Benefit	Benefits	
Retirement											
2016	1	\$ 9,792	1	\$ 3,264	0	\$ 0	2	\$ 13,056	\$ 6,528	33.3%	
2017	2	13,056	4	57,609	0	0	6	70,665	11,778	441.2%	
2018	6	70,665	2	19,573	0	0	8	90,238	11,280	27.7%	
2019	8	90,238	2	10,405	0	0	10	100,643	10,064	11.5%	
2020	10	100,643	2	24,715	0	0	12	125,358	10,447	24.6%	
2021	12	125,358	2	14,349	0	0	14	139,708	9,979	11.4%	
2022	14	139,708	3	30,110	(2)	(24,143)	15	145,675	9,712	4.3%	
2023	15	145,675	3	83,224	0	0	18	228,899	12,717	57.1%	
2024	18	228,899	9	105,815	0	0	27	334,714	12,397	46.2%	
2025	27	334,714	1	544	0	0	28	335,258	11,974	0.2%	

Totals may not add due to rounding.

North Dakota Public Employees Retirement System – Actuarial Section
Actuary's Certification Letter
Highway Patrolmen's Retirement System



P: 312.456.9800 | www.grsconsulting.com

November 26, 2025

Board Members
North Dakota Highway Patrolmen's Retirement System
Bismarck, North Dakota

Members of the Board:

At your request, we have performed an actuarial valuation, which includes actuarial valuation results for funding purposes and separate actuarial valuation results for accounting purposes for the North Dakota Highway Patrolmen's Retirement System ("HPRS") as of July 1, 2025. The purpose of the funding actuarial valuation, which is performed annually, is to determine the funding status and actuarial employer contribution rate for the HPRS. The actuarial valuation was performed at the request of the Board and is intended for use by the Board and HPRS and those designated by the Board and HPRS. This report may be provided to parties other than the Board and HPRS only in its entirety and only with the permission of the Board and HPRS. GRS is not responsible for reliance upon this valuation for any other purpose, or by any other party.

Actuarial Assumptions and Methods

The actuarial valuation report was prepared using actuarial assumptions adopted by the Board as authorized under North Dakota Administrative Code Section 71-05. All actuarial assumptions used in this report are reasonable for the purposes of this actuarial valuation.

Most of the actuarial assumptions used in the actuarial valuation as of July 1, 2025 were based on an experience review for the 5-year period ending July 1, 2024. The actuarial assumptions were first adopted for use commencing with the actuarial valuation as of July 1, 2025.

The actuarial employer contribution rate is calculated using a 20-year open period, level percentage of payroll amortization method. The remaining amortization period will be reset to 20 years in each future actuarial valuation.

The actuarial assumptions and methods used, including the economic and demographic assumptions, the actuarial cost method and the asset valuation method, meet the Actuarial Standards of Practice issued by the Actuarial Standards Board for the funding of public sector pension plans and are set by the Board. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). Assumptions and methods required under GASB Statement Nos. 67 and 68 were used in the preparation of the accounting disclosures and schedules required by GASB Statement Nos. 67 and 68.

120 North LaSalle Street | Suite 1350 | Chicago, Illinois 60602-3495

North Dakota Public Employees Retirement System – Actuarial Section
Actuary's Certification Letter
Highway Patrolmen's Retirement System

Board Members
November 26, 2025
Page 2

Benefit Provisions

In 2021, Senate Bill 2043 was passed, which establishes gradual retirement contribution increases to the HPRS. The statutory employer and employee contributions each increased by 0.5 percent of pay every year from January 1, 2022 to January 1, 2025, ultimately increasing both by 2.0 percent of pay. The Board set the rate at 3.00 percent for the indexing percentage for the year beginning July 1, 2025, applicable to the final average salaries of HPRS deferred vested members.

In July 2025, the plan received a one-time cash infusion equal to \$15 million.

Participant Data

A total of 162 active members were included in the actuarial valuation as of July 1, 2025. Between the 2024 and 2025 actuarial valuations, the number of active employees decreased from 167 members as of July 1, 2024 to 162 members as of July 1, 2025. The average annual actuarial valuation pay increased by 5.0 percent, from \$88,743 to \$93,202 between the 2024 and 2025 actuarial valuation. There were 13 active members who were eligible for retirement (normal, early or Rule of 80) as of July 1, 2025.

The number of benefit recipients increased from 147 recipients as of July 1, 2024 to 154 recipients as of July 1, 2025. The average monthly benefit increased, from \$3,775 to \$3,869. During the year ending June 30, 2025, there 10 members awarded a benefit.

There were 36 inactive members as of July 1, 2025 who were vested and elected to receive a deferred benefit. The average monthly deferred benefit is \$2,177. There were 18 inactive members as of July 1, 2025 who elected to receive a refund of contributions.

Actuarial Valuation Assets

On a market value basis, HPRS assets had an investment return of approximately 11.88 percent (net of investment expenses). On an actuarial value of asset basis, NDPERS assets had an investment return of approximately 8.31 percent, which compares to the prior year assumed rate of return of 6.50 percent.

The actuarial value of assets is currently 96.9 percent of the market value of assets. There are \$3,733,525 in net asset gains currently being deferred that will be phased into the actuarial value of assets over the next 4 years.

Statutory and Actuarial Employer Contributions

The actuarially determined contribution rate is calculated as the normal cost contribution (to fund benefits accruing during the year) plus a contribution to amortize the unfunded liability. The unfunded liability contribution rate is calculated using a 20-year open period, level percentage of payroll amortization method. The remaining amortization period will be reset to 20 years in each future actuarial valuation. If employers contributed the actuarial contribution rate, the contribution rate would be expected to gradually decrease using a 20-year open amortization period as the funded ratio gradually increased. An open amortization period is expected to gradually improve the funded ratio. However, the funded ratio is not expected to reach 100 percent under this method (assuming no actuarial gains or losses) because the remaining unfunded liability at each future actuarial valuation date is re-amortized over a new 20-year period.



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The contributions that are made by employers are based on fixed contribution rates that are set by statute (and not based on the actuarially determined rate). The current statutory contribution rate of 21.70 percent is significantly lower than the actuarial contribution rate of 37.04 percent.

The portion of the statutory contribution that is applied toward the unfunded liability is the statutory contribution rate minus the employer normal cost rate. The unfunded liability contribution rate from the statutory contribution is lower than the rate calculated using the 20-year level percentage of payroll amortization period and is not high enough to amortize the unfunded liability over any period of time based on current statutory rates.

In July 2025, the plan received a one-time cash infusion equal to \$15 million. This contribution is not reflected in the valuation results as of July 1, 2025. If the additional \$15 million were reflected, the actuarial employer contribution rate would be reduced from 37.04 percent to 30.77 percent of pay as of July 1, 2025. Although this is a significant improvement, the statutory contribution is still not enough to amortize the adjusted unfunded liability over any period of time.

We recommend additional increases to the statutory contribution rate such that the unfunded liability is amortized over a period of no longer than 30 years.

Reliance on Others

The actuarial valuation was based upon information furnished by the NDPERS Staff, concerning benefits provided by the North Dakota Highway Patrolmen's Retirement System, financial transactions, plan provisions and census data for active members, terminated members, retirees and beneficiaries as of July 1, 2025. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the NDPERS Staff.

The trend data in the Financial Section and the schedules and other data in this Section are prepared by NDPERS Staff with our input. Data prior to fiscal year 2016 was prepared by NDPERS Staff and the prior actuary. Specifically, these exhibits are:

- Actuarial Assumptions and Cost Method;
- Changes in Actuarial Assumptions and Cost Method;
- Active Member Valuation Data;
- Retirees and Beneficiaries Added to and Removed from the Rolls;
- Solvency Test;
- Analysis of Financial Experience;
- Schedule of Retired Members by Type of Benefit; and
- Schedule of Average Monthly Benefit Payments.



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Accounting Schedules under GASB Statement Nos. 67 and 68

The total pension liability (actuarial accrued liability) is based on a measurement date of July 1, 2025, using the Entry Age Normal actuarial cost method. A single discount rate of 6.30 percent (which is different than the rate used in the funding actuarial valuation calculations) was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 6.50 percent and the municipal bond rate of 5.20 percent. All other assumptions and methods used in the funding actuarial valuation for calculation of the actuarial accrued liabilities as of July 1, 2025, were used in the GASB Statement Nos. 67 and 68 actuarial valuation for calculation of the total pension liability for fiscal year ending June 30, 2025.

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position (market value of assets) as of June 30, 2025.

Certification

To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the North Dakota Highway Patrolmen's Retirement System as of the actuarial valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Bonita J. Wurst and Abra D. Hill are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements in this report.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This actuarial valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

This report should not be relied on for any purpose other than the purpose stated.

The signing actuaries are independent of the plan sponsor.



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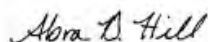
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Respectfully submitted,

Gabriel, Roeder, Smith & Company



Bonita J. Wurst, ASA, EA, MAAA, FCA
Senior Consultant



Abra D. Hill, ASA, MAAA, FCA
Consultant



North Dakota Public Employees Retirement System – Actuarial Section
Highway Patrolmen’s Retirement System

Actuarial Assumptions and Cost Method – Highway Patrolmen’s Retirement System

Mortality Tables:

Type	Assumption	Male Scaling Factor	Female Scaling Factor
Post-Retirement Non-Disabled	Pub-2010 Healthy Retiree Mortality Table (for General Employees), sex distinct	107%	100%
Post-Retirement Disabled	Pub-2010 Disabled Retiree Mortality Table (for General Employees), sex distinct	117%	113%
Pre-Retirement	Pub-2010 Employee Mortality Table (for General Employees), sex distinct	87%	88%

Rates of Separation from Active Membership:

Service Beginning of Year	Service and Age-Based Rates For First Five Years of Service
	Rates
0	12.00%
1	8.00%
2	8.00%
3	7.00%
4	7.00%
Age	Rates
Under 35	3.50%
35+	2.00%

Disability Incidence Rates:

Age	Male	Female
20	0.0045%	0.0042%
25	0.0064%	0.0060%
30	0.0083%	0.0077%
35	0.0111%	0.0103%
40	0.0165%	0.0154%
45	0.0270%	0.0252%
50	0.0454%	0.0424%
55	0.0757%	0.0706%
60	0.1220%	0.1139%
65	0.1500%	0.1500%

Refund of Employee Contributions:

Inactive vested members are assumed to elect a refund of employee contributions in lieu of a deferred pension benefit when it is more valuable than the deferred annuity.

North Dakota Public Employees Retirement System – Actuarial Section
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Retirement Rates:

Rates of retirement for members eligible to retire during the next year were as follows:

Age	Male & Female	
	Rule of 80	Not Rule of 80
50	100.00%	10.00%
51	100.00%	10.00%
52	100.00%	10.00%
53	100.00%	10.00%
54	100.00%	10.00%
55	100.00%	50.00%
56	100.00%	50.00%
57	100.00%	50.00%
58	100.00%	50.00%
59	100.00%	50.00%
60+	100.00%	100.00%

Investment Rate of Return:

6.50% per annum, net of investment expenses

Annual Administrative Expenses:

Prior year expenses, adjusted for inflation

Salary Scale:

Service At Beginning of Year	Increase Rate
0	10.00%
1 to 4	8.00%
5 to 9	6.50%
10 to 14	6.00%
15 to 19	5.25%
20 to 24	4.50%
25 to 28	4.00%
29+	3.50%

Inflation:

2.4% per annum

Payroll Growth:

3.5% per annum

Marital Status:

It is assumed that 100% of participants have an eligible spouse at the time of retirement or pre-retirement death. The male spouse is assumed to be three years older than the female spouse.

Spouses are assumed to be the opposite sex of the employees and retirees. The relatively low rate of same-sex spouses does not have a material actuarial impact on the actuarial valuation results.

Workers' Compensation:

None assumed for disability benefit offset

North Dakota Public Employees Retirement System – Actuarial Section
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Indexing for Benefits of Inactive Vested Members:

3% per annum.

Split Service:

Liabilities are held in both plans based on service in each plan, and are based on the actuarial assumptions of the plan in which they are currently active.

Transfers to PERS System:

Annual withdrawal, disability incidence and retirement rate assumptions for members who have transferred to the PERS System follow those specified in the PERS System, and are applied to the benefits held in the HPRS.

Actuarial Cost Method:

Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using the Individual Entry Age Normal actuarial cost method having the following characteristics:

- The normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and
- Each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial Value of Assets:

The calculated value is determined by adjusting the fair value of the assets to reflect the investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at a rate of 20% per year.

Benefit Election:

All participants are assumed to elect the 50% joint and survivor annuity

Changes in Actuarial Assumptions and Methods – Highway Patrolmen's Retirement System:

The actuarial assumptions used in the actuarial valuation as of July 1, 2025 were based on an experience review for the period from July 1, 2019 to July 1, 2024, and were adopted for first use commencing with the July 1, 2025 actuarial valuation. The following assumptions were changed: price inflation, salary increase rates, retirement rates, turnover rates, disability rates, and mortality rates.

North Dakota Public Employees Retirement System – Actuarial Section
Highway Patrolmen's Retirement System

Summary of Plan Provisions – Highway Patrolmen's Retirement System

This section summarizes the major benefit provisions of the North Dakota Highway Public Employees Retirement System as included in the valuation. It is not intended to be, nor should it be, interpreted as a complete statement of all plan provisions. Benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases.

1. Normal Service Retirement:

Eligibility: Attainment of age 55 with at least 10 years of eligible employment or with age plus service equal to at least 80 (Rule of 80)

Benefit: 3.6% of final average salary for each of the first 25 years of service plus 1.75% of final average salary for service in excess of 25 years.

2. Early Service Retirement:

Eligibility: Attainment of age 50 with 10 years of eligible employment

Benefit: The Normal Service Retirement Benefit as determined above, reduced by one-half of one percent for each month before age 55.

3. Disability Benefit:

Eligibility: Accumulation of six months of service and inability to engage in substantial gainful activity

Benefit: 70% of the member's final average salary at disability minus workers' compensation, with a minimum of \$100 per month

4. Deferred Vested Retirement:

Eligibility: Ten years of service

Benefit: The Normal Service Retirement Benefit payable at age 55 or the Rule of 80, if earlier. Vested benefits are indexed at a rate set by the Retirement Board based on the increase in final average salary from date of termination to benefit commencement date, as follows:

Year Beginning	Annual Increase	Three-Year Average
		Increase
7/1/1994	3.00%	3.01%
7/1/1995	2.00%	2.86%
7/1/1996	2.00%	2.33%
7/1/1997	3.00%	2.33%
7/1/1998	1.80%	2.27%
7/1/1999	1.26%	2.02%
7/1/2000	2.00%	1.69%
7/1/2001	1.81%	1.69%
7/1/2002	1.73%	1.85%
7/1/2003	0.00%	1.18%
7/1/2004	0.00%	0.58%
7/1/2005	4.00%	1.33%
7/1/2006	4.00%	2.67%
7/1/2007	4.00%	4.00%
7/1/2008	4.00%	4.00%
7/1/2009	5.00%	4.33%
7/1/2010	5.00%	4.67%
7/1/2011	2.00%	4.00%
7/1/2012	2.00%	3.00%
7/1/2013	3.00%	2.33%
7/1/2014	3.00%	2.67%
7/1/2015	3.00%	3.00%
7/1/2016	2.00%	2.67%
7/1/2017	0.00%	1.67%
7/1/2018	0.00%	0.67%
7/1/2019	2.00%	0.67%
7/1/2020	2.50%	1.50%
7/1/2021	1.50%	2.00%
7/1/2022	2.00%	2.00%
7/1/2023	5.00%	2.83%
7/1/2024	4.00%	3.67%
7/1/2025	3.00%	4.00%

North Dakota Public Employees Retirement System – Actuarial Section
Highway Patrolmen's Retirement System

5. Pre-Retirement Death Benefits:

Eligibility: Ten years of service

Benefit: One of the following options:

- Lump sum payout of member's accumulated contributions with interest
- 50% of the member's accrued benefit (not reduced on account of age) payable for the surviving spouse's lifetime

Eligibility: Less than ten years of service

Benefit: Lump sum payment of member's accumulated contributions with interest.

6. Standard and Optional Forms of Payment:

Standard form of payment:

Monthly benefit for life with 50% of the benefit continuing for the life of the surviving spouse (if any).

Optional forms of payment:

- 100% joint and survivor annuity
- Ten-year certain and life annuity
- Twenty-year certain and life annuity
- A partial lump sum payment in addition to one of the annuity options above
- An actuarially equivalent graduated benefit option with either a one percent or two percent increase to be applied the first day of January of each year. Not available for disability or early retirements or in combination with a partial lump sum option or a deferred normal retirement option.

7. Final Average Salary:

Average of the highest salary received by the member for any 36 months employed during the last 180 months of employment for members terminating on or before December 31, 2019.. For members who terminate employment after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019, or the average salary earned in the three highest periods of twelve consecutive months employed during the last one hundred eighty months of employment.

8. Contributions:

Member contributions as a percent of monthly salary: 15.3%

Member contributions earn interest at an annual rate equal to .5% less than the actuarial interest rate assumption.

State contributions as a percent of monthly salary for each participating member: 21.7%

Changes in Plan Provisions Since the Previous Valuation:

There have been no changes in plan provisions since the previous actuarial valuation as of June 30, 2024.

North Dakota Public Employees Retirement System – Actuarial Section
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Schedule of Active Member Valuation Data - HPRS
2016 – 2025

Valuation Date 7/1	Number	Annual Payroll (\$ in Millions)	Average Annual Pay ¹	% Increase in Avg Pay
2016	156	\$ 10.5	\$ 67,479	0.8%
2017	151	10.6	70,393	4.3%
2018	154	10.7	69,723	(1.0)%
2019	144	10.4	71,904	3.1%
2020	154	11.4	74,089	3.0%
2021	151	11.5	76,266	2.9%
2022	151	12.3	81,240	6.5%
2023	144	12.0	83,271	2.5%
2024	167	14.8	88,743	6.6%
2025	162	15.1	93,202	5.0%

¹ Annual payroll and average annual pay are based on annualized payroll as of the actuarial valuation date.

North Dakota Highway Patrolmen's Retirement System
Retirees and Beneficiaries Added to and Removed from the Rolls, 2016 – 2025

									Average	% Increase
	Beg of Year		Added to Rolls		Removed from Rolls		End of Year Balance		Annual	in Annual
Year	No.	Ann. Benefits*	No.	Ann. Benefits*	No.	Ann. Benefits*	No.**	Ann. Benefits*	Benefit	Benefit
Retirement										
2016	128	\$ 4,697,134	2	\$ 68,562	(7)	\$ (179,032)	123	\$ 4,586,664	\$ 37,290	-2.4%
2017	123	4,586,664	6	172,703	(2)	(26,340)	127	4,733,027	37,268	3.2%
2018	127	4,733,027	4	194,391	(4)	(60,036)	127	4,867,383	38,326	2.8%
2019	127	4,867,383	10	624,714	(1)	(37,177)	136	5,454,919	40,110	12.1%
2020	136	5,454,919	3	235,356	(6)	(62,027)	133	5,628,248	42,318	3.2%
2021	133	5,628,248	4	253,031	(2)	(67,197)	135	5,814,082	43,067	3.3%
2022	135	5,814,082	2	67,993	(2)	(47,216)	135	5,834,859	43,221	0.4%
2023	135	5,834,859	11	780,949	(3)	(140,926)	143	6,474,882	45,279	11.0%
2024	143	6,474,882	5	214,344	(1)	(29,567)	147	6,659,658	45,304	2.9%
2025	147	6,659,658	10	562,254	(3)	(71,109)	154	7,150,803	46,434	7.4%

* \$ in millions.

** Includes alternate payees.

North Dakota Public Employees Retirement System – Actuarial Section
Highway Patrolmen’s Retirement System

Solvency Test - HPRS
2016 – 2025

A short-term solvency test is one means of checking a system’s progress under its funding program. In a short-term solvency test, the plan’s present assets (primarily cash and investments) are compared with:

- 1) Active member contributions on deposit
- 2) The liabilities for future benefits to present retired lives; and
- 3) The liabilities for service already rendered by active members.

In a system that has been following level percent of payroll financing, the liabilities for service already rendered by active members (liability 3) should be partially covered by the remainder of present assets. If the system continues using level cost financing, the funded portion of liability 3 will increase over time.

(Amounts in Millions)

Valuation Date 6/30	Total Actuarial Accrued Liability	(1)	(2)	(3)	Actuarial Value of Assets	Portion (%) of Present Value Covered By Assets		
		Active Member Contributions	Retirees, Term Vested and Beneficiaries	Active Members (Employer Financed Portion)		(1)	(2)	(3)
2016	\$ 87.9	\$ 14.3	\$ 53.9	\$ 19.7	\$ 61.7	100%	88%	0%
2017	94.0	16.0	57.3	20.7	70.7	100%	95%	0%
2018	98.4	17.4	60.1	20.8	76.1	100%	98%	0%
2019	106.3	18.2	66.3	21.8	80.9	100%	95%	0%
2020	119.3	19.5	72.6	27.2	84.9	100%	90%	0%
2021	123.4	20.7	74.9	27.8	91.4	100%	95%	0%
2022	139.7	22.5	81.2	36.0	96.4	100%	91%	0%
2023	146.5	21.9	91.1	33.5	100.2	100%	86%	0%
2024	156.4	24.6	92.4	39.4	107.3	100%	89%	0%
2025	166.4	26.5	95.7	44.2	115.2	100%	93%	0%

North Dakota Public Employees Retirement System – Actuarial Section
Highway Patrolmen’s Retirement System

Schedule of Funding Progress

(Amounts in Millions)

<u>July 1</u>	<u>Actuarial Accrued Liability</u>	<u>Actuarial Valuation of Assets (AVA)</u>	<u>Unfunded Actuarial Accrued Liabilities</u>	<u>Ratio of Assets to AAL</u>	<u>Active Member Payroll</u>	<u>UAAL as Percent of Active Member Payroll</u>
2016	87.9	61.7	26.2	70.2	10.5	248.8
2017	94.0	70.7	23.3	75.2	10.6	219.4
2018	98.4	76.1	22.3	77.4	10.7	207.5
2019	106.3	80.9	25.4	76.1	10.4	245.4
2020	119.3	84.9	34.4	71.2	11.4	301.6
2021	123.4	91.4	31.9	74.1	11.5	277.2
2022	139.7	96.4	43.2	69.0	12.3	352.5
2023	146.5	100.2	46.3	68.4	12.0	386
2024	156.4	107.3	49.1	68.6	14.8	331.4
2025	166.4	115.2	51.2	69.2	15.1	339.0

Analysis of Financial Experience - HPRS

Changes in the Contribution Rate During Years Ended June 30

Resulting from Differences Between Assumed Experience and Actual Experience

<u>Plan Year Ended</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Employer Cost Rate - Beginning of Year	32.16%	39.35%	41.07%	37.00%
Plan Change	0.00	0.00	(4.00)	0.00
Plan Experience	(0.44)	(0.17)	0.01	(0.49)
Change in Amortization Schedule	0.00	0.00	0.00	0.00
Assumption Changes	6.99	0.00	0.00	0.47
Investment Loss/(Gain)	0.06	0.5	0.02	(0.81)
Contribution Loss/(Gain)	0.58	1.39	(0.10)	0.87
Employer Cost Rate - End of Year	39.35%	41.07%	37.00%	37.04%

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Actuary's Certification Letter
Job Service Retirement Plan



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November 26, 2025

Board Members
Retirement Plan for Employees of Job Service North Dakota
Bismarck, North Dakota

Members of the Board:

At your request, we have performed an actuarial valuation, which includes actuarial valuation results for funding purposes and separate actuarial valuation results for accounting purposes for the Retirement Plan for Employees of Job Service North Dakota ("Job Service Plan") as of July 1, 2025. The purpose of the funding actuarial valuation, which is performed annually, is to determine the funding status and actuarial employer contribution rate for the Job Service Plan. The actuarial valuation was performed at the request of the Board and is intended for use by the Board and the Job Service Plan and those designated by the Board and the Job Service Plan. This report may be provided to parties other than the Board and the Job Service Plan only in its entirety and only with the permission of the Board and the Job Service Plan. GRS is not responsible for reliance upon this actuarial valuation for any other purpose, or by any other party.

Actuarial Assumptions and Methods

The actuarial valuation report was prepared using actuarial assumptions adopted by the Board as authorized under North Dakota Administrative Code Section 71-02. All actuarial assumptions used in this report are reasonable for the purposes of this actuarial valuation.

Most of the actuarial assumptions used in the actuarial valuation as of July 1, 2025 were based on an experience review for the 5-year period ending July 1, 2024. The actuarial assumptions were first adopted for use commencing with the July 1, 2025 actuarial valuation.

The Frozen Initial Liability Actuarial Cost Method is used to determine the actuarial employer contribution rate, which is equal to the normal cost plus the payment required to amortize the initial unfunded actuarial accrued liability over a selected period of years. The normal cost is determined by calculating the total present value of all future benefits, subtracting the outstanding balance (if any) of the initial unfunded actuarial accrued liability, subtracting the actuarial value of assets and determining payments (not less than zero) that are a level percent of pay over the future working lifetime of all participants.

The actuarial assumptions and methods used, including the economic and demographic assumptions, the actuarial cost method and the asset valuation method, meet the Actuarial Standards of Practice issued by the Actuarial Standards Board for the funding of public sector pension plans and are set by the Board. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). Assumptions and methods required under GASB Statement Nos. 67 and 68 were used in the preparation of the accounting disclosures and schedules required by GASB Statement Nos. 67 and 68.

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North Dakota Public Employees Retirement System – Actuarial Section
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Benefit Provisions

There were no changes in benefit provisions since the previous actuarial valuation as of July 1, 2024.

Participant Data

A total of 1 active member was included in the actuarial valuation as of July 1, 2025. Between the 2024 and 2025 actuarial valuations, the number of active employees remained the same. The average annual valuation pay increased from \$65,088 to \$67,692 between the 2024 and 2025 actuarial valuation. The active member was eligible for normal retirement as of July 1, 2025.

The number of benefit recipients decreased from 163 to 155, since the last actuarial valuation. The average monthly benefit paid by Job Service and excluding benefit amounts paid by the insurer increased by 3.0 percent, from \$2,733 to \$2,814. During the year ending June 30, 2025, there were 0 members awarded a benefit. A 2.5 percent cost of living adjustment was granted in December 2024.

There were no inactive members as of July 1, 2025.

Actuarial Valuation Assets

On a market value basis, the Retirement Plan for Employees of Job Service North Dakota assets had an investment return of approximately 8.78 percent (net of investment expenses). On an actuarial value of asset basis, the Retirement Plan for Employees of Job Service North Dakota had an estimated net asset rate of return of 2.90 percent, which compares to the prior year assumed rate of return of 3.00 percent.

The actuarial value of assets is currently 96 percent of the market value of assets. There are \$3,194,135 in net asset gains currently being deferred that will be phased into the actuarial value of assets over the next 4 years.

Statutory and Actuarial Employer Contributions

The "actuarial contribution" under the Frozen Initial Liability Actuarial Cost Method is the normal cost plus the payment required to amortize the unfunded initial actuarial accrued liability over a selected period of years. The normal cost is determined by calculating the total present value of all future benefits, subtracting the outstanding balance (if any) of the unfunded initial actuarial accrued liability, subtracting the actuarial value of assets and determining payments (not less than zero) that are a level percent of pay over the future working lifetime of all participants. In the absence of an unfunded initial actuarial accrued liability, the Frozen Initial Liability Actuarial Cost Method is the same as the Aggregate Cost Method.

An "actuarial contribution" will be determined when the plan is not in surplus and will be based on a funding policy adopted by the Employer.



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Reliance on Others

The actuarial valuation was based upon information furnished by the NDPERS Staff, concerning benefits provided by the Retirement Plan for Employees of Job Service North Dakota, financial transactions, plan provisions and census data for active members, terminated members, retirees and beneficiaries as of July 1, 2025. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the NDPERS Staff.

The trend data in the Financial Section and the schedules and other data in this Section are prepared by NDPERS Staff with our input. Data prior to fiscal year 2016 was prepared by NDPERS Staff and the prior actuary. Specifically, these exhibits are:

- Actuarial Assumptions and Cost Method;
- Changes in Actuarial Assumptions and Cost Method;
- Active Member Valuation Data;
- Retirees and Beneficiaries Added to and Removed from the Rolls;
- Solvency Test;
- Analysis of Financial Experience;
- Schedule of Retired Members by Type of Benefit; and
- Schedule of Average Monthly Benefit Payments.

Accounting Schedules under GASB Statement Nos. 67 and 68

The total pension liability (actuarial accrued liability) is based on a measurement date of July 1, 2025, under the Entry Age Normal actuarial cost method. A single discount rate of 3.00 percent, which is the same rate that is used in the funding actuarial valuation calculations, was used to measure the total pension liability.

All other assumptions and methods used in the funding actuarial valuation for calculation of the actuarial accrued liabilities as of July 1, 2025, were used in the GASB Statement Nos. 67 and 68 actuarial valuation for calculation of the total pension liability for fiscal year ending June 30, 2025.

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position (market value of assets) as of June 30, 2025.

Certification

To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the Retirement Plan for Employees of Job Service North Dakota as of the actuarial valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Bonita J. Wurst and Abra D. Hill are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the



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economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements in this report.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This actuarial valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

This report should not be relied on for any purpose other than the purpose stated.

The signing actuaries are independent of the plan sponsor.

Respectfully submitted,

Gabriel, Roeder, Smith & Company



Bonita J. Wurst, ASA, EA, MAAA, FCA
Senior Consultant



Abra D. Hill, ASA, MAAA, FCA
Consultant



Actuarial Assumptions and Cost Method
Retirement Plan for Employees of Job Service of North Dakota

Actuarial Cost Method:

There is a wide range of funding methods that are considered acceptable by the actuarial profession and meet government standards. The frozen initial liability actuarial cost method is the method used currently for the Retirement Plan for Employees of Job Service North Dakota.

The "annual contribution" under this method is the normal cost plus the payment required to amortize the unfunded initial actuarial accrued liability over a selected period of years. The normal cost is determined by calculating the total value of all future benefits, subtracting the outstanding balance (if any) of the unfunded initial actuarial accrued liability, subtracting the actuarial value of assets, and determining payments (not less than zero) that are a level percent of pay over the future working lifetime of all participants. In the absence of an unfunded initial liability actuarial accrued liability, the frozen initial liability actuarial cost method is the same as the aggregate cost method.

The "scheduled contribution" will be determined when the plan is not in surplus and will be based on a funding policy adopted by the Employer.

Asset Valuation Method:

The asset value indicates the portion of the benefits already funded. The method used to determine this value is called the actuarial asset valuation method. The actuarial asset valuation method is as follows:

The calculated value is determined by adjusting the fair value of assets to reflect the investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at the rate of 20 percent per year. This asset smoothing method was first adopted by the Board to use beginning with the July 1, 2017 actuarial valuation. Net deferred asset gains attributable to fiscal years 2016 and prior were fully recognized as of July 1, 2017.

Actuarial Assumptions:

The information and analysis is used in selecting each assumption that has a significant effect on this actuarial valuation is shown in our report titled Experience Review: July 2019 - June 2024.

Mortality Tables:

Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 107% for males and 100% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 113% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 87% for males and 88% for females. Mortality rates are projected from 2010 using the MP-2021 scale.

**North Dakota Public Employees Retirement System – Actuarial Section
Job Service Retirement Plan**

The mortality assumptions are as follows:

Type	Assumption	Male Scaling Factor	Female Scaling Factor
Post-Retirement Non-Disabled	Pub-2010 Healthy Retiree Mortality Table (for General Employees), sex distinct	107%	100%
Post-Retirement Disabled	Pub-2010 Disabled Retiree Mortality Table (for General Employees), sex distinct	117%	113%
Pre-Retirement	Pub-2010 Employee Mortality Table (for General Employees), sex distinct	87%	88%

Disability Incidence Rates:

Sample rates are as follows:

Age	Male	Female
20	0.0045%	0.0042%
25	0.0064%	0.0060%
30	0.0083%	0.0077%
35	0.0111%	0.0103%
40	0.0165%	0.0154%
45	0.0270%	0.0252%
50	0.0454%	0.0424%
55	0.0757%	0.0706%
60	0.1220%	0.1139%
65	0.1500%	0.1500%

Withdrawal Rates:

There are no withdrawal rates for Job Service members.

Retirement Rates:

Rates of retirement for members eligible to retire during the next year were as follows:

<u>Age</u>	<u>Rates</u>
50-64	15.00%
65+	100.00%

Salary Scale:

3.5% per year.

Post-retirement cost-of-living adjustment:

2.40% per year.

Marital Status:

It is assumed that 85 percent of participants have an eligible spouse at the time of retirement or pre-retirement death. The male spouse is assumed to be four years older than the female spouse.

Spouses are assumed to be the opposite sex of the employees and retirees. The relatively low rate of same-sex spouses does not have a material actuarial impact on the actuarial valuation results

Rate of Return on Assets/Discount Rate:

3.00% per year, compounded annually, net of investment expenses

North Dakota Public Employees Retirement System – Actuarial Section
Job Service Retirement Plan

Future Benefit Accruals:

One year of credited service per year per active employee included in the valuation

Annual Administrative Expenses:

Prior year expenses, adjusted for inflation

Benefit Election:

55% of participants are assumed to elect the Single Life Annuity with 120 month guarantee, and 45% are assumed to elect the 55% Contingent Annuitant Option.

Changes in Actuarial Assumptions or Cost Method:

The actuarial assumptions used in the actuarial valuation as of July 1, 2025 were based on an experience review for the period from July 1, 2019 to July 1, 2024, and were adopted for first use commencing with the July 1, 2025 actuarial valuation. The following assumptions were changed: price inflation, cost-of-living-adjustments (COLA), disability rates, and mortality rates.

Summary of Plan Provisions – Job Service Retirement System

This section summarizes the major benefit provisions of the Retirement Plan for Employees of Job Service as included in the valuation. It is not intended to be, nor should it be, interpreted as a complete statement of all plan provisions. Benefits are established through the plan document, as amended. The system provides a post-retirement cost-of-living adjustment each year, based on the Consumer Price Index

1. Normal Retirement

Age Requirement: 65
Service Requirement: None

Benefit: Average monthly earnings multiplied by the sum of:
a. 1.5% times credited service up to five years, plus
b. 1.75% times credited service between six and ten years, plus
c. 2.00% times credited service in excess of ten years

Average Monthly Earnings - monthly average earnings during the highest three consecutive years of employment

2. Optional Retirement:

Age and Service Requirements:
Age 62 with 5 years of credited service, or
Age 60 with 20 years of credited service, or
Age 55 with 30 years of credited service.

Benefit: Accrued normal retirement benefit.

3. Early Retirement:

Age Requirement: Ten years before normal or optional retirement age

Service Requirement: Same as optional retirement

Benefit: Accrued normal retirement benefit, reduced if payments begin before normal or optional retirement

North Dakota Public Employees Retirement System – Actuarial Section
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4. Disability Benefit:

Age Requirement: None

Service Requirement: Five years of credited service

Benefit: Greater or accrued normal retirement benefit or 40% of average monthly earnings

5. Deferred Vested Retirement:

Age Requirement: None

Service Requirement: Five years of credited service

Benefit: Accrued normal retirement benefit payable at normal or optional retirement. After attainment of early retirement age, reduced benefits may not be paid.

Employees who meet the requirements for a vested benefit may elect to receive a return of their accumulated employee contributions (including interest at 4% per year) in lieu of all other benefits under the plan.

6. Refund of Member Contributions:

Employees who do not meet the requirements for a vested benefit will receive a return of their accumulated employee contributions (including interest at 4% per year).

7. Pre-Retirement Death Benefits:

Married participants or single participants with eligible children

Surviving Spouse's Benefit:

Age Requirement: None

Service Requirement: None

Benefit: 55% of the greater of (a) or (b):

(a) Accrued normal retirement benefit

(b) The lesser of (1) or (2)

(1) 40% of average monthly earnings

(2) Normal retirement benefit based on credited service to age 60

Children's Benefit:

Provided for children under age 18 (age 22 if a full-time student) note: the actuarial valuation does not consider the benefits for expected surviving children

Single participants with no eligible children

120 Payment Guarantee:

Age Requirement: None

Service Requirement: Five years of credited service

Benefit: Accrued normal retirement benefit payable for 120 months.
Not payable if surviving spouse or children's benefit is

North Dakota Public Employees Retirement System – Actuarial Section
Job Service Retirement Plan

payable.

Lump Sum Benefit:

Age Requirement: None

Service Requirement: None

Benefit: Accumulated employee contributions (including interest at 4% per year). Not payable if the surviving spouse, children's benefit or 120 payment guarantee is in effect

8. Post-Retirement Death Benefits:

Based on form of payment elected by the pensioner.

9. Post-Retirement Cost-of-Living Adjustment:

Based on the Consumer Price Index as approved by the Board.

10. Participation:

Plan participant before October 1, 1980

11. Credited Service:

Monthly salaried employment in a probationary or permanent status including only: service for which contributions were made (including purchased service), eligible military service and unused sick leave.

12. Contribution Rate:

Employee: 7% of average monthly earnings (4% picked up by employer)

Employer: remaining scheduled contribution, if any.

13. Normal and Optional Forms of Payment:

- Single Life Annuity with 120 month guarantee (Normal);
- Single Life Annuity with 180 month guarantee;
- Single Life Annuity with 240 month guarantee;
- 55% Contingent Annuitant Option;
- 75% Contingent Annuitant Option;
- 100% Contingent Annuitant Option; and
- Uniform Income Option

Changes in Plan Provisions Since the Previous Valuation:

There have been no changes in plan provisions since the previous valuations as of July 1, 2024.

North Dakota Public Employees Retirement System – Actuarial Section
Job Service Retirement Plan

Schedule of Active Member Valuation Data
Job Service Retirement Plan 2016 – 2025

Valuation Date 7/1	Number	Annual Payroll (\$ in Millions)	Average Annual Pay ¹	% Increase in Avg Pay
2016	9	0.6	62,743	(1.0)%
2017	8	0.5	62,321	(0.7)%
2018	7	0.4	59,522	(4.5)%
2019	7	0.4	59,507	(0.0)%
2020	5	0.3	62,921	5.7%
2021	3	0.2	58,392	(7.2)%
2022	1	0.1	61,332	5.0%
2023	1	0.1	61,404	0.1%
2024	1	0.1	65,088	6.0%
2025	1	0.1	67,692	4.0%

Retirement Plan for Employees of Job Service North Dakota
Retirees and Beneficiaries (Including Traveler's Annuitants)
Added to and Removed from the Rolls, 2016 – 2025

Plan Year	Beg of Year		Added to Rolls		Removed from Rolls		End of Year Balance		Average Annual	% Increase
	No.	Ann. Benefits*	No.	Ann. Benefits*	No.	Ann. Benefits*	No.**	Ann. Benefits*	Benefit	in Total Ann. Benefits
Retirement										
2016	206	\$ 4,613,463	7	\$ 119,994	(7)	(\$126,408)	206	\$ 4,607,049	\$ 22,364	-0.1%
2017	206	4,607,049	2	110,266	(9)	(189,860)	199	4,527,455	22,751	-1.7%
2018	199	4,527,455	7	239,216	(10)	(169,016)	196	4,597,655	23,457	1.6%
2019	196	4,597,655	0	142,105	(11)	(161,369)	185	4,578,391	24,748	-0.4%
2020	185	4,578,391	7	210,459	(11)	(267,983)	181	4,520,867	24,977	-1.3%
2021	181	4,520,867	5	289,805	(9)	(153,303)	177	4,657,369	26,313	3.0%
2022	177	4,657,369	3	424,014	(5)	(112,290)	175	4,969,094	28,395	6.7%
2023	175	4,969,094	1	493,467	(7)	(166,498)	169	5,296,063	31,338	6.6%
2024	169	5,296,063	1	218,748	(7)	(169,922)	163	5,344,890	32,791	0.9%
2025	163	5,344,890	2	226,637	(10)	(336,616)	155	5,234,911	33,774	-2.1%

* Includes cost of living adjustment of 0.3% as of July 1, 2017, 2.0% as of July 1, 2018, 2.8% as of July 1, 2019, 1.6% as of July 1, 2020, 1.3% as of July 1, 2021, 5.9% as of July 1, 2022, 8.7% as of July 1, 2023, 3.2% as of July 1, 2024, and 2.5% as of July 1, 2025.
Excludes benefits paid by the insurer.

** Includes 2 alternate payees in 2024 and 1 alternate payee in 2025.

Numbers may not add due to rounding.

North Dakota Public Employees Retirement System – Actuarial Section
Job Service Retirement Plan

Solvency Test – Job Service Retirement Plan
2016 – 2025

A short-term solvency test is one means of checking a system's progress under its funding program. In a short-term solvency test, the plan's present assets (primarily cash and investments) are compared with:

- 1) The liabilities for future benefits to present retired lives; and
- 2) The liabilities for future benefits to inactive vested employees not in pay status; and
- 3) The liabilities for future benefits to current active employees.

In a system that has been following level percent of payroll financing, the liabilities for service already rendered by active members (liability 3) should be partially covered by the remainder of present assets. If the system continues using level cost financing, the funded portion of liability 3 will increase over time.

(Amounts in Millions)

Valuation Date 7/1	Present Value of Future Benefits	(1)	(2)	(3)	Actuarial Value of Assets	Portion (%) of Present Value Covered by Assets		
		Retirees, Term Vested and Beneficiaries	Inactive Vested Employee (Not in Pay Status)	Active Members		(1)	(2)	(3)
2016	\$61.4	\$55.0	\$0.0	\$6.4	\$81.0	100%	100%	100%
2017	63.8	57.4	0.0	6.4	98.4	100%	100%	100%
2018	68.3	62.1	0.0	6.1	98.4	100%	100%	100%
2019	66.3	60.1	0.0	6.2	97.8	100%	100%	100%
2020	64.2	59.4	0.0	4.8	97.0	100%	100%	100%
2021	64.9	62.1	0.0	2.8	95.9	100%	100%	100%
2022	70.5	68.6	0.7	1.2	92.6	100%	100%	100%
2023	72.2	71.0	0.0	1.2	88.5	100%	100%	100%
2024	70.3	69.1	0.0	1.2	84.3	100%	100%	100%
2025	66.3	65.1	0.0	1.2	81.3	100%	100%	100%

As of July 1, 2017, the asset smoothing method was revised and net deferred asset gains attributable to fiscal years 2016 and prior were fully recognized.

North Dakota Public Employees Retirement System – Actuarial Section
Job Service Retirement Plan

Schedule of Funding Progress

(Amounts in Millions)

<u>July 1</u>	<u>Present Value</u> <u>of Future Benefits</u>	<u>Valuation Assets</u> <u>(AVA)</u>	<u>Unfunded Present Value</u> <u>of Future Benefits</u>	<u>Ratio of Assets</u> <u>to PVFB</u>	<u>Active Member</u> <u>Payroll</u>	<u>UPVFB as Percent of</u> <u>Active Member Payroll</u>
2016	61.4	81.0	(20.0)	132.0%	0.6	(3,472.6)%
2017	63.8	98.4	(34.5)	154.1%	0.5	(6,926.6)%
2018	68.3	98.4	(30.1)	144.1%	0.4	(7,229.0)%
2019	66.3	97.8	(31.5)	147.5%	0.4	(7,564.2)%
2020	64.2	97.0	(32.7)	151.0%	0.3	(10,406.6)%
2021	64.9	95.9	(30.9)	147.7%	0.2	(17,663.7)%
2022	70.5	92.6	(22.1)	131.3%	0.1	(36,012.6)%
2023	72.2	88.5	(16.3)	122.7%	0.1	(26,621.2)%
2024	70.3	84.3	(14.0)	119.9%	0.1	(21,501.6)%
2025	66.3	81.3	(15.0)	122.7%	0.1	(22,197.3)%

Analysis of Financial Experience - Job Service Retirement Plan

Changes in the Contribution Rate During Years Ended June 30

Resulting from Differences Between Assumed Experience and Actual Experience

<u>Plan Year Ended</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Employer Cost Rate - Beginning of Year	0.00%	0.00%	0.00%	0.00%
Plan Change	0.00	0.00	0.00	0.00
Plan Experience	0.00	0.00	0.00	0.00
Change in Amortization Schedule	0.00	0.00	0.00	0.00
Assumption Changes	0.00	0.00	0.00	0.00
Investment Loss/(Gain)	0.00	0.00	0.00	0.00
Contribution Loss/(Gain)	0.00	0.00	0.00	0.00
Employer Cost Rate - End of Year	0.00%	0.00%	0.00%	0.00%



November 26, 2025

Board Members
North Dakota Retiree Health Insurance Credit Fund
Bismarck, North Dakota

Members of the Board:

At your request, we have performed an actuarial valuation, which includes actuarial valuation results for funding purposes and separate actuarial valuation results for accounting purposes for the North Dakota Retiree Health Insurance Credit Fund ("RHIC") as of July 1, 2025. The purpose of the funding actuarial valuation, which is performed annually, is to determine the funding status and actuarial employer contribution rate for the RHIC. The actuarial valuation was performed at the request of the Board and is intended for use by the Board and RHIC and those designated by the Board and RHIC. This report may be provided to parties other than the Board and RHIC only in its entirety and only with the permission of the Board and RHIC. GRS is not responsible for reliance upon this valuation for any other purpose, or by any other party.

Actuarial Assumptions and Methods

The actuarial valuation report was prepared using actuarial assumptions adopted by the Board as authorized under North Dakota Administrative Code Section 71-06. All actuarial assumptions used in this report are reasonable for the purposes of this actuarial valuation.

Most of the actuarial assumptions used in the actuarial valuation as of July 1, 2025 were based on an experience review for the 5-year period ending July 1, 2024. The actuarial assumptions were first adopted for use commencing with the July 1, 2025 actuarial valuation.

Prior to the actuarial valuation as of July 1, 2019, the actuarial contribution rate was calculated using a 40-year closed period (beginning July 1, 1990) level-percentage of pay amortization of the unfunded liability. First effective with the actuarial valuation as of July 1, 2019, the Board adopted a change in the method used to calculate the actuarial rate to a modified version of the Aggregate Actuarial Cost Method in order to be more consistent with projected contributions to a mostly closed plan. The actuarial rate is equal to the rate needed to pay off the unfunded liability and future Normal Cost contributions at the end of 20 years as a level percent of closed group (decreasing) payroll. The remaining amortization period as of the July 1, 2025 actuarial valuation is 14 years.

The actuarial assumptions and methods used, including the economic and demographic assumptions, the actuarial cost method and the asset valuation method, meet the Actuarial Standards of Practice issued by the Actuarial Standards Board for the funding of public sector pension plans and are set by the Board. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). Assumptions and methods required under GASB Statement Nos.

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Retiree Health Insurance Credit Fund

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74 and 75 were used in the preparation of the accounting disclosures and schedules required by GASB Statement Nos. 74 and 75.

Benefit Provisions

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC has become for the most part a closed plan. The RHIC employer contributions for members first enrolled in the NDPERS Main System on or after January 1, 2020 are made as additional contributions to the NDPERS Main System. The RHIC employer contributions for members first enrolled in the NDPERS Defined Contribution plan on or after January 1, 2020 are made as additional contributions to the members' defined contribution accounts. There were no changes in plan provisions since the previous valuation.

Participant Data

A total of 15,381 active members were included in the actuarial valuation as of July 1, 2025. Between the 2024 and 2025 actuarial valuations, the number of active employees decreased by 902 members, or 5.5 percent. The average annual actuarial valuation pay increased by 6.1 percent, from \$63,668 to \$67,545 between the 2024 and 2025 actuarial valuation.

The number of eligible current benefit recipients increased from 15,599 to 16,164, or 3.6 percent, since the last actuarial valuation. All eligible retirees, including those not enrolled in the NDPERS health insurance plan, were included beginning with the 2016 actuarial valuation.

The average monthly benefit available remained at \$98. The assumed average monthly benefit utilized was \$88.

A total of 8,245 terminated vested members were included in the actuarial valuation as of July 1, 2025. Terminated vested liabilities were first reflected in the July 1, 2020 actuarial valuation.

Actuarial Valuation Assets

On a market value basis, RHIC assets had an investment return of approximately 13.05 percent (net of investment expenses). On an actuarial value of asset basis, RHIC assets had an investment return of approximately 8.09 percent, which compares to the prior year assumed rate of return of 5.75 percent.

The actuarial value of assets is currently 93.9 percent of the market value of assets. There are \$12,667,540 in net asset gains currently being deferred that will be phased into the actuarial value of assets over the next 4 years.



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Statutory and Actuarial Employer Contributions

First effective with the actuarial valuation as of July 1, 2019, the actuarially determined contribution rate is calculated as the rate needed to pay off the unfunded liability and future Normal Cost contributions at the end of 20 years as a level percent of closed group (decreasing) payroll. If employers contributed the actuarial contribution rate, the contribution rate would be expected to remain level over the 20-year period (assuming the actuarial assumptions are realized, including a 5.75 return on the actuarial value of assets). A closed amortization period is expected to increase the funded ratio to 100 percent by the end of the closed period (assuming no actuarial gains or losses).

The contributions that are made by employers are based on fixed contribution rates that are set by statute (and not based on the actuarially determined rate). The statutory contribution rate of 1.14 percent is lower than the actuarial contribution rate of 1.25 percent.

The statutory contribution is expected to fully fund the current unfunded liability (assuming the actuarial assumptions are realized, including a 5.75 percent return on the actuarial value of assets) within approximately 18 years.

Reliance on Others

The actuarial valuation was based upon information furnished by the NDPERS Staff, concerning benefits provided by the North Dakota Retiree Health Insurance Credit Fund, financial transactions, plan provisions and census data for active members, terminated members, retirees and beneficiaries as of July 1, 2025. We checked for internal and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the NDPERS Staff.

The trend data in the Financial Section and the schedules and other data in this Section are prepared by NDPERS Staff with our input. Data prior to fiscal year 2016 was prepared by NDPERS Staff and the prior actuary. Specifically, these exhibits are:

- Actuarial Assumptions and Cost Method;
- Changes in Actuarial Assumptions and Cost Method;
- Active Member Valuation Data;
- Retirees and Beneficiaries Added to and Removed from the Rolls;
- Solvency Test;
- Analysis of Financial Experience;
- Schedule of Retired Members by Type of Benefit; and
- Schedule of Average Monthly Benefit Payments.

Accounting Schedules under GASB Statement Nos. 74 and 75

The total OPEB liability (actuarial accrued liability) is based on a measurement date of July 1, 2025, under the Entry Age Normal actuarial cost method. A single discount rate of 5.75 percent (which is the same rate used in the funding actuarial valuation calculations) was used to measure the total OPEB liability. All other assumptions and methods used in the funding actuarial valuation for calculation of the actuarial accrued liabilities as of July 1, 2025, were used in the GASB Statement Nos. 74 and 75 actuarial valuation for calculation of the total OPEB liability for fiscal year ending June 30, 2025.



**North Dakota Public Employees Retirement System – Actuarial Section
Retiree Health Insurance Credit Fund**

Board Members
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The net OPEB liability is measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position (market value of assets) as of June 30, 2025.

Certification

To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the North Dakota Retiree Health Insurance Credit Fund as of the actuarial valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Bonita J. Wurst and Abra D. Hill are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements in this report.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This actuarial valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

This report should not be relied on for any purpose other than the purpose stated.

The signing actuaries are independent of the plan sponsor.

Respectfully submitted,

Gabriel, Roeder, Smith & Company



Bonita J. Wurst, ASA, EA, MAAA, FCA
Senior Consultant



Abra D. Hill, ASA, MAAA, FCA
Consultant



North Dakota Public Employees Retirement System – Actuarial Section
Retiree Health Insurance Credit Fund

Actuarial Assumptions and Cost Method
Retiree Health Insurance Credit Fund

Mortality Tables:

The mortality assumptions are as follows:

Type	Assumption	Male Scaling Factor	Female Scaling Factor
Post-Retirement Non-Disabled	Pub-2010 Healthy Retiree Mortality Table (for General Employees), sex distinct	107%	100%
Post-Retirement Disabled	Pub-2010 Disabled Retiree Mortality Table (for General Employees), sex distinct	117%	113%
Pre-Retirement	Pub-2010 Employee Mortality Table (for General Employees), sex distinct	87%	88%

Following is a table with the life expectancies by age as of the actuarial valuation date.

Age	Healthy Mortality		Disabled Mortality	
	Future Life		Future Life	
	Expectancy (Years) in 2025		Expectancy (Years) in 2025	
	Male	Female	Male	Female
20	66.71	70.41	50.96	55.59
25	61.36	65.07	46.03	50.33
30	56.01	59.73	41.06	45.10
35	50.70	54.41	36.47	40.30
40	45.44	49.11	32.24	35.91
45	40.20	43.83	28.26	31.81
50	35.11	38.65	24.58	27.99
55	30.24	33.67	21.27	24.52
60	25.54	28.79	18.26	21.31
65	21.06	24.05	15.48	18.13
70	16.82	19.50	12.81	14.85
75	12.92	15.23	10.20	11.66
80	9.48	11.39	7.77	8.81
85	6.67	8.14	5.70	6.52
90	4.61	5.65	4.06	4.83
95	3.23	3.95	2.92	3.51
100	2.31	2.79	2.10	2.46
105	1.74	2.04	1.56	1.78

North Dakota Public Employees Retirement System – Actuarial Section
Retiree Health Insurance Credit Fund

Withdrawal Rates:

Different withdrawal rates are applied to the active members of the Main and DC Systems, Highway Patrol, Judges and Law Enforcement. Rates for the Main and Law Enforcement Systems are detailed below. The withdrawal assumptions applied to the active members in the other groups are detailed in the valuation report for their retirement system.

Rates of separation from active membership are represented by the following table (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members terminating employment.

Service and Age-Based Rates for First Five Years of Service						
Service Beginning of Year	Main System			Public Safety		
	Age					
	Under 30	30-39	40+	Under 30	30-39	40+
0	22.00%	15.00%	13.00%	18.00%	18.00%	15.00%
1	22.00%	15.00%	13.00%	18.00%	18.00%	15.00%
2	20.00%	14.00%	13.00%	18.00%	15.00%	14.00%
3	17.00%	14.00%	13.00%	17.00%	13.00%	14.00%
4	15.00%	12.00%	12.00%	15.00%	10.00%	10.00%

Age	Age-Based Rates Only After First Five Years of Service	
	Main System	Public Safety
20-24	15.00%	12.00%
25-29	12.00%	11.00%
30-34	9.00%	8.50%
35-39	6.50%	8.50%
40-44	5.00%	6.00%
45-49	4.20%	5.00%
50-54	3.90%	5.00%
55-59	3.60%	5.00%
60+	3.30%	5.00%

No pre-retirement termination is assumed for Judges.

Disability Incidence Rates:

Rates of disability were as follows:

Age	Male	Female
20	0.0045%	0.0042%
25	0.0064%	0.0060%
30	0.0083%	0.0077%
35	0.0111%	0.0103%
40	0.0165%	0.0154%
45	0.0270%	0.0252%
50	0.0454%	0.0424%
55	0.0757%	0.0706%
60	0.1220%	0.1139%
65	0.1500%	0.1500%

North Dakota Public Employees Retirement System – Actuarial Section
Retiree Health Insurance Credit Fund

Retirement Rates:

Different retirement rates are applied to the active members of the Main and DC Systems, Highway Patrol, Judges, and Law Enforcement. Retirement rates for the Systems are detailed below. The retirement rates applied to the active members of the other groups are detailed in the valuation report for the retirement system.

Rates of retirement for members eligible to retire during the next year were as follows:

Age	Main System			Public Safety		Judges		Highway Patrol	
	Reduced	Unreduced - Rule of 85	Unreduced - Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 85	Not Rule of 85	Rule of 80	Not Rule of 80
50		50.0%		25.0%	3.0%			100.0%	10.0%
51		25.0%		25.0%	3.0%			100.0%	10.0%
52		25.0%		25.0%	3.0%			100.0%	10.0%
53		20.0%		25.0%	3.0%			100.0%	10.0%
54		20.0%		25.0%	3.0%			100.0%	10.0%
55	1.0%	9.0%		25.0%	6.0%	10.0%	2.0%	100.0%	50.0%
56	1.0%	9.0%		25.0%	6.0%	10.0%	2.0%	100.0%	50.0%
57	1.0%	9.0%		25.0%	6.0%	10.0%	2.0%	100.0%	50.0%
58	1.0%	9.0%		25.0%	6.0%	10.0%	2.0%	100.0%	50.0%
59	1.5%	9.0%		25.0%	6.0%	10.0%	2.0%	100.0%	50.0%
60	1.5%	10.0%		25.0%	6.0%	10.0%	2.0%	100.0%	100.0%
61	2.0%	10.0%		25.0%	15.0%	10.0%	2.0%		
62	6.0%	20.0%		40.0%	25.0%	10.0%	2.0%		
63	6.0%	15.0%		40.0%	25.0%	25.0%	2.0%		
64	6.0%	15.0%		40.0%	25.0%	50.0%	2.0%		
65		32.5%	20.0%	40.0%	40.0%	50.0%	10.0%		
66		32.5%	20.0%	40.0%	40.0%	50.0%	10.0%		
67		25.0%	20.0%	40.0%	40.0%	50.0%	10.0%		
68		25.0%	15.0%	40.0%	40.0%	50.0%	10.0%		
69		20.0%	15.0%	40.0%	40.0%	50.0%	10.0%		
70		20.0%	15.0%	100.0%	100.0%	100.0%	20.0%		
71		20.0%	15.0%	100.0%	100.0%	100.0%	20.0%		
72		20.0%	15.0%	100.0%	100.0%	100.0%	20.0%		
73		20.0%	10.0%	100.0%	100.0%	100.0%	20.0%		
74		20.0%	10.0%	100.0%	100.0%	100.0%	20.0%		
75		50.0%	50.0%	100.0%	100.0%	100.0%	100.0%		
76		50.0%	50.0%						
77		50.0%	50.0%						
78		50.0%	50.0%						
79		50.0%	50.0%						
80+		100.0%	100.0%						

Unreduced retirement is achieved when reaching age 65 or meeting the Rule of 85.

Participation Rates:

Participation Rates for current members eligible to receive a benefit were as follows:

Benefit Status of Eligible Member	Age	Participation Rate
Currently Receiving Benefits	Any	100.0%
Not Currently Receiving Benefits	65 and Over	0.0%
Not Currently Receiving Benefits	Under 65	100% Upon Attainment of Age 65

Participation Rates for current active and terminated vested members were as follows:

Years of Service at Retirement/Termination	Under Age 55	Age 55-64	Age 65+
Less than 5	42.0%	49.0%	70.0%
5-10	42.0%	49.0%	70.0%
10-15	45.0%	52.5%	75.0%
15-20	48.0%	56.0%	80.0%
20-25	51.0%	59.5%	85.0%
25+	54.0%	63.0%	90.0%

North Dakota Public Employees Retirement System – Actuarial Section
Retiree Health Insurance Credit Fund

Benefit Election:

Main and DC Systems and Law Enforcement:

- 50% of participants are assumed to elect the Single Life Annuity
- 45% are assumed to elect the 50% Contingent Annuitant Option,
- 5% of new retirements are assumed to elect a Refund of Member Contributions

Valued without reduction for optional form of payment

Judges and HPRS:

- 100% of retirees will elect a 100% joint and survivor form of pension from the retirement system

Valued without reduction for optional form of payment

Interest Rate:

5.75% per annum, net of investment expenses

Inflation:

2.40% per annum

Annual Administrative Expenses:

Prior year expenses, adjusted for inflation

Marital Status:

It is assumed that 75% of participants in the Main System and Law Enforcement and 100% of Judges and Highway Patrol participants have an eligible spouse at the time of retirement or pre-retirement death. The male spouse is assumed to be three years older than the female spouse.

Spouses are assumed to be the opposite sex of the employees and retirees. The relatively low rate of same-sex spouses does not have a material actuarial impact on the actuarial valuation results

Payroll Growth:

3.5% per annum

Actuarial Cost Method:

Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using the Individual Entry Age Normal actuarial cost method having the following characteristics:

- The normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and
- Each annual normal cost is a constant percentage of the member's year by year projected covered pay

Asset Valuation Method:

Calculated by determining the adjusted fair value of assets to reflect the investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at the rate of 20% per year.

**North Dakota Public Employees Retirement System – Actuarial Section
Retiree Health Insurance Credit Fund**

Changes in Actuarial Assumptions or Cost Method:

There were no changes in the actuarial assumptions since last valuation.

Summary of Plan Provisions - Retiree Health Insurance Credit Fund

This section summarizes the major benefit provisions of the North Dakota Public Employees Retirement System Retiree Health Insurance Credit Fund as included in the valuation. It is not intended to be, nor should it be, interpreted as a complete statement of all plan provisions. Benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases.

1. Covered Employees:

Members of the Public Employees Retirement System, the Highway Patrolmen's Retirement System and the Defined Contribution Retirement Plan. Members first enrolled in the NDPERS Main and the Defined Contribution Retirement Plan on or after January 1, 2020 are not eligible to participate in RHIC.

2. Eligibility:

Receiving a periodic payment from Public Employees Retirement System, the Highway Patrolmen's Retirement System or the Defined Contribution Retirement Plan and incurring an eligible insurance premium expense.

3. Normal Retirement:

Age Requirement:

Main, DC Systems, and Judges: Age 65, or at any age with age plus service equal to at least 85 (rule of 85). For member enrolled after December 31, 2015 into the Main System, attainment of age 65, or at age 60 with age plus service equal to at least 90 (rule of 90).

Highway Patrol: Age 55 or at any age with age plus service equal to at least 80 (rule of 80)

Law Enforcement: Age 55, or if not National Guard, at any age with age plus service equal to at least 85 (rule of 85). National Guard is eligible for Rule of 85 on August 1, 2015.

Service Requirement:

Main, DC Systems, and Judges: None

Highway Patrol: 10 years

Law Enforcement: 3 consecutive years

Effective July 1, 2015, the Retiree Health Insurance Credit benefit may be used for any health insurance and/or prescription drug plan for which a retiree incurs an eligible premium expense. In addition, the benefit can also be applied toward NDPERS administered dental, vision, and long-term care plan premium expenses. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense.

Benefit Amount: A monthly stipend equal to \$5.00 times years of service.

North Dakota Public Employees Retirement System – Actuarial Section
Retiree Health Insurance Credit Fund

4. Early Retirement:

Age Requirement:

Main, DC Systems, and Judges: Age 55

Highway Patrol and Law Enforcement: Age 50

Service Requirement:

Main, DC Systems, and Law Enforcement: 3 years

Judges: 5 years

Highway Patrol: 10 years

Benefit:

Main, DC Systems and Judges: The Normal Retirement Benefit reduced by 3% for retirements at age 64 and an additional 6% for each year by which retirement precedes age 64.

Benefits are unreduced upon the fulfillment of the Rule of 85 or Rule of 90, minimum age 60 (if applicable)

Highway Patrol and Law Enforcement: The Normal Retirement Benefit reduced by 3% for retirements at age 54 and an additional 6% for each year by which retirement precedes age 54.

Benefits are unreduced upon the fulfillment of the Rule of 80, for Highway Patrol and Rule of 85 for Law Enforcement

5. Disability Retirement:

Age Requirement: None

Service Requirement: 6 months

Other Requirements: As required by applicable pension plan

Benefit: Same as Normal Retirement Benefit

6. Pre-Retirement Death Benefits:

Age Requirement: None

Service Requirement:

Main, DC Systems, and Law Enforcement: 3 years

Judges: 5 years

Highway Patrol: 10 years

Benefit Amount: Same as Normal Retirement Benefit accrued to the date of the member's death, payable for as long as benefits are payable to the spouse from the Retirement System under the standard option

North Dakota Public Employees Retirement System – Actuarial Section
Retiree Health Insurance Credit Fund

F7. Post-Retirement Death Benefits:

Following a retired member's death, the Retiree Health Insurance Credit Fund will:

- 1) Continue benefits to the member's spouse if the spouse continues to receive a monthly pension from member's Retirement Plan, or
- 2) Provide benefits to the member's spouse if the member selected a joint and survivor option from the Retiree Health Insurance Credit Fund.

8. Alternative Options:

If benefits from the member's Retirement Plan are paid under single life, level Social Security, or 10 or 20-year term certain options (without a continuation to the spouse after the certain period ends), actuarially reduced health credit benefits may be elected for the spouse. Alternative options in the Retiree Health Insurance Credit Fund include 50% and 100% joint and survivor annuities

9. Service:

Members receive credit for each year and month of employment

10. Contributions:

The employer contributes 1.14% of covered salaries and wages for participating employees. The RHIC employer contributions for members first enrolled in the NDPERS Main System on or after January 1, 2020 are made as additional contributions to the NDPERS Main System. The RHIC employer contributions for members first enrolled in the NDPERS Defined Contribution plan on or after January 1, 2020 are made as additional contributions to the member's defined contribution account.

Plan Amendments - Retiree Health Insurance Credit Fund

There have been no changes in plan provisions since the previous actuarial valuation as of June 30, 2024.

**Retired Members and Beneficiaries,
Average Annual Benefit and Active Member/Retiree Comparison
Retiree Health Insurance Credit Fund 2016 – 2025**

Valuation Date July 1,	Number of Active Members	Number of Terminated Vested Members¹	Number of Retired Members	Average Annual Benefit	Number of Active Members Per Retiree
2016	23,664		10,320	\$ 1,199	2.3
2017	23,497		11,232	1,164	2.1
2018	23,747		11,823	1,170	2.0
2019	23,997		12,471	1,174	1.9
2020	23,495	6,734	13,092	1,175	1.8
2021	21,067	7,112	13,697	1,174	1.5
2022	19,018	7,639	14,290	1,179	1.3
2023	17,283	7,992	14,996	1,175	1.2
2024	16,283	8,255	15,599	1,173	1.0
2025	15,381	8,245	16,164	1,171	1.0

¹ Terminated vested member liabilities first reflected in 2020.

North Dakota Public Employees Retirement System – Actuarial Section
Retiree Health Insurance Credit Fund

Schedule of Funding Progress

(Amounts in Millions)

	Actuarial Value	Actuarial Accrued	AVA Unfunded	AVA Funded	Market Value	MVA Unfunded	MVA Funded
<u>July 1</u>	<u>of Assets</u>	<u>Liability</u>	<u>AAL (UAAL)</u>	<u>Ratio</u>	<u>of Assets (MVA)</u>	<u>AAL (UAAL)</u>	<u>Ratio</u>
2016	97.8	176.6	78.8	55.4	102.9	73.7	58.3
2017	114.6	196.7	82.1	58.3	117.6	79.1	59.8
2018	126.2	206.7	80.5	61.1	127.9	78.8	61.9
2019	137.6	217.8	80.2	63.2	137.5	80.3	63.1
2020	148.5	229.7	81.2	64.6	145.6	84.1	63.4
2021	163.3	238.0	74.7	68.6	182.3	55.6	76.6
2022	170.6	264.0	93.3	64.6	154.5	109.5	58.5
2023	175.5	268.3	92.8	65.4	168.3	100	62.7
2024	183.3	273.0	89.6	67.2	186.6	86.4	68.3
2025	195.0	273.4	78.4	71.3	207.6	65.8	75.9

Assets and Actuarial Accrued Liabilities
Retiree Health Insurance Credit Fund 2015-2024

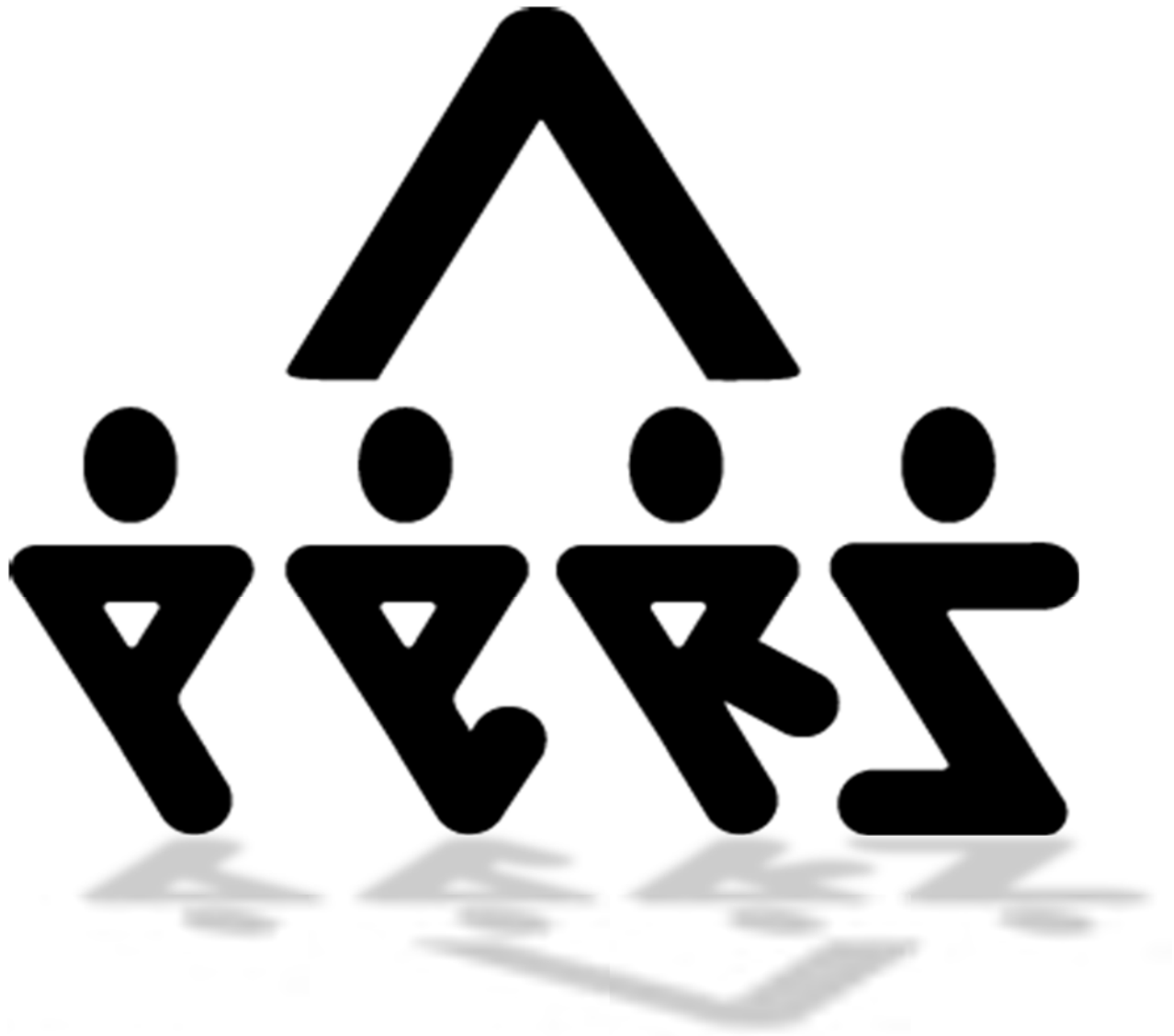
(Amounts in Millions)

	Total Actuarial	Total Actuarial	Assets as of % of Total	Unfunded	Total	Total Unfunded
<u>July 1</u>	<u>Accrued Liability</u>	<u>Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Actuarial Accrued Liability</u>	<u>Payroll</u>	<u>Liability as % of Payroll</u>
2016	176.6	97.8	55.4	78.8	1,142.4	6.9
2017	196.7	114.6	58.3	82.1	1,157.5	7.1
2018	206.7	126.2	61.1	80.5	1,170.9	7.2
2019	217.8	137.6	63.2	80.2	1,195.3	7.2
2020	229.7	148.5	64.6	81.2	1,140.0	7.4
2021	238.0	163.3	68.6	74.7	1,090.0	6.8
2022	264.0	170.6	64.6	93.3	1,032.4	9.0
2023	268.3	175.5	65.4	92.8	1,005.2	9.2
2024	273.0	183.3	67.2	89.6	1,036.7	8.6
2025	273.4	195.0	71.3	78.4	1,038.9	7.6

Analysis of Financial Experience -Retiree Health Insurance Credit Fund

Changes in the Contribution Rate During Years Ended June 30
Resulting from Differences Between Assumed Experience and Actual Experience

<u>Plan Year Ended</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>
Employer Cost Rate - Beginning of Year	1.08%	1.35%	1.38%	1.34%
Plan Change	0.00	0.00	0.00	0.00
Plan Experience	0.10	(0.03)	(0.06)	(0.06)
Change in Amortization Schedule	0.00	0.00	0.00	0.00
Assumption Changes	0.15	0.00	0.00	(0.01)
Investment Loss/(Gain)	0.02	0.03	0.00	(0.05)
Contribution Loss/(Gain)	0.00	0.03	0.02	0.03
Employer Cost Rate - End of Year	1.35%	1.38%	1.34%	1.25%



STATISTICAL SECTION

The Statistical Section contains membership and financial information for the programs administered by the System. Included in this section are schedules providing financial trend information for administrative cost per member, benefits paid, changes in net position and deferred compensation assets by provider. Information on the operations of the System is provided in the schedules of members by type of benefit, average benefit payments, participating employers, Group Health insurance contracts and premiums.

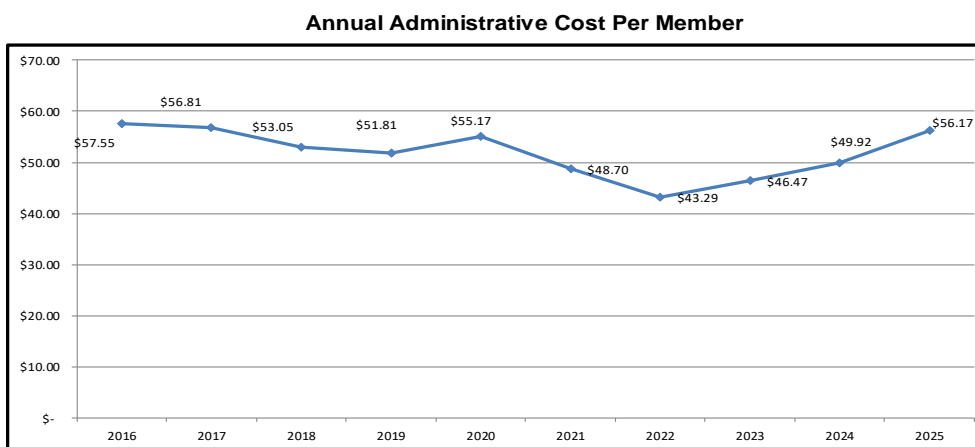
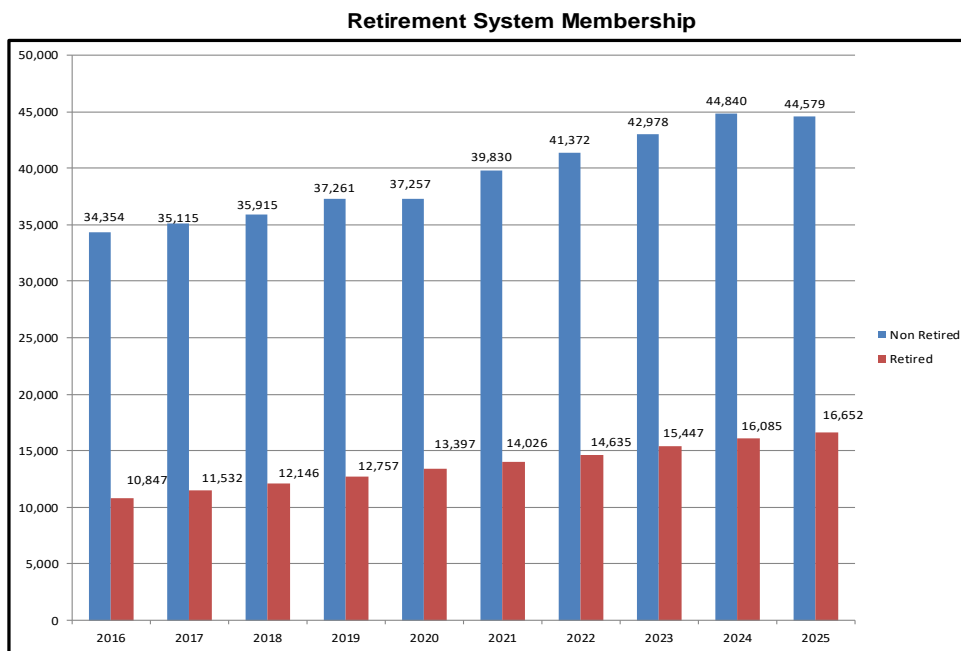
North Dakota Public Employees Retirement System – Statistical Section
Retirement System Membership

Retirement System Membership - PERS, HPRS, and Job Service
As of June 30

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
State Agencies	15,254	15,157	15,174	15,205	15,022	15,757	16,486	16,429	17,161	16,790
Cities	2,641	2,820	2,946	3,333	3,454	3,839	4,107	4,411	4,664	4,693
Counties	5,986	6,157	6,343	6,529	6,368	6,821	6,991	7,203	7,593	7,620
School Districts	9,528	9,971	10,390	11,070	11,285	12,192	12,876	13,515	13,916	14,006
Other Political Subdivisions	<u>945</u>	<u>1,010</u>	<u>1,062</u>	<u>1,124</u>	<u>1,128</u>	<u>1,221</u>	<u>912</u>	<u>1,420</u>	<u>1,506</u>	<u>1,470</u>
Total Non-Retired ⁽¹⁾	34,354	35,115	35,915	37,261	37,257	39,830	41,372	42,978	44,840	44,579
Retired Members & Beneficiaries	<u>10,847</u>	<u>11,532</u>	<u>12,146</u>	<u>12,757</u>	<u>13,397</u>	<u>14,026</u>	<u>14,635</u>	<u>15,447</u>	<u>16,085</u>	<u>16,652</u>
Total Membership	45,201	46,647	48,061	50,018	50,654	53,856	56,007	58,425	60,925	61,231
Administrative Expenses	\$ 2,601,502	\$ 2,650,122	\$ 2,549,409	\$ 2,591,667	\$ 2,794,805	\$ 2,622,870	\$ 2,424,274	\$ 2,714,873	\$ 3,041,152	\$ 3,439,537
Administrative Cost Per Member	\$ 57.55	\$ 56.81	\$ 53.05	\$ 51.81	\$ 55.17	\$ 48.70	\$ 43.29	\$ 46.47	\$ 49.92	\$ 56.17

⁽¹⁾ Total non-retired members includes all contributing members plus all non-contributing members who have not begun to receive retirement benefits

North Dakota Public Employees Retirement System – Statistical Section
Retirement System Membership



**North Dakota Public Employees Retirement System – Statistical Section
Benefit Expenses**

**Schedule of Benefit Expenses by Type - PERS
Fiscal Year Ended June 30**

FY Ended June 30	Annuities			Refunds		Transfers	Total
	Retirant	Disability	Survivor	Death	Separation		
2016	131,207,803	1,804,201	8,251,792	706,059	7,295,910	398,649	149,664,414
2017	143,554,696	1,750,399	8,505,934	1,228,689	7,712,641	239,609	162,991,968
2018	159,661,655	1,943,716	9,566,078	1,618,411	9,541,076	190,727	182,521,663
2019	173,479,569	1,898,910	10,266,007	1,022,439	10,760,049	330,963	197,757,937
2020	190,942,582	1,969,568	11,400,300	1,599,850	12,522,865	118,721	218,553,888
2021	203,565,116	2,052,095	12,797,127	1,465,511	11,327,136	93,418	231,300,404
2022	220,444,108	2,104,928	13,595,331	2,085,387	13,672,789	163,705	252,066,250
2023	236,191,426	2,301,405	14,681,522	2,358,745	15,664,549	316,367	271,514,014
2024	251,722,259	2,243,935	15,212,999	2,250,096	18,212,244	405,482	290,047,016
2025	265,928,707	2,251,930	16,920,842	1,609,641	19,062,426	2,210,885	307,984,431

**Schedule of Benefit Expenses by Type - HPRS
Fiscal Year Ended June 30**

FY Ended June 30	Annuities			Refunds		Transfers	Total
	Retirant	Disability	Survivor	Death	Separation		
2016	4,179,070	105,131	374,031	0	55,263	0	4,713,495
2017	4,237,782	105,131	425,683	0	37,723	0	4,806,319
2018	4,361,198	111,204	421,406	0	87,569	0	4,981,377
2019	4,811,640	117,268	412,348	0	49,859	0	5,391,115
2020	5,057,745	117,268	405,319	0	124,254	0	5,704,586
2021	5,258,825	117,268	404,080	0	171,704	0	5,951,877
2022	5,300,801	123,958	415,368	0	7,897	0	5,848,024
2023	5,614,317	128,736	483,279	0	164,784	0	6,391,116
2024	5,987,106	128,736	534,010	0	38,248	0	6,688,100
2025	6,299,676	128,736	545,896	0	151,810	0	7,126,118

**Schedule of Benefit Expenses by Type - Job Service
Fiscal Year Ended June 30**

FY Ended June 30	Annuities			Refunds		Transfers	Total
	Retirant	Disability	Survivor	Death	Separation		
2016	4,175,496	107,092	318,608	0	0	0	4,601,196
2017	4,117,689	92,459	324,005	0	0	0	4,534,153
2018	4,325,831	73,795	182,951	0	0	0	4,582,577
2019	4,388,276	75,587	162,983	0	0	0	4,626,846
2020	4,314,030	77,142	175,543	0	14,861	0	4,581,576
2021	4,354,129	78,216	236,475	0	0	0	4,668,820
2022	7,504,015	79,847	281,820	0	0	0	7,865,682
2023	4,783,084	68,949	316,614	0	0	0	5,168,647
2024	4,900,427	72,647	310,225	0	0	0	5,283,299
2025	4,835,402	74,656	383,208	0	0	0	5,293,266

North Dakota Public Employees Retirement System – Statistical Section
Changes in Net Position

Changes in Net Position

Additions:	FY Ended 30-Jun	Member Contributions	Employer Contributions	Purchased Service Credit	Transfer From General Fund	Investment Income	Miscellaneous Income	Total Additions	Employer Contributions as a % of Covered Payroll
Public Employees Retirement System:									
	2016	74,218,276	77,080,576	9,179,163	-	11,333,124	23,575,649	195,386,788	6.86%
	2017	76,007,456	78,933,571	11,805,070	-	311,760,863	32,183	478,539,143	6.94%
	2018	77,486,189	80,727,209	19,984,972	-	249,165,181	(24,440)	427,339,111	7.01%
	2019	78,213,580	81,588,318	7,219,697	-	159,824,092	(5,641)	326,840,046	7.09%
	2020	81,477,666	85,504,033	10,818,588	-	101,105,998	(2,580)	278,903,705	6.90%
	2021	85,914,756	91,265,640	7,129,269	-	844,933,209	(1,723)	1,029,241,151	7.10%
	2022	89,633,939	96,630,783	10,249,235	-	(256,072,364)	14,125	(59,544,282)	7.74%
	2023	93,407,915	101,933,327	5,151,247	-	281,849,564	10,885	482,352,938	7.73%
	2024	102,073,900	123,000,618	6,539,922	135,000,000	347,742,067	22,897	714,379,404	7.96%
	2025	110,729,651	141,401,901	5,552,427	65,000,000	505,529,472	36,447	828,249,898	8.97%
Highway Patrolmen's Retirement System:									
	2016	1,436,236	2,127,355	-	-	316,958	5	3,880,554	18.85%
	2017	1,455,540	2,155,944	249,436	-	8,500,352	221	12,361,493	18.94%
	2018	1,453,533	2,152,970	281,573	-	6,716,525	(187)	10,604,414	18.70%
	2019	1,411,619	2,090,886	167,824	-	4,250,901	(41)	7,921,189	20.19%
	2020	1,469,682	2,176,902	205,461	-	2,667,371	(16)	6,519,400	18.00%
	2021	1,548,335	2,293,404	400,751	-	19,637,841	(11)	23,880,320	19.91%
	2022	1,825,729	2,686,795	159,747	-	(6,509,971)	62	(1,837,638)	21.90%
	2023	1,769,864	2,573,696	592,870	-	7,195,352	65	12,131,847	21.46%
	2024	1,747,354	2,515,772	30,861	3,000,000	8,620,703	142	15,914,832	16.80%
	2025	2,515,950	3,587,419	80,310	-	12,679,319	108	18,863,106	15.75%
Job Service Retirement Plan:									
	2016	44,178	-	-	-	4,840,333	-	4,884,511	0.00%
	2017	39,417	-	-	-	5,238,877	-	5,278,294	0.00%
	2018	32,987	-	-	-	2,918,585	-	2,951,572	0.00%
	2019	29,159	-	-	-	6,229,630	-	6,258,789	0.00%
	2020	27,047	-	-	-	2,621,067	-	2,648,114	0.00%
	2021	13,979	-	-	-	6,025,272	-	6,039,251	0.00%
	2022	9,299	-	-	-	(5,551,487)	-	(5,542,188)	0.00%
	2023	4,298	-	-	-	2,486,882	-	2,491,180	0.00%
	2024	4,936	-	-	-	4,611,660	-	4,616,596	0.00%
	2025	4,359	-	-	-	7,039,875	-	7,044,234	0.00%
Retiree Health Insurance Credit Plan:									
	2016	16,655	12,349,883	383,089	-	793,705	-	13,543,332	1.08%
	2017	16,173	12,575,627	464,323	-	12,074,082	-	25,130,205	1.09%
	2018	15,984	12,834,547	746,942	-	8,210,898	-	21,808,371	1.10%
	2019	15,859	12,977,460	377,329	-	8,178,932	(857)	21,548,723	1.09%
	2020	16,319	13,392,266	556,585	-	6,904,869	9,580	20,879,619	1.11%
	2021	15,481	13,110,651	375,038	-	36,526,655	312	50,028,137	1.14%
	2022	12,234	12,565,573	456,895	-	(26,756,507)	(1)	(13,721,806)	1.15%
	2023	10,741	12,137,476	282,185	-	15,975,072	1	28,405,475	1.14%
	2024	7,894	12,328,091	282,386	-	20,803,951	596	33,422,918	1.13%
	2025	7,213	12,392,992	210,207	-	24,143,347	299	36,754,058	1.13%

North Dakota Public Employees Retirement System – Statistical Section
Changes in Net Position

Changes in Net Position

Deductions:	FY Ended		Administrative	Transfers &	Total	Change in
	<u>30-Jun</u>	<u>Benefits</u>	<u>Expenses</u>	<u>Refunds</u>	<u>Deductions</u>	<u>Net Position</u>
Public Employees Retirement System:	2016	141,263,796	2,537,799	8,400,345	152,201,940	43,184,848
	2017	153,811,029	2,607,243	9,180,939	165,599,211	312,939,932
	2018	171,171,449	2,472,761	11,350,214	184,994,424	242,344,687
	2019	185,644,486	2,531,304	12,113,451	200,289,241	126,550,805
	2020	204,312,452	2,729,759	14,241,436	221,283,647	57,620,058
	2021	218,414,339	2,569,186	12,886,065	233,869,590	795,371,561
	2022	236,144,369	2,340,267	15,921,880	254,406,516	(313,950,798)
	2023	253,174,353	2,670,084	18,339,661	274,184,098	208,168,840
	2024	269,179,193	2,985,782	20,867,822	293,032,797	421,346,607
	2025	285,101,479	3,378,340	22,882,952	311,362,771	516,887,127
Highway Patrolmen's Retirement System:	2016	4,658,232	31,450	55,263	4,744,945	(864,391)
	2017	4,768,596	30,195	37,723	4,836,514	7,524,979
	2018	4,893,808	30,353	87,569	5,011,730	5,592,684
	2019	5,341,256	43,555	49,859	5,434,670	2,486,519
	2020	5,580,332	45,870	124,254	5,750,456	768,944
	2021	5,780,173	37,097	171,704	5,988,974	17,891,346
	2022	5,840,127	65,650	7,897	5,913,674	(7,751,312)
	2023	6,226,332	30,106	164,784	6,421,222	5,710,625
	2024	6,649,852	40,394	38,248	6,728,494	9,186,338
	2025	6,974,308	42,529	151,810	7,168,647	11,694,459
Job Service Retirement Plan:	2016	4,601,196	32,253	-	4,633,449	251,062
	2017	4,534,153	12,684	-	4,546,837	731,457
	2018	4,582,577	46,295	-	4,628,872	(1,677,300)
	2019	4,626,846	16,808	-	4,643,654	1,615,135
	2020	4,581,575	19,148	-	4,600,723	(1,952,609)
	2021	4,668,820	17,371	-	4,686,191	1,353,060
	2022	4,865,682	18,357	-	4,884,039	(10,426,227)
	2023	5,168,647	14,683	-	5,183,330	(2,692,150)
	2024	5,283,299	14,976	-	5,298,275	(681,679)
	2025	5,293,266	18,668	-	5,311,934	1,732,300
Retiree Health Insurance Credit Plan:	2016	9,329,881	431,291	3,135	9,764,307	3,779,025
	2017	10,012,681	443,220	1,689	10,457,590	14,672,615
	2018	11,013,375	480,244	2,685	11,496,304	10,312,292
	2019	11,497,890	437,349	7,180	11,942,419	9,606,304
	2020	12,312,461	453,913	4,614	12,770,988	8,108,631
	2021	12,879,074	430,097	5,437	13,314,608	36,713,529
	2022	13,743,479	383,458	2,631	14,129,568	(27,851,374)
	2023	14,208,566	355,695	6,234	14,570,495	13,834,980
	2024	14,783,098	370,675	11,197	15,164,970	18,257,948
	2025	15,285,082	402,419	14,913	15,702,414	21,051,644

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Retired Members by Type of Benefit - PERS
As of June 30, 2025

Main System							
Monthly Amount	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Under \$200	853	483	0	66	229	1,631	1,402
\$200 - \$400	941	759	10	72	273	2,055	1,782
\$400 - \$600	805	633	20	71	222	1,751	1,529
\$600 - \$800	621	371	31	104	152	1,279	1,127
\$800 - \$1,000	521	232	22	211	111	1,097	986
\$1,000 - \$1,200	437	190	10	305	91	1,033	942
\$1,200 - \$1,400	309	104	3	364	65	845	780
\$1,400 - \$1,600	279	59	4	356	46	744	698
\$1,600 - \$1,800	241	37	5	367	37	687	650
\$1,800 - \$2,000	183	22	0	377	33	615	582
\$2,000 - \$2,200	138	13	0	327	24	502	478
\$2,200 - \$2,400	132	10	0	307	33	482	449
\$2,400 - \$2,600	105	7	1	298	13	424	411
\$2,600 - \$2,800	81	7	0	246	16	350	334
\$2,800 - \$3,000	79	4	0	222	11	316	305
\$3,000 and Over	528	13	0	1,492	72	2,105	2,033
Total	6,253	2,944	106	5,185	1,428	15,916	14,488
Payment Option	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Life	3,805	2,058	80	2,406	259	8,608	8,349
Life 1% Graduated Benefits	5	0	0	6	0	11	11
Life 2% Graduated Benefits	10	0	0	12	0	22	22
Level Social Security Payment	1	14	0	79	0	94	94
Joint & 100% Survivor	1,667	557	18	1,668	781	4,691	3,910
Joint & 100% Survivor 1% Graduated Benefits	1	0	0	5	0	6	6
Joint & 100% Survivor 2% Graduated Benefits	7	0	0	7	1	15	14
Joint & 50% Survivor	606	224	7	903	306	2,046	1,740
Joint & 50% Survivor 1% Graduated Benefits	4	0	0	3	1	8	7
Joint & 50% Survivor 2% Graduated Benefits	1	0	0	1	0	2	2
20 Year C & L	74	30	1	41	47	193	146
10 Year C & L	70	55	0	46	27	198	171
10 Year C & L 1% Graduated Benefits	0	0	0	1	0	1	1
5 Year C & L	2	6	0	7	6	21	15
Total	6,253	2,944	106	5,185	1,428	15,916	14,488
Age	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Under 50	0	0	15	0	34	49	15
50 - 54	0	0	16	19	28	63	35
55 - 59	0	18	29	212	45	304	259
60 - 64	0	269	44	798	83	1,194	1,111
65 - 69	1,637	655	2	1,354	176	3,824	3,648
70 - 74	2,010	687	0	1,245	223	4,165	3,942
75 and Over	2,606	1,315	0	1,557	839	6,317	5,478
Total	6,253	2,944	106	5,185	1,428	15,916	14,488

	Previous Valuation	Current Valuation	Change
Average Age	73.5	73.8	0.3
Average Monthly Benefit	\$1,443	\$1,470	\$27
Total Members in Pay Status	15,370	15,916	546

* Includes Rule of 85, Rule of 88 and Rule of 90.

** Includes alternate payees.

*** Total excluding beneficiaries.

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Retired Members by Type of Benefit - PERS
As of June 30, 2025

Judges							
Monthly Amount	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Under \$400	0	0	0	0	0	0	0
\$400 - \$800	0	0	0	0	1	1	0
\$800 - \$1,200	2	0	0	0	0	2	2
\$1,200 - \$1,600	0	0	0	1	2	3	1
\$1,600 - \$2,000	2	1	0	0	3	6	3
\$2,000 - \$2,400	0	0	0	0	0	0	0
\$2,400 - \$2,800	1	0	0	0	2	3	1
\$2,800 - \$3,200	1	0	0	0	3	4	1
\$3,200 - \$3,600	2	0	0	0	1	3	2
\$3,600 - \$4,000	2	1	0	0	0	3	3
\$4,000 - \$4,400	1	0	0	0	0	1	1
\$4,400 - \$4,800	3	0	0	2	2	7	5
\$4,800 - \$5,200	0	0	0	0	2	2	0
\$5,200 - \$5,600	2	0	0	2	0	4	4
\$5,600 - \$6,000	0	0	0	1	0	1	1
\$6,000 and Over	14	0	1	9	2	26	24
Total	30	2	1	15	18	66	48
Payment Option	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Life	2	0	0	1	4	7	3
Level Social Security Payment	0	0	0	0	0	0	0
Joint & 100% Survivor	21	1	0	7	12	41	29
Joint & 50% Survivor	7	1	1	7	2	18	16
10 Year C & L	0	0	0	0	0	0	0
5 Year C & L	0	0	0	0	0	0	0
Total	30	2	1	15	18	66	48
Age	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Under 50	0	0	0	0	0	0	0
50 - 54	0	0	0	0	0	0	0
55 - 59	0	0	0	0	0	0	0
60 - 64	0	0	1	1	0	2	2
65 - 69	4	0	0	4	2	10	8
70 - 74	9	1	0	4	1	15	14
75 and Over	17	1	0	6	15	39	24
Total	30	2	1	15	18	66	48

	Previous Valuation	Current Valuation	Change
Average Age	77.6	77.6	0.0
Average Monthly Benefit	\$4,909	\$5,076	\$167
Total Members in Pay Status	67	66	-1

* Includes Rule of 85, Rule of 88 and Rule of 90.

** Includes alternate payees.

*** Total excluding beneficiaries.

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Retired Members by Type of Benefit - PERS
As of June 30, 2025

Public Safety with prior Main System Service

Monthly Amount	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Under \$200	7	0	0	0	5	12	7
\$200 - \$400	7	1	0	0	4	12	8
\$400 - \$600	17	2	0	0	1	20	19
\$600 - \$800	9	1	0	0	2	12	10
\$800 - \$1,000	7	0	0	0	2	9	7
\$1,000 - \$1,200	12	0	0	0	2	14	12
\$1,200 - \$1,400	6	0	0	0	0	6	6
\$1,400 - \$1,600	10	0	0	0	1	11	10
\$1,600 - \$1,800	7	0	0	0	0	7	7
\$1,800 - \$2,000	6	1	0	0	0	7	7
\$2,000 - \$2,200	9	0	0	1	3	13	10
\$2,200 - \$2,400	3	0	0	0	1	4	3
\$2,400 - \$2,600	3	2	0	1	0	6	6
\$2,600 - \$2,800	4	0	0	0	0	4	4
\$2,800 - \$3,000	2	0	0	1	0	3	3
\$3,000 and Over	41	1	0	7	1	50	49
Total	150	8	0	10	22	190	168
Payment Option	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Life	69	4	0	2	5	80	75
Level Social Security Payment	3	1	0	0	0	4	4
Joint & 100% Survivor	53	3	0	6	8	70	62
Joint & 100% Survivor 1% Graduated Benefits	0	0	0	0	0	0	0
Joint & 50% Survivor	22	0	0	2	3	27	24
20 Year C & L	1	0	0	0	6	7	1
10 Year C & L	1	0	0	0	0	1	1
5 Year C & L	0	0	0	0	0	0	0
20 Year Certain	0	0	0	0	0	0	0
Total	150	8	0	10	22	190	168
Age	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Under 50	0	0	0	0	5	5	0
50 - 54	0	2	0	0	2	4	2
55 - 59	18	3	0	4	1	26	25
60 - 64	34	1	0	1	2	38	36
65 - 69	45	2	0	5	2	54	52
70 - 74	32	0	0	0	7	39	32
75 and Over	21	0	0	0	3	24	21
Total	150	8	0	10	22	190	168

	Previous Valuation	Current Valuation	Change
Average Age	66.6	66.6	0.0
Average Monthly Benefit	\$1,976	\$2,015	\$39
Total Members in Pay Status	168	190	22

* Includes Rule of 85, Rule of 88 and Rule of 90.

** Includes alternate payees.

*** Total excluding beneficiaries.

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Retired Members by Type of Benefit - PERS
As of June 30, 2025

Public Safety without Prior Main System Service

Monthly Amount	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Under \$200	3	0	0	0	0	3	3
\$200 - \$400	3	0	0	0	1	4	3
\$400 - \$600	6	1	0	0	2	9	7
\$600 - \$800	1	0	0	0	0	1	1
\$800 - \$1,000	0	0	1	0	1	2	1
\$1,000 - \$1,200	0	0	0	0	1	1	0
\$1,200 - \$1,400	2	0	0	0	0	2	2
\$1,400 - \$1,600	0	0	0	0	1	1	0
\$1,600 - \$1,800	0	0	0	0	0	0	0
\$1,800 - \$2,000	1	0	0	0	0	1	1
\$2,000 - \$2,200	0	0	0	0	0	0	0
\$2,200 - \$2,400	1	0	0	0	0	1	1
\$2,400 - \$2,600	0	0	0	0	0	0	0
\$2,600 - \$2,800	0	0	0	0	0	0	0
\$2,800 - \$3,000	0	0	0	0	0	0	0
\$3,000 and Over	3	0	0	0	0	3	3
Total	20	1	1	0	6	28	22
Payment Option	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Life	7	0	1	0	3	11	8
Level Social Security Payment	0	0	0	0	0	0	0
Joint & 100% Survivor	10	1	0	0	3	14	11
Joint & 50% Survivor	2	0	0	0	0	2	2
10 Year C & L	1	0	0	0	0	1	1
5 Year C & L	0	0	0	0	0	0	0
Total	20	1	1	0	6	28	22
Age	Normal	Early	Disability	Service*	Beneficiary**	Total	Total***
Under 50	0	0	1	0	2	3	1
50 - 54	0	0	0	0	0	0	0
55 - 59	2	0	0	0	2	4	2
60 - 64	10	1	0	0	1	12	11
65 - 69	4	0	0	0	1	5	4
70 - 74	4	0	0	0	0	4	4
75 and Over	0	0	0	0	0	0	0
Total	20	1	1	0	6	28	22

	Previous Valuation	Current Valuation	Change
Average Age	61.0	61.7	0.7
Average Monthly Benefit	\$1,033	\$998	(\$35)
Total Members in Pay Status	27	28	1

* Includes Rule of 85, Rule of 88 and Rule of 90.

** Includes alternate payees.

*** Total excluding beneficiaries.

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Retired Members by Type of Benefit - HPRS
As of June 30, 2025

Monthly Amount	Normal	Early	Disability	Service*	Beneficiary**	Total
Under \$200	1	0	0	0	0	1
\$200 - \$400	0	0	0	0	2	2
\$400 - \$600	0	0	0	0	0	0
\$600 - \$800	0	0	0	0	1	1
\$800 - \$1,000	1	0	0	0	2	3
\$1,000 - \$1,200	1	0	0	1	3	5
\$1,200 - \$1,400	1	0	0	1	10	12
\$1,400 - \$1,600	0	1	0	0	3	4
\$1,600 - \$1,800	0	0	0	0	3	3
\$1,800 - \$2,000	0	0	0	0	1	1
\$2,000 - \$2,200	2	3	0	1	1	7
\$2,200 - \$2,400	4	1	0	0	0	5
\$2,400 - \$2,600	1	0	0	3	2	6
\$2,600 - \$2,800	0	0	0	4	0	4
\$2,800 - \$3,000	0	0	0	5	0	5
\$3,000 - \$3,200	1	0	0	7	0	8
\$3,200 - \$3,400	1	1	0	1	0	3
\$3,400 - \$3,600	1	0	0	5	1	7
\$3,600 - \$3,800	3	1	0	2	0	6
\$3,800 - \$4,000	2	2	0	2	0	6
\$4,000 - \$4,200	0	0	0	1	1	2
\$4,200 - \$4,400	1	0	0	5	0	6
\$4,400 - \$4,600	1	0	0	4	0	5
\$4,600 - \$4,800	2	0	0	4	0	6
\$4,800 - \$5,000	0	0	0	1	0	1
\$5,000 and Over	4	0	0	40	1	45
Total	27	9	0	87	31	154
Payment Option	Normal	Early	Disability	Service*	Beneficiary**	Total
Life	0	0	0	2	4	6
Joint & 100% Survivor	16	4	0	58	4	82
Joint & 50% Survivor	11	5	0	26	22	64
5 Year C & L	0	0	0	0	0	0
10 Year C & L	0	0	0	0	0	0
20 Year C & L	0	0	0	1	1	2
Total	27	9	0	87	31	154
Age	Normal	Early	Disability	Service*	Beneficiary**	Total
Under 50	0	0	0	1	0	1
50 - 54	0	2	0	11	0	13
55 - 59	6	3	0	12	3	24
60 - 64	3	3	0	19	1	26
65 - 69	5	0	0	12	2	19
70 - 74	3	0	0	17	6	26
75 - 79	2	0	0	9	4	15
80 - 84	0	0	0	6	5	11
85 - 89	5	1	0	0	8	14
90 and Over	3	0	0	0	2	5
Total	27	9	0	87	31	154

	Previous Valuation	Current Valuation	Change
Average Age	69.6	69.3	-0.3
Average Monthly Benefit	\$3,775	\$3,869	\$94
Total Members in Pay Status	147	154	7

* Includes Rule of 80.

** Includes alternate payees.

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Retired Members by Type of Benefit -
Job Service Retirement Plan as of June 30, 2025

Monthly Amount	Normal	Early	Disability	Beneficiary*	Total
Under \$200	3	0	0	0	3
\$200 - \$400	1	0	0	3	4
\$400 - \$600	7	0	0	1	8
\$600 - \$800	3	0	0	1	4
\$800 - \$1,000	2	0	0	4	6
\$1,000 - \$1,200	2	0	0	3	5
\$1,200 - \$1,400	3	0	0	1	4
\$1,400 - \$1,600	3	0	0	2	5
\$1,600 - \$1,800	3	0	0	1	4
\$1,800 - \$2,000	7	0	0	2	9
\$2,000 - \$2,200	5	0	0	2	7
\$2,200 - \$2,400	4	0	0	2	6
\$2,400 - \$2,600	9	0	0	2	11
\$2,600 - \$2,800	7	0	0	0	7
\$2,800 - \$3,000	6	0	0	1	7
\$3,000 - \$3,200	4	0	0	1	5
\$3,200 - \$3,400	7	0	0	0	7
\$3,400 - \$3,600	5	0	0	1	6
\$3,600 - \$3,800	5	0	0	1	6
\$3,800 - \$4,000	8	0	0	1	9
\$4,000 - \$4,200	5	0	0	0	5
\$4,200 - \$4,400	2	0	0	0	2
\$4,400 - \$4,600	4	0	0	0	4
\$4,600 - \$4,800	5	0	0	0	5
\$4,800 - \$5,000	2	0	0	0	2
\$5,000 and Over	14	0	0	0	14
Total	126	0	0	29	155
Payment Option	Normal	Early	Disability	Beneficiary*	Total
Life	38	0	0	3	41
Joint & 55% Survivor	26	0	0	15	41
Joint & 75% Survivor	13	0	0	7	20
Joint & 100% Survivor	13	0	0	3	16
10 Year C & L	16	0	0	1	17
15 Year C & L	3	0	0	0	3
20 Year C & L	17	0	0	0	17
Total	126	0	0	29	155
Age	Normal	Early	Disability	Beneficiary*	Total
Under 50	0	0	0	0	0
50 - 54	0	0	0	0	0
55 - 59	0	0	0	0	0
60 - 64	0	0	0	0	0
65 - 69	7	0	0	0	7
70 - 74	23	0	0	2	25
75 - 79	35	0	0	9	44
80 - 84	29	0	0	5	34
85 - 89	18	0	0	6	24
90 and Over	14	0	0	7	21
Total	126	0	0	29	155

* Includes 1 alternate payee

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Monthly Benefit Amount -
Retiree Health Insurance Credit Plan as of June 30, 2025

Monthly Benefit Amount								
Age	Under \$30	\$30-\$59	\$60-\$89	\$90-\$119	\$120-\$149	\$150-\$179	\$180 and over	Total
Under 50	12	12	5	2	0	3	0	34
50 - 54	9	10	9	7	8	21	0	64
55 - 59	39	36	31	15	72	135	19	347
60 - 64	125	181	122	97	299	307	137	1,268
65 - 69	511	792	640	486	562	510	411	3,912
70 - 74	589	872	684	547	658	506	376	4,232
75 - 79	424	664	492	413	524	303	236	3,056
80 - 84	210	355	318	279	291	158	116	1,727
85 - 89	126	216	217	145	145	89	66	1,004
90 and Over	53	117	114	81	66	43	46	520
Total	2,098	3,255	2,632	2,072	2,625	2,075	1,407	16,164

	Previous Valuation	Current Valuation	Change
Average Age	73.4	73.7	0.3
Average Monthly Benefit Available	\$98	\$98	\$0
Assumed Average Monthly Benefit Utilized	\$89	\$88	(\$1)
Total Participants	15,599	16,164	565

Schedule of Average Benefit Payments - As of June 30
Retiree Health Insurance Credit Fund

	<u>Total</u>
2016	
Total Participants	10,320
Average Monthly Benefits	\$100
2017	
Total Participants	11,232
Average Monthly Benefits	\$97
2018	
Total Participants	11,823
Average Monthly Benefits	\$98
2019	
Total Participants	12,471
Average Monthly Benefits	\$98
2020	
Total Participants	13,092
Average Monthly Benefits	\$88
2021	
Total Participants	13,697
Average Monthly Benefits	\$89
2022	
Total Participants	14,290
Average Monthly Benefits	\$90
2023	
Total Participants	14,996
Average Monthly Benefits	\$89
2024	
Total Participants	15,599
Average Monthly Benefits	\$89
2025	
Total Participants	16,164
Average Monthly Benefits	\$88

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Average Benefit Payments - PERS As of June 30

Main System

	Years of Credited Service						
	< 10	10-14	15-19	20-24	25-29	>=30	Total
2016							
Number of Retirees	1,848	1,471	1,268	1,336	1,470	2,095	9,488
Average Monthly Benefits	\$ 255	\$ 469	\$ 684	\$ 1,151	\$ 1,613	\$ 2,432	\$ 1,163
Average Years of Service	6.25	12.33	17.29	22.57	27.27	35.17	20.61
2017							
Number of Retirees	1,940	1,529	1,324	1,395	1,557	2,252	9,997
Average Monthly Benefits	\$ 260	\$ 484	\$ 714	\$ 1,184	\$ 1,657	\$ 2,507	\$ 1,207
Average Years of Service	6.26	12.33	17.28	22.57	27.29	35.33	20.75
2018							
Number of Retirees	2,052	1,577	1,388	1,451	1,629	2,436	10,533
Average Monthly Benefits	\$ 267	\$ 506	\$ 747	\$ 1,223	\$ 1,709	\$ 2,637	\$ 1,269
Average Years of Service	6.27	12.33	17.29	22.57	27.31	35.45	20.88
2019							
Number of Retirees	2,175	1,627	1,440	1,540	1,712	2,588	11,082
Average Monthly Benefits	\$ 273	\$ 523	\$ 780	\$ 1,274	\$ 1,773	\$ 2,735	\$ 1,321
Average Years of Service	6.26	12.31	17.30	22.56	27.33	35.53	20.94
2020							
Number of Retirees	2,322	1,689	1,481	1,618	1,778	2,752	11,640
Average Monthly Benefits	\$ 282	\$ 550	\$ 814	\$ 1,316	\$ 1,812	\$ 2,823	\$ 1,367
Average Years of Service	6.26	12.30	17.31	22.57	27.34	35.60	20.96
2021							
Number of Retirees	2,467	1,746	1,545	1,708	1,824	2,882	12,172
Average Monthly Benefits	\$ 288	\$ 570	\$ 844	\$ 1,353	\$ 1,845	\$ 2,885	\$ 1,397
Average Years of Service	6.25	12.32	17.34	22.56	27.35	35.64	20.94
2022							
Number of Retirees	2,568	1,814	1,615	1,772	1,892	3,054	12,715
Average Monthly Benefits	\$ 293	\$ 600	\$ 884	\$ 1,393	\$ 1,898	\$ 2,969	\$ 1,447
Average Years of Service	6.26	12.32	17.33	22.55	27.35	35.69	21.01
2023							
Number of Retirees	2,761	1,911	1,717	1,853	1,969	3,207	13,418
Average Monthly Benefits	\$ 299	\$ 623	\$ 909	\$ 1,429	\$ 1,943	\$ 3,017	\$ 1,470
Average Years of Service	6.25	12.33	17.31	22.56	27.34	35.73	20.92
2024							
Number of Retirees	2,928	1,997	1,772	1,909	2,038	3,335	13,979
Average Monthly Benefits	\$ 305	\$ 641	\$ 937	\$ 1,466	\$ 1,978	\$ 3,072	\$ 1,496
Average Years of Service	6.21	12.33	17.28	22.58	27.34	35.79	20.86
2025							
Number of Retirees	3,062	2,091	1,832	1,967	2,094	3,442	14,488
Average Monthly Benefits	\$ 311	\$ 662	\$ 970	\$ 1,500	\$ 2,023	\$ 3,128	\$ 1,523
Average Years of Service	6.21	12.33	17.28	22.57	27.34	35.84	20.81

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Average Benefit Payments - PERS As of June 30

	Judges						
	Years of Credited Service						
	< 10	10-14	15-19	20-24	25-29	>=30	Total
2016							
Number of Retirees	1	6	8	5	9	4	33
Average Monthly Benefits	\$ 1,057	\$ 2,817	\$ 4,288	\$ 5,303	\$ 5,097	\$ 5,887	\$ 4,491
Average Years of Service	3.33	12.25	17.73	23.78	26.82	32.27	21.46
2017							
Number of Retirees	3	3	5	10	8	8	37
Average Monthly Benefits	\$ 2,467	\$ 2,773	\$ 3,545	\$ 5,380	\$ 4,598	\$ 6,644	\$ 4,789
Average Years of Service	6.92	11.58	17.62	23.07	26.92	36.77	23.89
2018							
Number of Retirees	4	2	6	11	7	10	40
Average Monthly Benefits	\$ 2,274	\$ 2,739	\$ 4,123	\$ 5,452	\$ 4,845	\$ 6,141	\$ 4,865
Average Years of Service	6.29	10.54	17.81	23.17	26.80	35.81	23.84
2019							
Number of Retirees	4	3	6	11	7	11	42
Average Monthly Benefits	\$ 2,274	\$ 3,588	\$ 4,123	\$ 5,452	\$ 4,891	\$ 6,276	\$ 4,949
Average Years of Service	6.29	11.92	17.81	23.17	26.80	35.44	23.81
2020							
Number of Retirees	4	3	6	11	7	13	44
Average Monthly Benefits	\$ 2,274	\$ 3,588	\$ 4,123	\$ 5,452	\$ 4,891	\$ 6,589	\$ 5,102
Average Years of Service	6.29	11.92	17.81	23.17	26.80	35.58	24.38
2021							
Number of Retirees	4	3	6	11	8	15	47
Average Monthly Benefits	\$ 2,274	\$ 3,643	\$ 4,123	\$ 5,452	\$ 5,261	\$ 6,808	\$ 5,297
Average Years of Service	6.29	11.92	17.81	23.17	26.70	35.27	24.79
2022							
Number of Retirees	5	3	6	11	8	15	48
Average Monthly Benefits	\$ 2,482	\$ 3,643	\$ 4,123	\$ 5,452	\$ 5,261	\$ 6,855	\$ 5,270
Average Years of Service	6.67	11.92	17.81	23.17	26.70	35.27	24.45
2023							
Number of Retirees	6	2	6	11	8	16	49
Average Monthly Benefits	\$ 2,671	\$ 4,521	\$ 4,681	\$ 5,452	\$ 5,261	\$ 7,231	\$ 5,529
Average Years of Service	6.56	12.34	17.60	23.17	26.70	37.38	25.23
2024							
Number of Retirees	7	3	5	10	9	16	50
Average Monthly Benefits	\$ 2,826	\$ 3,639	\$ 4,835	\$ 5,721	\$ 5,162	\$ 7,231	\$ 5,485
Average Years of Service	6.89	11.58	17.68	23.26	27.03	37.38	24.91
2025							
Number of Retirees	6	3	5	11	9	14	48
Average Monthly Benefits	\$ 2,548	\$ 3,639	\$ 4,835	\$ 5,979	\$ 6,084	\$ 7,526	\$ 5,756
Average Years of Service	6.68	11.58	17.68	23.20	27.19	37.75	24.83

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Average Benefit Payments - PERS As of June 30
Law Enforcement with Prior Main Service⁽¹⁾

	Years of Credited Service						
	< 10	10-14	15-19	20-24	25-29	>=30	Total
2016							
Number of Retirees	10	10	6	16	15	14	71
Average Monthly Benefits	\$ 455	\$ 795	\$ 1,239	\$ 1,635	\$ 1,958	\$ 2,992	\$ 1,653
Average Years of Service	5.84	12.63	18.43	22.08	27.12	32.89	21.35
2017							
Number of Retirees	12	11	7	17	17	18	82
Average Monthly Benefits	\$ 528	\$ 790	\$ 1,291	\$ 1,770	\$ 2,180	\$ 3,261	\$ 1,828
Average Years of Service	6.22	12.58	18.13	22.09	27.38	33.03	21.65
2018							
Number of Retirees	15	11	10	18	17	23	94
Average Monthly Benefits	\$ 481	\$ 915	\$ 1,452	\$ 1,839	\$ 2,180	\$ 3,317	\$ 1,896
Average Years of Service	6.18	12.47	17.25	22.19	27.38	33.29	21.63
2019							
Number of Retirees	20	13	11	20	15	25	104
Average Monthly Benefits	\$ 630	\$ 947	\$ 1,466	\$ 1,733	\$ 2,018	\$ 3,464	\$ 1,852
Average Years of Service	6.27	12.27	17.05	22.12	27.49	33.24	20.75
2020							
Number of Retirees	24	14	12	19	16	28	113
Average Monthly Benefits	\$ 596	\$ 815	\$ 1,491	\$ 1,703	\$ 2,138	\$ 3,452	\$ 1,830
Average Years of Service	5.99	12.26	17.27	22.15	27.44	33.19	20.46
2021							
Number of Retirees	29	15	12	17	19	31	123
Average Monthly Benefits	\$ 627	\$ 851	\$ 1,491	\$ 1,865	\$ 2,266	\$ 3,554	\$ 1,900
Average Years of Service	5.99	12.37	17.27	22.23	27.28	33.40	20.31
2022							
Number of Retirees	30	15	14	18	21	34	132
Average Monthly Benefits	\$ 619	\$ 908	\$ 1,570	\$ 1,834	\$ 2,222	\$ 3,694	\$ 1,965
Average Years of Service	5.96	12.33	17.25	22.13	27.32	33.80	20.65
2023							
Number of Retirees	32	16	14	20	21	38	141
Average Monthly Benefits	\$ 570	\$ 947	\$ 1,555	\$ 1,909	\$ 2,222	\$ 3,669	\$ 1,981
Average Years of Service	5.86	12.45	17.33	22.15	27.32	33.95	20.82
2024							
Number of Retirees	32	15	15	21	24	41	148
Average Monthly Benefits	\$ 578	\$ 952	\$ 1,677	\$ 1,922	\$ 2,671	\$ 3,694	\$ 2,121
Average Years of Service	5.85	12.58	17.32	22.10	27.44	33.85	21.26
2025							
Number of Retirees	38	14	17	23	28	48	168
Average Monthly Benefits	\$ 573	\$ 936	\$ 1,669	\$ 2,018	\$ 2,646	\$ 3,700	\$ 2,151
Average Years of Service	6.24	12.51	17.19	22.01	27.37	33.69	21.39

⁽¹⁾ Includes former National Guard members.

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Average Benefit Payments - PERS As of June 30
Law Enforcement without Prior Main Service

	Years of Credited Service						
	< 10	10-14	15-19	20-24	25-29	>=30	Total
2016							
Number of Retirees	2	0	0	0	0	0	2
Average Monthly Benefits	\$ 544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 544
Average Years of Service	2.29	0.00	0.00	0.00	0.00	0.00	2.29
2017							
Number of Retirees	4	1	0	0	1	0	6
Average Monthly Benefits	\$ 390	\$ 1,204	\$ -	\$ -	\$ 3,126	\$ -	\$ 981
Average Years of Service	4.12	12.58	0.00	0.00	26.17	0.00	9.21
2018							
Number of Retirees	5	1	0	0	1	0	7
Average Monthly Benefits	\$ 401	\$ 1,204	\$ -	\$ -	\$ 3,126	\$ -	\$ 905
Average Years of Service	4.01	12.58	0.00	0.00	26.17	0.00	8.40
2019							
Number of Retirees	7	1	0	0	1	0	9
Average Monthly Benefits	\$ 410	\$ 1,204	\$ -	\$ -	\$ 3,126	\$ -	\$ 800
Average Years of Service	4.44	12.58	0.00	0.00	26.17	0.00	7.76
2020							
Number of Retirees	8	1	0	0	2	0	11
Average Monthly Benefits	\$ 421	\$ 1,204	\$ -	\$ -	\$ 2,345	\$ -	\$ 842
Average Years of Service	4.79	12.58	0.00	0.00	27.05	0.00	9.54
2021							
Number of Retirees	10	1	0	0	2	0	13
Average Monthly Benefits	\$ 456	\$ 1,204	\$ -	\$ -	\$ 2,345	\$ -	\$ 805
Average Years of Service	5.06	12.58	0.00	0.00	27.05	0.00	9.02
2022							
Number of Retirees	9	1	1	0	1	0	12
Average Monthly Benefits	\$ 457	\$ 1,204	\$ 497	\$ -	\$ 3,126	\$ -	\$ 745
Average Years of Service	5.22	12.58	16.58	0.00	26.17	0.00	8.53
2023							
Number of Retirees	9	1	2	1	1	0	14
Average Monthly Benefits	\$ 457	\$ 1,204	\$ 1,430	\$ 3,759	\$ 3,126	\$ -	\$ 1,076
Average Years of Service	5.22	12.58	17.13	23.33	26.17	0.00	10.24
2024							
Number of Retirees	10	2	3	2	1	3	21
Average Monthly Benefits	\$ 455	\$ 1,231	\$ 1,592	\$ 3,788	\$ 3,126	\$ 212	\$ 1,101
Average Years of Service	5.18	12.83	17.92	22.04	26.17	35.78	14.71
2025							
Number of Retirees	10	2	3	2	1	4	22
Average Monthly Benefits	\$ 455	\$ 1,231	\$ 1,592	\$ 3,788	\$ 3,126	\$ 169	\$ 1,053
Average Years of Service	5.18	12.83	17.92	22.04	26.17	35.23	15.56

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Average Benefit Payments - PERS As of June 30

	HPRS						
	Years of Credited Service						
	< 10	10-14	15-19	20-24	25-29	>=30	Total
2016							
Number of Retirees	1	1	4	4	63	19	92
Average Monthly Benefits	\$ 1,456	\$ 2,054	\$ 2,135	\$ 2,741	\$ 3,756	\$ 4,387	\$ 3,728
Average Years of Service	2.25	11.17	17.11	22.46	27.90	31.22	27.42
2017							
Number of Retirees	3	0	5	6	62	18	94
Average Monthly Benefits	\$ 809	\$ -	\$ 2,315	\$ 2,975	\$ 3,886	\$ 4,359	\$ 3,737
Average Years of Service	2.36	0.00	17.18	22.24	27.84	31.16	26.74
2018							
Number of Retirees	0	2	4	5	65	20	96
Average Monthly Benefits	\$ -	\$ 1,481	\$ 2,388	\$ 2,923	\$ 3,862	\$ 4,366	\$ 3,807
Average Years of Service	0.00	11.75	17.10	22.75	27.89	31.36	27.56
2019							
Number of Retirees	1	3	4	6	68	23	105
Average Monthly Benefits	\$ 1,456	\$ 1,765	\$ 2,388	\$ 3,351	\$ 3,917	\$ 4,854	\$ 3,947
Average Years of Service	2.25	11.69	17.10	22.96	27.93	31.33	27.27
2020							
Number of Retirees	1	3	4	6	70	23	107
Average Monthly Benefits	\$ 1,456	\$ 1,765	\$ 2,388	\$ 3,351	\$ 4,039	\$ 4,854	\$ 4,026
Average Years of Service	2.25	11.69	17.10	22.96	27.99	31.33	27.32
2021							
Number of Retirees	1	3	4	6	72	22	108
Average Monthly Benefits	\$ 1,456	\$ 1,765	\$ 2,388	\$ 3,351	\$ 4,107	\$ 5,116	\$ 4,117
Average Years of Service	2.25	11.69	17.10	22.96	27.97	31.18	27.25
2022							
Number of Retirees	0	3	5	6	72	22	108
Average Monthly Benefits	\$ -	\$ 1,765	\$ 2,837	\$ 3,351	\$ 4,072	\$ 5,116	\$ 4,123
Average Years of Service	0.00	11.69	17.05	22.96	27.94	31.18	27.37
2023							
Number of Retirees	0	3	6	7	74	24	114
Average Monthly Benefits	\$ -	\$ 1,765	\$ 3,017	\$ 3,430	\$ 4,270	\$ 5,333	\$ 4,310
Average Years of Service	0.00	11.69	17.24	22.69	27.95	31.09	27.30
2024							
Number of Retirees	0	3	6	7	77	23	116
Average Monthly Benefits	\$ -	\$ 1,765	\$ 3,017	\$ 3,430	\$ 4,302	\$ 5,457	\$ 4,346
Average Years of Service	0.00	11.69	17.24	22.69	27.96	31.13	27.30
2025							
Number of Retirees	0	5	9	7	79	23	123
Average Monthly Benefits	\$ -	\$ 1,902	\$ 3,444	\$ 3,430	\$ 4,370	\$ 5,880	\$ 4,431
Average Years of Service	0.00	12.25	16.98	22.69	27.93	31.24	26.81

North Dakota Public Employees Retirement System – Statistical Section
Schedule of Average Benefit Payments

Schedule of Average Benefit Payments - PERS As of June 30
Job Service Plan

	<u>Retirement Plan</u>	<u>Travelers Annuity</u>	<u>Total</u>
2016			
Number of Retirees	142	64	206
Average Monthly Benefits	\$2,360	\$763	\$1,864
2017			
Number of Retirees	139	60	199
Average Monthly Benefits	\$2,382	\$770	\$1,896
2018			
Number of Retirees	140	56	196
Average Monthly Benefits	\$2,420	\$791	\$1,955
2019			
Number of Retirees	135	50	185
Average Monthly Benefits	\$2,510	\$853	\$20,662
2020			
Number of Retirees	133	48	181
Average Monthly Benefits	\$2,515	\$880	\$2,081
2021			
Number of Retirees	133	44	177
Average Monthly Benefits	\$2,608	\$938	\$2,193
2022			
Number of Retirees	133	42	175
Average Monthly Benefits	\$2,783	\$1,047	\$2,366
2023			
Number of Retirees	130	39	169
Average Monthly Benefits	\$3,037	\$1,193	\$2,611
2024			
Number of Retirees	128	35	163
Average Monthly Benefits	\$3,156	\$1,185	\$2,733
2025			
Number of Retirees	123	32	155
Average Monthly Benefits	\$3,244	\$1,162	\$2,814

**North Dakota Public Employees Retirement System – Statistical Section
Schedule of Participating Employers**

Stage Agency Employers

Adjutant General ND National Guard	Insurance Department	ND Wheat Commission
Aeronautics Commission	James River Correctional Ctr	ND Youth Correctional Center
Attorney General's Office	Job Service North Dakota	ND State Board of Dental Examiners
Bank Of North Dakota	Juvenile Services - DOCR	North Dakota State Hospital
Beef Commission	Lake Region State College	North Dakota State University
Bismarck State College	Land Department	Office Of Administrative Hearings
Career & Technical Education	Legislative Council	Office Of Management & Budget
Central Services	Life Skills and Transition Center	Parks & Recreation Department
Commission on Legal Council for Indigents	Mayville State University	Protection & Advocacy Project
Dairy Promotion Commission	Milk Marketing Board	Public Finance Authority
Department Of Commerce	Mill & Elevator Association	Public Instruction
Department Of Corrections And Rehabilitation	Minot State University	Public Service Commission
Department Of Corrections Transitional Services	ND Barley Council	Racing Commission
Department of Environmental Quality	ND Board of Medicine	Real Estate Commission
Department Of Financial Institutions	ND Board Of Nursing	Retirement & Investment Office
Department Of Human Services	ND Board Of Pharmacy	Rough Rider Industries
Department of Mineral Resources	ND Center for Distance Education	School For The Blind
Department Of Transportation	ND Corn Utilization Council	School for the Deaf
Department of Water Resources	ND Council On The Arts	Secretary Of State
Dept Of Agriculture	ND Department Of Health	Soil Conservation Committee
Dickinson State University	ND Department Of Labor	State Auditor's Office
Education Standards & Practice	ND Ethics Commission	State Board Of Law Examiners
Electrical Board	ND Oilseed Council	State Fair Association
Facility Management	ND Public Employees Retirement System	State Penitentiary
Field Services Division	ND Securities Department	State Seed Department
Game & Fish Department	ND St College Of Science	State Treasurer's Office
Governor's Office	ND State Board Of Accountancy	Tax Department
Heart River Correctional Center	ND State Board Of Cosmetology	University Of North Dakota
Highway Patrol	ND State Library	Valley City State University
Historical Society	ND State Plumbing Board	Veterans Affairs Department
Housing Finance Agency	ND Supreme Court	Williston State College
Indian Affairs Commission	ND System Information Technology Services	Workforce Safety & Insurance
Industrial Commission	ND University System Office	
Information Technology Dept	ND Veterans Home	

Total State Employers = 100

County Employers

Adams County	Grant County	Renville County
Barnes County	Griggs County	Richland County
Benson County	Hettinger County	Rolette County
Billings County	Lamoure County	Sargent County
Bottineau County	Logan County	Sheridan County
Bowman County	Mchenry County	Sioux County
Burke County	Mcintosh County	Slope County
Burleigh County	Mckenzie County	Stark County
Cass County	Mclean County	Steele County
Cavalier County	Mercer County	Stutsman County
Dickey County	Morton County	Towner County
Divide County	Mountrail County	Traill County
Dunn County	Nelson County	Walsh County
Eddy County	Oliver County	Ward County
Emmons County	Pembina County	Wells County
Foster County	Pierce County	Williams County
Golden Valley County	Ramsey County	
Grand Forks County	Ransom County	

Total County Employers = 52

School District Employers

Anamoose Public School District #14	Milnor Public School District #2
Apple Creek Elementary School	Minot Public School District #1
Beach Public School District #3	Minto Public School District #20
Belcourt School District #7	Mohall Lansford Sherwood School
Belfield Public School #13	Morton Sioux Special Education Unit
Beulah Public School #27	Mott/Regent School Dist #1
Billings County School District	Mt Pleasant School Dist #4
Bismarck Public Schools	Napoleon Public School District #2
Bottineau Public School	Nedrose Public School
Bowbells Public School District #14	New Rockford Sheyenne Public School
Bowman County School District #1	New Salem Almont School District #49
Burke Central School	New Town Public School District
Burleigh County Special Education Unit	Newburg United Public School
Carrington School District #49	North Border School District # 100
Cavalier Public Schools	North Sargent School District #3
Center Stanton Public School	North Valley Career and Tech Center
Central Cass Public School District #7	Northern Cass School District # 97
Central Regional Education Association	Northern Plains Special Ed Unit
Dakota Prairie Public School	Oakes Public Schools
Devils Lake Public School	Oberon Public Schools #16
Dickinson Public Schools	Oliver-Mercer Special Education Unit
Divide County School Dist #1	Park River Area School District
Drake Public School District	Parshall School District
Drayton Public School #19	Peace Garden Special Services
Dunseith School District #1	Pembina Special Education Cooperative
East Central Special Education Unit	Pingree-Buchanan School District
Elgin/New Leipzig Public School School	Richland School District # 44
Ellendale Public School District #40	Rolette Public School
Enderlin Area School District #24	Rugby Public School District #5
Fairmount Public School	Rural Cass Special Education Unit
Fargo Public Schools	Sargent Central Public School District #6
Fort Totten School District # 30	Sawyer Public School
Garrison Public School District #51	Sheyenne Valley Career And Tech Center
Glen Ullin Public School #48	Sheyenne Valley Special Education Unit
Glenburn School District	Solen Public School Dist #3
Grafton Public School District #3	Souris Valley Special Services
Halliday Public School	South Central Prairie Special Education Unit
Harvey Public School Dist #38	South East Education Cooperative
Hazen Public School District #3	South Heart Public School District #9
Hillsboro Public School	South Prairie School District #70
James River Multidistrict Special Education Unit	St John School District #3
Jamestown Public School District #1	Stanley Community Public School District # 2
Kenmare Public School District #28	Surrey Schools
Killdeer Public School #16	Sw Special Education Unit
Kindred Public School District #2	Sweet Briar School District #17
Kulm Public School District #7	Tgu School District #60
Lake Region Special Education Unit	Thompson Public School
Lakota Public School District # 66	Tioga Public School District #15
Lamoure School District #8	Turtle Lake Mercer School District #72
Larimore Public School District #44	Underwood School District #8
Leeds Public School District 6	United Public School District # 7
Lewis & Clark Public Schools	Valley City Public School
Lidgerwood Public School	Velva Public School
Linton Public School District #36	Wahpeton Public School District 37
Lisbon Public School	Warwick Public School
Mandan Public School District #1	Washburn Public School
Mandaree Public School #36	West Fargo Public School #6
Marvel Public School	West River Student Services
Maple Valley School District	Wesetern Education Regional Cooperative
Mapleton Public School	Westhope Public School #17
Max Public School	White Shield School Dist #85
Mcclusky Public Schools	Williston Basin School District #7
Mckenzie Cty Public School #1	Wilmac Multidistrict Special Education Unit
Medina Public School District #3	Wilton Public School District
Midkota School	Yellowstone School District # 14
Midway Public School District #128	Zeeland Public Schools

Total School District Employers = 132

**North Dakota Public Employees Retirement System – Statistical Section
Schedule of Participating Employers**

City Employers

City of Alexander	City of Grafton	City of McClusky	City of Rolette
City of Ashley	City of Grand Forks	City of Mcville	City of Rolla
City of Beach	City of Granville	City of Medora	City of Rugby
City of Belfield	City of Grenora	City of Michigan	City of Scranton
City of Berthold	City of Gwinner	City of Minnewaukan	City of Sherwood
City of Beulah	City of Halliday	City of Minot	City of St John
City of Bottineau	City of Hankinson	City of Minto	City of Stanley
City of Bowman	City of Harvey	City of Mohall	City of Strasburg
City of Burlington	City of Harwood	City of Mott	City of Surrey
City of Carrington	City of Hatton	City of Napoleon	City of Thompson
City of Carson	City of Hettinger	City of Necho	City of Tioga
City of Cavalier	City of Jamestown	City of New England	City of Towner
City of Cooperstown	City of Kenmare	City of New Leipzig	City of Underwood
City of Crosby	City of Killdeer	City of New Rockford	City of Valley City
City of Devils Lake	City of Kindred	City of New Salem	City of Velva
City of Dickinson	City of Kulm	City of New Town	City of Wahpeton
City of Dodge	City of Lakota	City of Northwood	City of Walhalla
City of Drayton	City of Lamoure	City of Oakes	City of Watford City
City of Elgin	City of Larimore	City of Park River	City of West Fargo
City of Ellendale	City of Leeds	City of Pembina	City of Westhope
City of Emerado	City of Lidgerwood	City of Powers Lake	City of Williston
City of Fairmount	City of Lincoln	City of Ray	City of Wilton
City of Fargo	City of Linton	City of Regent	City of Wishek
City of Fessenden	City of Lisbon	City of Rhame	City of Zeeland
City of Finley	City of Maddock	City of Richardton	
City of Glenburn	City of Mapleton	City of Riverdale	

Total City Employers = 102

Other Political Subdivision Employers

Agassiz Water Users District	Grand Forks County Water Resource District	Rolette County Public Health
Bakken Area Skills Center	Grand Forks Park District	Rolette County Soil Conservation District
Barnes County Soil Conservation District	Grand Forks Public Library	Sargent County District Health Unit
Bismarck Rural Fire Protection	Grand Forks-E Grand Forks Metropolitan Planning	Sheridan County Soil Conservation District
Bottineau County Water Resource District	Great Plains Housing Authority	Southeast Region Career & Technology Center
Bowman City Park Board	Greater Ramsey Water District	Southeast Water Users District
Burleigh County Council On Aging	Griggs County Public Library	Southwest Water Authority
Burleigh County Soil Conservation District	Horace Rural Fire Protection District	Southwestern District Health Unit
Carnegie Regional Library	James River Soil Conservation District	Stark & Billings Soil Conservation District
Cass County Soil Conservation District	James River Valley Library System	Stark County Council on Aging/Elder Care
Cass County Water Resource District	Jamestown Parks And Recreation District	Tioga Park District
Cavalier County Health District	Jamestown Regional Airport	Towner County Public Health Unit
Cavalier County Job Development Authority	Kidder County District Health Unit	Trail County Job Development Authority
Central Plains Water District	Kindred Park District	Traill County Water Resource District
Central Valley Health Unit	Lake Metigoshe Recreation Service District	Traill District Health Unit
City of Bottineau Park Board	Lake Region District Health Unit	Tri-Cities Joint Job Development Authority
City County Health District	Logan County Soil Conservation District	Upper Missouri Health Unit
Consolidated Waste Ltd	McIntosh District Health Unit	Valley City Park District
Crosby Park District	Mercer County Soil Conservation District	Wahpeton Park Board
Devils Lake Basin Joint Water Resource Board	Minot Park District	Walsh County Health District
Devils Lake Park Board	Minot Rural Fire Department	Walsh County Housing Authority
Dickey County Health District	Municipal Airport Authority of the City of Fargo	Walsh County Job Development Authority
Dunseith Community Nursing Home	Nelson-Griggs District Health Unit	Walsh County Water Resource District
Eddy County Soil Conservation District	North Central Soil Conservation District	Ward County Water Resource District
Emmons County Public Health	North Dakota Firefighters Association	Watford City Park District
Emmons County Soil Conservation District	Park District - City of New Rockford	Wells County Dist Health Unit
Fargo Park District	R & T Water Supply Commerce Authority	West Fargo Park District
First District Health	Ramsey County Housing Authority	Western Area Water Supply Authority
Foster County Public Health	Ramsey County Soil Conservation District	Western Plains Public Health
Foster County Soil Conservation District	Ramsey County Water Resource District	Williams County Soil Conservation District
Garrison Diversion Conservancy District	Ransom County Soil Cons Dist	Williston Housing Authority
Grafton Park District	Red River Joint Water Resource District	Williston Rural Fire Protection District #1

Total Other Political Subdivision Employers = 96

North Dakota Public Employees Retirement System – Statistical Section

Principle Participating Employers

<u>Participating Employer</u>	2025			2016		
	<u>Covered Employees</u>	<u>Rank</u>	<u>% of Total System</u>	<u>Covered Employees</u>	<u>Rank</u>	<u>% of Total System</u>
Department of Human Services	1,630	1	7.22%	1,322	1	5.76%
Department of Transportation	902	2	4.00%	1,030	2	4.49%
Bismarck Public Schools	836	3	3.70%	882	4	3.85%
University of North Dakota	823	4	3.65%	1,027	3	4.48%
Fargo Public Schools	820	5	3.63%	674	6	2.94%
West Fargo Public School District #6	707	6	3.13%	584	7	2.55%
North Dakota State University	691	7	3.06%	858	5	3.74%
City of Fargo	627	8	2.78%	526	9	2.29%
Minot Public School District #1	554	9	2.45%	556	8	2.42%
Information Technology Department	449	10	1.99%	N/A	N/A	N/A
North Dakota State Hospital	N/A	N/A		393	10	1.71%
Remaining Employers	14,539		64.39%	15,085		65.77%
Total Covered Employees*	22,578		100.00%	22,937		100.00%

**Total covered employees represents the number of employees in a contributing status as of June 30, 2025 and June 30, 2016 respectively in the Main retirement plan*

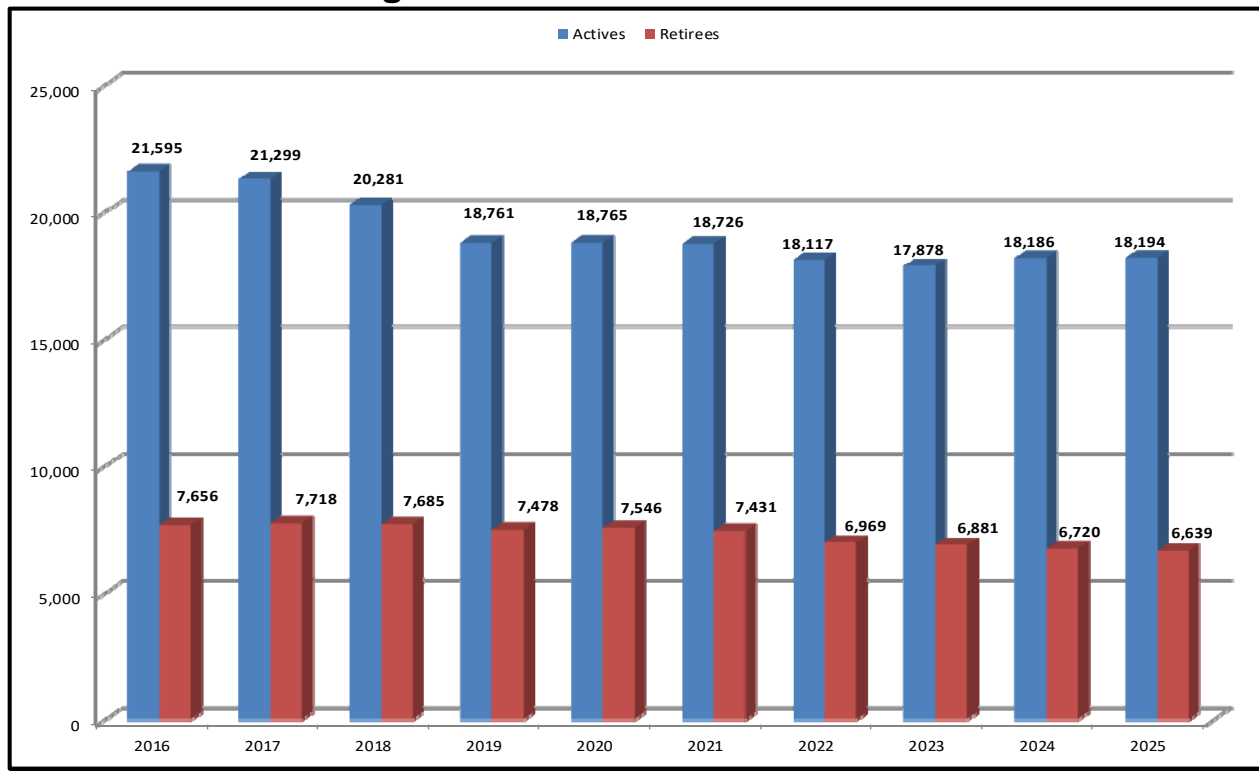
**Deferred Compensation Program
Schedule of Investments
By Provider**

	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25
AIG VALIC	\$9,113,556	\$9,982,842	\$9,820,173	\$10,053,565	\$10,282,875	\$12,427,149	\$10,151,515	\$10,256,838	\$10,095,072	\$9,902,435
American Trust Center	11,386,469	11,857,349	12,898,604	14,027,844	14,177,650	19,343,402	16,440,177	18,669,007	20,420,063	23,392,613
AXA Equitable	17,112,366	17,201,441	17,781,744	17,108,369	16,234,828	18,660,442	15,984,782	16,960,148	16,828,858	17,053,986
Bank of North Dakota	5,723,463	5,590,301	5,498,920	5,407,961	5,420,148	5,468,857	5,726,158	5,278,544	5,044,046	4,866,562
Commonwealth Annuity & Life Insurance Co. (Formerly Chase Financial/Kemper)	8,601,614	9,353,331	8,726,263	8,324,323	7,821,654	9,532,791	7,519,780	8,252,285	8,495,448	7,532,536
Empower (formerly Hartford/Mass Mutual)	48,584,792	56,773,497	59,851,708	64,220,246	64,914,891	78,769,860	67,468,257	71,923,891	75,012,161	77,571,298
ING (Formerly Aetna)	1,848,403	1,963,666	2,116,468	2,229,557	2,135,826	2,251,684	2,388,129	2,527,779	2,479,499	2,400,337
Jackson National Life	5,114,883	6,467,238	6,987,381	5,841,212	5,682,128	6,735,694	4,775,336	4,891,533	3,515,517	3,568,226
Kansas City Life (formerly Sunset Life)	188,193	203,843	50,314	0	0	0	0	0	0	0
Lincoln National	5,711,133	6,196,000	6,836,529	6,214,835	6,202,271	7,073,193	5,998,885	5,719,612	4,738,228	4,574,550
NDPERS Companion Plan ⁽¹⁾	77,545,379	97,918,662	112,605,791	126,192,471	139,277,186	186,529,831	167,318,012	193,353,319	219,769,431	244,166,041
Nationwide Life Insurance	14,553,736	16,880,532	19,154,725	20,866,715	22,279,890	27,497,044	24,568,880	27,053,242	29,835,063	32,010,035
New York Life	327,802	224,176	220,746	200,584	0	0	0	0	0	0
Symetra (Formerly Safeco)	155,178	168,029	122,177	125,774	124,970	149,836	127,169	63,104	76,808	86,576
Waddell & Reed Financial Services	<u>8,425,708</u>	<u>9,252,315</u>	<u>9,802,256</u>	<u>10,800,789</u>	<u>11,802,831</u>	<u>15,251,816</u>	<u>12,297,495</u>	<u>10,300,758</u>	<u>13,194,176</u>	<u>14,200,005</u>
Total	\$214,392,675	\$250,033,223	\$272,473,798	\$291,614,245	\$306,357,148	\$389,691,599	\$340,764,575	\$375,250,060	\$409,504,370	\$441,325,200

⁽¹⁾ As of January 1, 1999 the System is the trustee for these deferred compensation assets
and is reporting them as a trust fund in the June 30, 2025 and June 30, 2024 financial statements

All other assets are being held in trust by the respective provider company, for the exclusive benefit of participants and their beneficiaries.
Accordingly, these assets are not included in the System's financial statements

GROUP HEALTH INSURANCE PROGRAM Average Number of Contracts in Force



Health Insurance Premium Active State Contracts

