



**NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM**

Board Meeting Agenda

Location: WSI Board Room, 1600 East Century Avenue, Bismarck ND
By phone: 701.328.0950 Conference ID: 434 238 190#

Date: **Monday, January 6, 2025**

Time: 8:30 A.M. [Join the meeting now](#)

I. MINUTES

- A. December 10, 2024

II. CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

III. PRESENTATIONS

- A. Demonstration of Member Self Service (MSS) Changes Due To House Bill 1040

IV. DEFEFINED CONTRIBUTION PLAN IMPLEMENTATION

- A. House Bill 1040 Implementation Update – Rebecca (Information)

V. DEFINED BENEFIT

- A. Job Service Plan Document Amendment – Rebecca (Board Action)

VI. GROUP INSURANCE / FLEXCOMP

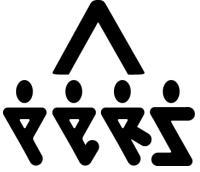
- A. Sanford Health Plan Administrative Services Agreement – Katheryne (Board Action)

VII. LEGISLATION / ADMINISTRATIVE RULES

- A. Legislation – Rebecca (Board Action)

VIII. OPERATIONS / ADMINISTRATIVE

- A. Committee Assignments – Rebecca (Board Action)
- B. Contracts Under \$10,000 – Rebecca (Information)
- C. Annual Comprehensive Financial Report – Derrick (Information)
- D. Member Experience Annual Report – Aime (Information)
- E. Assurance NM – Katheryne (Information)
- F. Next Meeting date **Friday, February 7, 2025 at 2:00 P.M.**



**North Dakota
Public Employees Retirement System**
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Memorandum

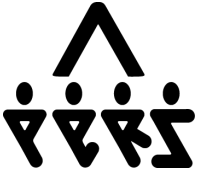
TO: NDPERS Board

FROM: Michaela Huntington

DATE: January 6, 2025

SUBJECT: Demo of Member Self Service (MSS) Changes Due to House Bill 1040

Staff will provide a demo of the Member Self Service (MSS) online portal changes made due to House Bill 1040. The changes are to ensure that new enrollees using the portal are aware of their election opportunities to have an additional up to 3% employee contribution made to the plan which then makes them eligible for the up to 3% employer match.



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Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: January 6, 2025

SUBJECT: House Bill 1040 Implementation Update

The following activities have occurred for House Bill 1040 implementation since our last Board discussion:

- A live Teams meeting was held on December 11 for special election window eligible employees to learn more about the window and their election opportunity.
- Presented on December 12 to participating employers in the retirement plan regarding payroll reporting and plan highlights.
- Provided staff training on December 17 as a reminder of plan provisions and implementation.
- PERSLink was successfully tested to accommodate the DC 2025 plan and the special election window transfers. The finalized system enhancements moved into our production environment on December 21.
- Internal team planning meetings continued to be held focused on special election window for eligible state employees.
- Bi-weekly meetings held with Empower to discuss collaboration for special election window education, fund transfer files and ongoing member education for new hires as of 1/1/2025 and after.
- Press release distributed on December 30, 2024 regarding plan launch.
- Notice sent to participating employers regarding resources available to them for onboarding new enrollees into the DC 2025 plan.
- Outward facing communication pieces finalized to include new hire and termination guides, employer guide, as well as, website updates.
- **The plan launched on January 1, 2025.**
- Planning a 2nd presentation to be held in January for state employees eligible for special election window.

Attachment 1 and Attachment 2 are included as an overview of work efforts and timelines identified.

House Bill 1040 Administrative Implementation

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
HB 1040 Administrative Implementation												
Marketing intern recruitment	★											
1% employer contribution increase launched	★											
Inventory the PERSLink correspondence updates			★									
Targeted communications to subs in main but not public safety				★								
Targeted communications to subs in main but not deferred comp				★								
Recordkeeper transition						★						★
PERSLink correspondence updates						★				★		
PERSLink correspondence testing						★				★		
Form updates						★				★		
Plan document updates										★		
Plan handbook updates										★		
Special election window education for eligible employees											★	
Administrative rule making promulgation												★
Employer training												★
Website updates												★
Revise new hire, transfer, termination guides												★
Staff training												★
Biweekly internal administrative implementation meetings												★
Communication team biweekly meetings												★
Education on new plan provision to members					★			★			★	★
Education on new plan provision to employers	★		★			★			★			★

KEY

★ Deadline

Task Completed
Work Effort
Deadline Missed

House Bill 1040 Programming Implementation Timeline

	2023						2024											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
HB 1040 Programming Implementation																		
Funding for development effective	★																	
HB 1040 section-by-section analysis to determine system enhancements		★																
Meet with GRS to discuss the incentive, and get programming parameters		★																
NDPERS updates file layout documentation for employers											★							
NDPERS develops sample file layouts for employers											★							
Biweekly meetings to discuss section-by-section coding																★		
NDPERS user acceptance testing of enhancements																★		
State PeopleSoft development																	★	
Higher Ed PeopleSoft development																	★	
Political sub development																	★	
Employer file testing																		★

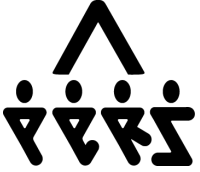
KEY

★ Deadline

Task Completed

Work Effort

Deadline Missed



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Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: January 6, 2025

SUBJECT: Job Service Plan Document Amendment

In follow-up to the Board action at the December meeting regarding the Job Service Plan Deferred Retirement Benefit, staff have worked with Ice Miller on revisions to the Job Service Plan Document to retroactively amend the document. Attachment 1 is the recommended revisions to Article VI of the Job Service Plan Document.

Board Action Requested:

Approve the amendments to Article VI of the Job Service Plan Document regarding the Deferred Retirement Benefit.

ARTICLE VI

Accrued Benefits and Retirement Benefits

1. Accrued Benefit

The monthly Accrued Benefit of any Participant as of any date of determination shall be an amount equal to his Average Monthly Earnings multiplied by the sum of:

- (1) 11/2 % times his years of Credited Service up to five years, plus
- (2) 1 3/4 % times his years of Credited Service between six and ten years, plus
- (3) 2 % times his years of Credited Service in excess of ten years.

In computing the Monthly Accrued Benefit it will be assumed that such benefit shall be payable in accordance with the terms of the Life Annuity with 120 Monthly Payments Guaranteed form as set forth in Article VII, Section 1(a). Benefits payable in accordance with any other form will be actuarially adjusted to reflect the difference in the value of the form of payment chosen hereunder as compared to the Life Annuity with 120 Monthly Payments Guaranteed form.

The Annual Accrued Benefit as of any date of determination shall be twelve times the Monthly Accrued Benefit as determined above.

2. Normal Retirement Benefit

The monthly amount of Normal Retirement Benefit payable to a Participant retiring on his Normal Retirement Date shall be equal to his monthly Accrued Benefit determined as of such Participant's Normal Retirement Date.

3. Optional Retirement Benefit

The monthly amount of Optional Retirement Benefit payable to a Participant retiring on his Optional Retirement Date shall be equal to his monthly Accrued Benefit determined as of such Participant's Optional Retirement Date.

4. **Discontinued Service Retirement Benefit**

The monthly amount of Discontinued Service Retirement Benefit payable to a Participant retiring on his Discontinued Service Retirement Date shall be equal to his monthly Accrued Benefit determined as of his Discontinued Service Retirement Date, reduced by 1/6 of 1 percent for each full month (2% a year) he is under age 55.

5. **Early Retirement Benefit**

The monthly amount of Early Retirement Benefit payable to a Participant retiring on his Early Retirement Date shall be equal to his nonforfeitable Monthly Accrued Benefit determined as of such Participant's Early Retirement Date multiplied by the appropriate percentage below.

**Number of Years Early Retirement Date Precedes the Earlier of
Optional Retirement Date or Normal Retirement Date**

<u>0</u>	1	2	3	4	5	6	7	8	9	10
100.00	94.4	89.2	84.3	79.7	75.4	71.4	67.7	64.2	61.0	57.9

If the period between the Early and Optional Retirement Dates or Normal Retirement Date, whichever is applicable, is not an integral number of years, the percentage to be applied shall be the percentage for the next higher integral number of years increased by a proportionate part of the difference between that percentage and the percentage for the next lower integral number of years.

Anything in this Section 5. to the contrary notwithstanding, if a Participant retiring on an Early Retirement Date has attained age 50 and completed 20 years of Credited Service as of such date, the monthly amount of Early Retirement Benefit payable to a Participant retiring on his Early Retirement Date shall be equal to his Monthly Accrued Benefit determined as of such Participant's Early Retirement Date reduced 1/6 percent per month that the Participant is under age 60.

6. **Deferred Retirement Benefit**

Effective January 1, 1996, ~~The~~ the monthly amount of Deferred Retirement Benefit payable to a Participant retiring on his Deferred Retirement Date shall be equal to the ~~greater of his~~ Monthly Accrued Benefit determined as of such Participant's Deferred Retirement Date ~~or the Accrued Benefit determined as of Normal Retirement Date~~ and increased by the following:

**Number of Years Deferred Retirement Date
Succeeds Normal Retirement Date**

0	1	2	3	4	5
100%	106.0	112.3	119.1	126.2	133.8

If the period between the Normal and Deferred Annuity Commencement Dates is not an integral number of years, the percentage to be applied shall be the percentage for the next lower integral number of years increased by a proportionate part of the difference between that percentage and the percentage for the next integral number of years.

7. Maximum Retirement Benefits

In accordance with the benefit limitations of Section 415 of the Internal Revenue Code, each Participant's Annual Benefit shall be limited so that the specified Maximum Permissible Benefit, as defined herein, is not exceeded. If necessary, the Participant's Accrued Benefit shall be limited in order to meet the requirements of Section 415.

With respect to each Participant, all qualified defined benefit plans ever maintained by the Employer shall be treated as one defined benefit plan for purposes of applying the limitations of Section 415 of the Internal Revenue Code. In the event the Participant's Annual Benefit from all such plans exceeds the Maximum Permissible Benefit specified herein, the Participant's Accrued Benefit shall be reduced to the extent necessary under this Plan if the required reduction is not accomplished under the Employer's other qualified defined benefit plan(s).

The sum of the Participant's Defined Benefit Plan Fraction and the Defined Contribution Plan Fraction shall not exceed 1.0 with respect to such Participant for any Limitation Year.

The following definitions shall be used solely for the purposes of this Section 7.

- (a) **Annual Additions** with respect to the Maximum Permissible Amount means for any Limitation **Year**, the sum of the following:
- (1) All Employer Contributions, if any, allocated to a Participant;
 - (2) All forfeitures, if any, allocated to a Participant;
 - (3) A Participant's Participant Contributions, if any.

- J.
- (b) **Annual Benefit** means the amount of Accrued Benefit attributable to Employer contributions which would be payable annually in the form of a Life Annuity as of the date of determination, except however, that if the Participant has not yet terminated employment with the Employer and has not yet reached his Normal Retirement Date, the Annual Benefit shall mean the amount of Accrued Benefit attributable to Employer contributions projected to such Participant's Normal Retirement Date assuming the Participant will continue working and Compensation will remain the same until the Participant's Normal Retirement Date.
 - (c) **Compensation**, for the purposes of applying the limitations of Section 415, shall include only those items specified in subparagraph (1) of Section 1.415-2(d) of the Internal Revenue Service Regulations except that, effective for Limitation Years beginning after December 31, 1988, the amount of annual compensation taken into account for any year shall not exceed \$200,000 (unless adjusted in such manner as permitted under Section 415(d) of the Internal Revenue Code).
 - (d) **Defined Benefit Plan Fraction** means for each Limitation Year, a fraction, the numerator of which is the sum of a Participant's projected Annual Benefit under all qualified defined benefit plans maintained by the Employer determined as of the end of the Limitation Year, and the denominator of which, as of the end of the Limitation Year, is the lesser of (1) or (2) below where:
 - (1) is equal to 1.25 times the Internal Revenue Code Section 415(b)(1)(A) defined benefit plan dollar limitation amount in effect for such Limitation Year, and
 - (2) is equal to 1.4 times the Participant's average annual Compensation based on the three consecutive calendar year period during which the Participant has the greatest aggregate Compensation from the Employer.

Notwithstanding the above, in the case of a Participant whose Maximum Permissible Benefit is determined pursuant to subparagraph 7(i)(6) hereof, the denominator of this fraction will not be less than 1.25 times the Participant's Accrued Benefit as determined under such subparagraph.

- (e) **Defined Contribution Plan Fraction** shall mean, for each Limitation Year, a fraction, the numerator of which is the sum of the Annual Additions with respect to any Participant as of the close of the Limitation Year and all prior Limitation Years under this Plan and all other qualified defined contribution plans maintained by the Employer, and the denominator of which is the sum of the lesser of (1) or (2) below for each Limitation Year during which the Participant is employed by the Employer where:
 - (1) is equal to 1.25 times the Internal Revenue Code Section 415(c)(1)(A) defined contribution plan dollar limitation amount applicable to such Limitation Year

(the prescribed dollar limitation amount shall be equal to \$30,000 or, if greater, 25% of the defined benefit plan dollar limitation amount in effect under Section 415(b)(1)(A) of such Code), and

- (2) is equal to 1.4 times 25% of the Participant's Compensation for such Limitation Year, except, however, any contribution for medical benefits (within the meaning of Section 419 (A)(f)(2)) after separation from service which is treated as an Annual Addition shall not apply.

If a Participant was also a participant, as of the first day of the first Limitation Year beginning after December 31, 1986, in one or more defined contribution plans maintained by the Employer which were in existence on May 6, 1986 the numerator of this fraction will be adjusted if the sum of this fraction and the Defined Benefit Plan Fraction would otherwise exceed 1.0 under the terms of this Plan. Under the adjustment, an amount equal to the product of (1) the excess of the sum of the fractions over 1.0 times (2) the denominator of this fraction, will be permanently subtracted from the numerator of this fraction. The adjustment is using the fractions as they would be computed as of the end of the last Limitation Year beginning before January 1, 1987, and disregarding any changes in the terms and conditions of the plans made after May 6, 1986, but using the Internal Revenue Code Section 415 limitation applicable to the first Limitation Year beginning on or after January 1, 1987.

The Annual Addition for any Limitation Year beginning before January 1, 1987 shall not be recomputed to treat all employee contributions as Annual Additions.

- (f) **Employer** means the Employer who adopts this Plan.
- (g) **Limitation Year** means a Plan Year for this Plan. In lieu thereof the Employer may adopt, by amending this Plan, any other 12 consecutive month period.
- (h) **Maximum Permissible Amount** means with respect to any Limitation Year the lesser of:
 - (1) the Internal Revenue Code Section 415(c)(1)(A) defined contribution plan dollar limitation amount applicable to such Limitation Year (the prescribed dollar limitation amount shall be equal to \$30,000 or, if greater, 25% of the defined benefit plan dollar limitation amount in effect under Section 415(b)(1)(A) of such Code), or
 - (2) 25% of the Compensation actually paid to the Participant for such Limitation Year, except, however, any contribution for medical benefits (within the meaning of Section 419(A)(f)(2)) after separation from service which is treated as an Annual Addition shall not apply.

- (i) **Maximum Permissible Benefit** means the maximum Annual Benefit to which a Participant is entitled in accordance with the following provisions:
- (1) Maximum Permissible Benefit Applicable to Participants Who Have At Least Ten Years Of Participation Service - The Maximum Permissible Benefit applicable to any Participant who has at least ten years of Participation Service with the Employer shall be limited to the lesser of (i) or (ii) below:
- (i) the Internal Revenue Code Section 415(b)(1)(A) defined benefit plan dollar limitation amount in effect for such Limitation Year, or
- (ii) 100% of the Participant's average annual Compensation based on the three consecutive calendar year period during which the Participant had the greatest aggregate Compensation from the Employer.
- (2) Adjustment to the Maximum Permissible Benefit - Adjustments shall be made to the Maximum Permissible Benefit in accordance with subparagraphs (i), (ii) or (iii) below:
- (i) In the event the Participant's Accrued Benefit is determined in a form of annuity other than a Life Annuity as set forth in Article VII, Section 2. (c), an adjustment shall be made to the Maximum Permissible Benefit in order to determine the actuarial equivalent amount of Maximum Permissible Benefit when stated in the form of annuity in which the Participant's Accrued Benefit is determined in accordance with Section 1 of this Article. The actuarial equivalent amount of benefit will be the lesser of the actuarially adjusted benefit using a 5% interest assumption and the Unisex UP 1984 Mortality Table or the adjusted benefit according to the Plan's actuarial equivalent definition for other than the Normal Form of annuity.
- (ii) In the event the Participant's Accrued Benefit becomes payable prior to the Participant's attainment of age 62, an adjustment shall be required to the Maximum Permissible Benefit. Accordingly, the Maximum Permissible Benefit payable prior to the Participant's attainment of age 62 shall be adjusted so that it is the actuarial equivalent of the Maximum Permissible Benefit payable at age 62 using that which results in the lower benefit under (A) or (B) below:
- (A) the reduction factors based on a 5% interest assumption and the Unisex UP-1984 Mortality Table; or
- (B) the Early Retirement Benefit reduction factors or percentages specified in Section 5 of this Article.

The adjustment set forth in this subparagraph 7(i)(2)(ii) shall not apply if the Maximum Permissible Benefit results from the benefit limitation set forth in Section 7(i)(1)(i)(B).

(iii) In the event the Participant's Accrued Benefit becomes payable after the Participant's attainment of age 65, an adjustment shall be made to the Maximum Permissible Benefit. Accordingly, the Maximum Permissible Benefit payable after the Participant's attainment of age 65 shall be adjusted so that it is the actuarial equivalent of the Maximum Permissible Benefit payable at age 65 using that which results in the lower benefit under (A) or (B) below:

- (A) adjustment factors based on a 5% interest assumption and the Unisex UP-1984 Mortality table; or
- (B) the Deferred Retirement Benefit factors or percentages, if any, specified in Section 6 of this Article.

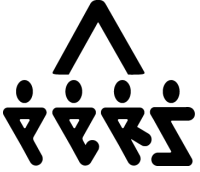
The adjustment set forth in this subparagraph 7(i)(2)(iii) shall not apply if the Maximum Permissible Benefit results from the benefit limitation set forth in Section 7(i)(1)(ii).

- (3) Except as provided in subparagraph 7(i)(4) hereof, the Maximum Permissible Benefit determined under subparagraphs 7(i)(1) and 7(i)(2) and all other defined benefit plans of the Employer shall never be deemed to be an amount which is less than \$10,000, provided the Participant is not, and has never been a Participant in any defined contribution plan of the Employer.
- (4) Maximum Permissible Benefit Applicable to Participants Who Have Less Than Ten Years Of Participation Service With The Employer - The Maximum Permissible Benefit applicable to any Participant who has less than ten years of Participation Service with the Employer shall be equal to the lesser of:
 - (a) the product of the Maximum Permissible Benefit amount which would otherwise have been applicable in accordance with subparagraphs (1)(i)(A), (1)(ii) and (2) of paragraph 7(i) hereof and a fraction, the numerator of which is the number of the Participant's years (or part thereof) of Participation Service in the Plan as of and including the current Limitation Year, and the denominator of which is ten, however, for purposes of applying the requirements of sub-paragraph 7(d)(1) hereof, the provisions of this subparagraph 7(i)(4)(a) shall be amended by substituting "years (or part thereof) of service with the Employer" where "years (or part thereof) of Participation Service in the Plan" is shown, or

- (b) the product of the Maximum Permissible Benefit amount which would otherwise have been applicable in accordance with subparagraph (1)(ii), (2)(i) and (3) of paragraph 7(i) hereof and a fraction, the numerator of which is the number of the Participant's years (or part thereof) of service with the Employer as of and including the current Limitation Year, and the denominator of which is ten.
- (5) If the Participant's Annual Benefit exceeds the Maximum Permissible Benefit after the application of the appropriate factors, such Participant's Accrued Benefit shall be limited to an amount which produces an Annual Benefit equal to the Maximum Permissible Benefit.
- (6) Notwithstanding the foregoing provisions of this Section, in the case of an individual who was a Participant as of the first day of the first Limitation Year beginning after December 31, 1986, the application of the appropriate adjustments hereof shall not cause the Maximum Permissible Benefit for such Participant to be less than the Participant's Accrued Benefit determined as if the Participant had separated from service as of the close of the last Limitation Year beginning before January 1, 1987 and without regard to any amendments or cost-of-living adjustments occurring after May 5, 1986. The preceding sentence applies only if the Plan was in existence on **May** 6, 1986 and satisfied the applicable requirements of the Internal Revenue Code Section 415 for all Limitation Years beginning before January 1, 1987.
- (j) The defined benefit plan dollar limitation amount prescribed under subparagraphs (d), (e), (h), and (i) above shall be effective as of the first day of each calendar year and shall apply to the Limitation Year that ends in such calendar year. Said limitation shall be adjusted annually in accordance with Section 415(d) of the Internal Revenue Code.
- (k) Participation Service** means an accrual computation period for which the following conditions are met: (1) the Participant is credited with at least the number of Hours of Service (or period of service if the elapsed time method is used) for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, and (2) the Participant is included in the Plan for at least one day of the accrual computation period. If these two conditions are met, Participation Service credited to the Participant hereunder shall equal the amount of benefit accrual service credited to the Participant for such accrual computation period. A Participant who is permanently and totally disabled within the meaning of Internal Revenue Code Section 415(c)(3)(C)(i) during an accrual computation period shall receive Participation Service with respect to that period.

(l) Forfeitures

No part of any forfeitures resulting from the application of any provisions of this Plan shall be applied to increase the benefits any Participant would otherwise receive under this Plan.



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Memorandum

TO: NDPERS Board

FROM: Katheryne Korom

DATE: January 6, 2025

SUBJECT: Sanford Health Plan Administrative Services Agreement

The Board approved renewing with Sanford Health Plan (SHP) for the July 1, 2025, through June 30, 2027, biennium at the September meeting. Legal counsel and staff have reviewed the attached proposed administrative services agreement provided by SHP. Upon approval, staff will continue working with SHP to finalize the various exhibits and will bring those back for the Board's approval at the June Board meeting.

Board Action Requested: Approve the proposed administrative service agreement with Sanford Health Plan for the upcoming biennium and authorize Chairman Seminary to sign.

Attachment

THIRD AMENDMENT AND RESTATEMENT TO THE ADMINISTRATIVE SERVICE AGREEMENT

THIS THIRD AMENDMENT TO ADMINISTRATIVE SERVICE AGREEMENT (the "Amendment"), effective as of July 1, 2025, (the "Amendment Date"), is by and between the State of North Dakota, acting through its Public Employees Retirement System ("the Plan Sponsor"); the North Dakota Public Employees Retirement System (NDPERS) ("the Plan Administrator"); and Sanford Health Plan, a South Dakota non-profit corporation ("SHP").

WHEREAS, the parties entered into an Administrative Services Agreement, with an effective term of July 1, 2021, through June 30, 2023 (the "Agreement"); and

WHEREAS, the parties restated and renewed their Administrative Services Agreement by executing a Second Amendment and Restatement to the Administrative Services Agreement, with an effective term of July 1, 2023 through June 30, 2025; and

WHEREAS, the parties now desire to renew their Administrative Services Agreement by executing this Third Amendment and Restatement to the Administrative Services Agreement, with an effective term of July 1, 2025, through June 30, 2027.

NOW, THEREFORE, the parties agree as follows:

1. The parties have restated the original Agreement along with all amendments previously made to the Agreement.
2. As modified by this Third Amendment and Restatement, the parties agree to the terms and conditions of the Agreement.
3. In the event of any conflict between this Third Amendment and Restatement to the Administrative Services Agreement, and any previous Administrative Service Agreements and Amendments, this Third Amendment and Restatement to the Administrative Services Agreement shall prevail.

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EXHIBITS (Attachments)

Exhibit A: Certificate of Insurance, Summary of Benefit Coverage

Exhibit B: Health Plan Performance Guarantees

Exhibit C: Premium Rate Structure Table

Exhibit D: Illustration of Plan Administrator Settlement Process

Exhibit E: Pharmacy Disease Management Program Obligations

Exhibit G: Wellness Benefit Program Obligations

Exhibit H: Business Associate Agreement

Exhibit I: HSA Administration Services Agreement

ADMINISTRATIVE SERVICE AGREEMENT

This Administrative Service Agreement ("Agreement") is entered into between the State of North Dakota, acting through its Public Employees Retirement System ("the Plan Sponsor"); the North Dakota Public Employees Retirement System (NDPERS) ("the Plan Administrator"); and Sanford Health Plan, a South Dakota non-profit corporation ("SHP").

WHEREAS, the Plan Sponsor has established and maintains a fully insured group health plan (the "Plan") which provides, among other things, various benefits to Members in the Plan, as set forth in the Certificate of Insurance provided to plan Members. The Plan Administrator is the administrator of the Plan established through this Agreement.

WHEREAS, in consideration of payment of required premium and acceptance of membership applications, SHP enters into this Agreement with the Plan Sponsor and the Plan Administrator. SHP agrees to provide plan Members the benefits set forth in the Certificate of Insurance, in accordance with its terms and conditions.

WHEREAS, the Plan Administrator is the sole party with authority to make plan design changes to the Plan.

WHEREAS, SHP is an affiliate of Sanford, a North Dakota non-profit organization and integrated delivery system; however, SHP and Sanford maintain a firewall such that (i) SHP maintains a team that negotiates participating provider agreements with hospitals, physicians and other providers, (ii) Sanford provider entities maintain a team that negotiates agreements with third party payers, and (iii) fee schedules, discounts, pricing and other competitively sensitive data are not shared between those teams.

The terms of this Agreement are as follows:

1. EFFECTIVE DATE AND PLAN YEAR

This Agreement is effective July 1, 2025, through June 30, 2027, unless terminated as provided.

For the purposes of the costs of any and all benefits and services extended through this Benefit Plan, including the implementation of any benefit changes required under federal or state law, the Plan Administrator agrees that the Plan Year shall commence on July 1, unless it is terminated by one of the parties as specified in Section 8. **TERM AND TERMINATION OF AGREEMENT.**

2. DEFINITIONS

This section defines the terms used in this Agreement.

- A. **CERTIFICATE OF CREDITABLE COVERAGE** - a certificate disclosing information relating to an individual's creditable coverage under a health care benefit program for purposes of reducing any preexisting condition waiting period imposed by any group health plan coverage.
- B. **CLAIM** - notification in a form acceptable to SHP that service has been provided or furnished to a Member.
- C. **DRG** - shall mean diagnostic related groups.
- D. **DATA AGGREGATION** - the combining of Protected Health Information that SHP creates or receives for or from the Plan for or from other health plans or health care providers for which SHP is acting as a business associate to permit data analysis that relate to Health Care Operations of the Plan and those other health plans or providers.
- E. **FEES AND CHARGES** - the amounts the Plan Administrator must pay SHP for the administrative services described in Section 6.
- F. **HEALTH CARE OPERATIONS** - any of the activities of a health plan to the extent the activities relate to functions that make it a health plan.
- G. **HEALTH CARE PROVIDER**- any eligible provider that has provided care, diagnosis, or treatment to or for a Member for which benefits are sought under the Plan.
- H. **HEALTH CLUB/WELLNESS CREDIT PROGRAM** - means a member-based fitness center reimbursement and wellness (points) reward program.
- I. **HSA PROGRAM** - means the Health Savings Account Program administered by SHP through a subcontractor pursuant to the terms and conditions of a separate agreement between SHP and NDPERS and acknowledged by said subcontractor.
- J. **MEMBER** - the Subscriber and any eligible dependent of a Subscriber who is enrolled in the Plan. The term also includes eligible employees of other governmental units as permitted by state law.
- K. **PARTICIPATING PROVIDER**- A healthcare provider who, under a contract with SHP, or with its contractor or subcontractor, has agreed to provide health care services to Members with an expectation of

receiving payment, other than coinsurance, copays, or deductibles, directly or indirectly, from the Plan.

- L. PAYMENT - activities undertaken to obtain premiums, determine or fulfill coverage and benefits, or obtain or provide reimbursement for health care services.
- M. PHARMACY BENEFITS MANAGER (PBM)- shall mean OptumRx, Inc., or such other pharmacy benefits manager as is engaged by SHP after prior consultation with NDPERS. Said PBM is responsible for maintaining the network of participating pharmacies.
- N. PHARMACY DISEASE MANAGEMENT PROGRAM - shall mean the diabetes disease management program through which Members receive services and support provided by the North Dakota Pharmacy Service Corporation, which program is jointly administered by NDPERS and SHP hereunder.
- O. PLAN ADMINISTRATOR-North Dakota Public Employees Retirement System (NDPERS) is the administrator of the Plan with all of the duties and responsibilities applicable to plan administrators, including but not necessarily limited to compliance with any and all administrative, reporting, and disclosure requirements. SHP is not the Plan Sponsor or the Plan Administrator of the Plan and is not responsible for any of the duties assigned to the Plan Sponsor or the Plan Administrator by the terms of the Plan, or by this Agreement.
- P. PLAN SPONSOR -The State of North Dakota, acting through its Public Employees Retirement System (NDPERS) is the Plan Sponsor of an employee benefit plan established under NDCC Ch. 54-52.1.
- Q. PROTECTED HEALTH INFORMATION (PHI)- individually identifiable health information, including summary and statistical information, collected from or on behalf of a Member that is transmitted by or maintained in electronic media, or transmitted or maintained in any other form or medium and that:
 - a. is created by or received from a Health Care Provider, health care employer, or health care clearinghouse;
 - b. relates to a Member's past, present or future physical or mental health or condition;

- c. relates to the provision of health care to a Member;
 - d. relates to the past, present, or future payment for health care to or on behalf of a Member; or
 - e. identifies a Member or could reasonably be used to identify a Member.
 - f. educational records and employment records are not considered PHI under federal law.
- R. SANFORD HEALTH PLAN (SHP) - is a health maintenance organization that provides fully-insured, prepaid group health care and pharmacy benefits through an organized health care delivery system.
- S. SECURITY INCIDENT - any attempted or successful unauthorized access, use, disclosure, modification, or destruction of a Member's electronic PHI or interference with SHP's system operations in SHP's information systems.
- T. STANDARD TRANSACTIONS - health care financial or administrative transactions conducted electronically for which standard data elements, code sets and formats have been adopted in accordance with federal or state law.
- U. SUBSCRIBER- any eligible employee of the Plan Sponsor, employee of a participating employer or other eligible individual as prescribed by NDCC CH. 54-52.1 whose application for membership has been accepted, whose coverage is in force with SHP and in whose name the ID Card is issued.
- V. SUCCESSFUL SECURITY INCIDENTS - Security Incidents that result in unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations.
- W. UNSUCCESSFUL SECURITY INCIDENTS - Security Incidents that do not result in unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations.
- X. WELLNESS BENEFIT PROGRAM - shall mean the NDPERS employer- based Wellness Benefit Program related to health and wellness promotion for Members under which funding is made available to State agencies or political subdivisions, as jointly administered by NDPERS and SHP hereunder.

- 3. SHP SHALL:** Establish a membership record for existing Members containing information as provided by NDPERS
- 3.1 Provide Identification Cards, Certificates of Insurance, Summary of Benefits and Coverage and Member Handbooks (paper and/or electronic, as reasonably agreed by the parties).
 - 3.2 Provide the Health Plan Performance Guarantees, as outlined in **Exhibit B**.
 - 3.3 Receive enrollment file for late entrants who enroll outside of the Plan's annual open enrollment period as part of a special election (for qualifying events) as defined in the Plan Sponsor's Group Health Insurance Eligibility and Enrollment Guidelines and ND Administrative Rules.
 - 3.4 Provide Prospective Review/Prior Authorization services in accordance with appropriate licensure and certification requirements; such services to be provided by a dedicated staff person.
 - 3.5 Provide a dedicated service unit to adjudicate all claims and respond to Member's inquiries. Provide toll-free Member and Health Care Provider service lines between the hours of 7:30 AM and 5:00 PM CST at the office(s) in North Dakota, as appropriate. A toll-free Prospective Review/Prior Authorization line for Health Care Providers will also be available between the hours of 8:00 AM and 5:00 PM CST. During nonbusiness hours, answering machine services will be available for Prospective Review/Prior Authorization calls.
 - 3.6 Process claims and inquiries for all members, including claims from non-participating providers.
 - 3.7 Correspond with the Members and Health Care Providers if additional information is deemed necessary by SHP to complete the administrative process.
 - 3.8 Administer third party liability programs.
 - 3.9 Provide to Members an Explanation of Benefits Statement.
 - 3.10 Provide a procedure for detection of fraud and unlawful activity.
 - 3.11 Offer Members an individual policy when application is made within 31 days of the termination of enrollment under NDPERS and Member resides in SHP's service area where SHP is licensed to sell an individual policy.

- 3.12 Provide assistance to NDPERS for the conduct of enrollment, servicing and education.
- 3.13 NDPERS shall provide SHP with the scope and requirements of any audit or review prior to the commencement of activities. If a sample of claims is required, SHP will provide or NDPERS will select statistically valid computerized sample of claims, if not prohibited by law, regulations, or rule.

NDPERS will provide a copy of the report of all audit or review findings and shall discuss the findings with SHP upon discovery to allow further investigation or implementation of corrective action.

- 3.14 Provide NDPERS with reporting to include but not limited to:
 - a. Annual group reporting of membership and utilization by group segments and product.
 - b. Estimates of future claim reserves and premium to claim ratio.
 - c. Such other special claims reports as requested from time-to- time by NDPERS, subject to the availability of data and appropriate cost considerations.
 - d. Interest calculation monthly report, including supporting documentation as reasonably requested.
 - e. Performance objectives as described in Exhibit B of this Agreement.
- 3.15 Provide NDPERS with claims specific data on a monthly basis in agreed upon medium. This information shall be in a format acceptable to NDPERS and subject to all federal and state laws on confidentiality and open records; and provide at least monthly to any NDPERS designated third party administrator of a pretax benefits program, for purposes of claim reimbursement for any member pretax medical spending account, an electronic claims data file as reasonably requested, such file to include at least the following: member eligibility and demographic information, provider/pharmacy demographic information (i.e. NPI), applicable member liability (i.e. copay, deductible, and coinsurance), and prescription NOC number.
- 3.16 Provide support to NDPERS for the establishment of a

Preferred Provider Network consistent with objectives established by NDPERS. SHP shall determine Participating Provider eligibility in accordance with its policies and accreditation standards.

SHP will provide technical and administrative advice to NDPERS relative to the appropriateness of PPO arrangements for the Plan. SHP shall pursue in good faith participating provider agreements with those providers who were historically in the NDPERS PPO but are not currently SHP Participating Providers. The parties agree that participation and reimbursement information

- a. may contain trade secret, proprietary, commercial, and financial information under ND Cent. Code 44-04-18.4 or any other applicable law. To the extent that NDPERS determines that such information is confidential under applicable state law, NDPERS shall maintain the confidentiality of the same.

Further, NDPERS shall notify SHP of any request for release of information and, upon NDPERS' determination to release, shall allow SHP a reasonable opportunity to respond prior to disclosure, upon request. The duty of NDPERS to maintain the confidentiality of information under this section continues beyond the term of this Agreement as is commercially reasonable.

- b. SHP will enforce strict Prospective Review/Prior Authorization, utilization review and quality assurance criteria to assure attainment of Preferred Provider program objectives.
- c. SHP will, upon NDPERS reasonable direction, terminate a Provider's NDPERS PPO participation agreement in accordance with terms of the agreement, when a PPO Provider is noncompliant with NDPERS/SHP policies and procedures. Said policies and procedures shall be documented and communicated to the Participating Provider prior to implementation.

- 3.17 Neither SHP nor its contracted PBM will engage in any practice that effectively reduces network pharmacy reimbursement for medication cost and dispensing fees when such reimbursement claims have been properly

submitted by a network pharmacy at the time of adjudication. Such practices include directing a contractor, such as a PSAO, to engage in such a practice. SHP will include language in its PBM (and PSAO, if applicable) contracts explicitly prohibiting the aforementioned practices

- 3.18 Jointly administer the Pharmacy Disease Management Program, and Wellness Benefit Program substantially in accordance with Exhibit E, and Exhibit G, respectively.
- 3.19 Reasonably respond to requests for service meetings from NDPERS administration or its Board upon request.
- 3.20 SHP shall maintain a risk-based capital level of 300%.

4. NDPERS SHALL:

- 4.1 Prepare and distribute monthly billings to participating employers and retirees participating in the Plan. NDPERS shall respond to the participating employer's inquiries concerning eligibility rules, billing, etc.
- 4.2 Prepare weekly eligibility file by participating employer and premium classification for both active and retired employees and provide the file to SHP to be used for eligibility certification purposes. Along with the eligibility file, NDPERS will furnish a full- file listing of participants (incorporating additions or terminations during the month). Such listing will reflect the name of the employee, dependents, Social Security Number, the effective date of coverage for a new employee or the termination date of a terminated employee and the coverage classification. NDPERS will submit enrollment, billing and premium remittance via a centralized electronic system. NDPERS will provide enrollment/eligibility information on a data file that follows the HIPAA 834 file specifications and SHP's companion guide. Premium payment information will be provided on a data file that follows the HIPAA 820 file specifications. Files will be transmitted using a mutually agreed upon secure file transmission process
- 4.3 Use best efforts to notify SHP of terminated members no later than 30 days after the event that rendered the Member ineligible for coverage. Regardless of whether or not NDPERS provides notice to SHP of the terminated

Member, SHP intends to recoup payments for all paid claims from applicable providers incurred after the last date of eligibility. It then becomes the duty and discretion of said providers to bill the Member accordingly. Similarly, SHP intends to recoup from terminated Members prescription claims paid after the last date of eligibility.

- 4.4 Provide enrollment files, obtain completed classifications or addresses, etc. from participants and furnish SHP with enrollment files or request for coverage or address changes and retain the original copy.
- 4.5 Be responsible for the administration of and compliance with COBRA or State-mandated continuation of coverage. SHP will forward requests for COBRA or State law continuation of coverage participation by membership to NDPERS upon notification.
- 4.6 Comply with SHP's established administrative policies which are reasonable and consistent with the NDPERS Health Plan, and the bid specifications agreed to by the parties, including, but not limited to: enrollment and eligibility policies, standard adjudication and Medical Policy Guidelines, Payable Provider Guidelines, Prospective Review/Prior Authorization Guidelines and claim payment procedures as such materials are modified from time to time.
- 4.7 Pay premiums to SHP according to the schedule in Section 6.
- 4.8 NDPERS acknowledges that the administration of the Benefit Plan that is the subject of this Agreement may be subject to regulation under federal and/or state law. NDPERS agrees to furnish SHP with any and all information necessary to comply with any applicable federal and/or state laws and to certify that this information is accurate. If there are any changes in the employer contribution rate for benefits and services available under this Agreement, NDPERS agrees that it is its obligation to provide information related to the change in contribution rates immediately to SHP.
- 4.9 NDPERS agrees to timely provide the information as specified in Section 3.1.
- 4.10 Perform those functions or duties regarding the Pharmacy Disease Management Program, and Wellness

Benefit Program substantially in accordance with Exhibit E, and Exhibit G, respectively.

- 4.11 NDPERS will provide electronic 834 compliant files from the Plan Administrator to maintain accurate membership records of Members.

5. PRIVACY USE AND DISCLOSURE RESPONSIBILITIES

5.1 RESPONSIBILITIES OF SHP

A. Privacy of Protected Health Information (PHI)

1. SHP will keep confidential all Claim records and all other PHI that SHP creates or receives in the performance of its duties under this Agreement. Except as permitted or required by this Agreement for SHP to perform its duties under this Agreement, SHP will not use or disclose such Claim information or other PHI without the authorization of the Member who is the subject of such information or as required by law.
2. SHP will neither use nor disclose Members' PHI (including any Members' PHI received from a business associate of the Plan) except (1) as permitted or required by this Agreement, (2) as permitted in writing by the Plan Administrator, (3) as authorized by Members, (4) in accordance with the Business Associate Agreement ("**BAA**") between the parties materially in form and substance provided in Exhibit H hereto, or (5) as required by law.
3. SHP will be permitted to use or disclose Members' PHI only as follows:
 - a. SHP will be permitted to use and disclose Members' PHI (a) for the management, operation and administration of the Plan the Plan Administrator offers Members, and (b) for the services set forth in the Plan, which include Payment Activities, Health Care Operations, and Data Aggregation as these terms are defined under federal law.

1. SHP will be permitted to use Members' PHI as necessary for SHP's proper management and administration or to carry out SHP's legal responsibilities.
2. SHP will be permitted to disclose Members' PHI as necessary for SHP's proper management and administration or to carry out SHP's legal responsibilities only if (i) the disclosure is required by law, or (ii) before the disclosure, SHP obtains from the entity to which the disclosure is to be made reasonable assurance, evidenced by a written contract, that the entity will hold Members' PHI in confidence, use or further disclose Members' PHI only for the purposes for which SHP disclosed it to the entity or as required by law, and notify SHP of any instance the entity becomes aware of where the confidentiality of any Members' PHI was breached as required by 45 CFR 164.410.
 - b. SHP will make reasonable efforts in accordance with its written privacy policies and procedures to use, disclose, or request only the minimum necessary amount of Members' PHI to accomplish the intended purpose. SHP will make its written privacy policies and procedures available to the Plan Sponsor.
4. Other than disclosures permitted by Section 5.1(A)3, SHP will not disclose Members' PHI to the Plan Administrator or to the Plan's business associate except as directed by the Plan Administrator in writing and as permitted by applicable law.
5. SHP will require each subcontractor and agent to which SHP is permitted by this Agreement or in writing by the Plan Administrator to disclose Members' PHI to provide reasonable assurance, evidenced by written contract, that such other entity will comply with the same privacy and security obligations with respect to Members' PHI as this Agreement applies to SHP.
6. SHP will report to the Plan Administrator any use or

disclosure of Members' PHI not permitted by this Agreement, including incidents that constitute breaches of unsecured PHI as required by 45 CFR 164.410. SHP will make any such report to the Plan Administrator after SHP learns of such nonpermitted use or disclosure.

7. SHP will report to the Plan Administrator attempted or successful unauthorized access, use, disclosure, modification or destruction of a Member's electronic PHI or interference with SHP's system operations in SHP's information systems ("Security Incident"), of which SHP becomes aware.

With regard to attempted unauthorized access, use, etc., SHP and the Plan Administrator recognize and agree that the significant number of meaningless attempts to, without authorization, access, use, disclose, modify or destroy electronic PHI will make real-time reporting formidable. Therefore, SHP and the Plan Administrator agree to the following reporting procedures for Security Incidents that result in unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations ("Successful Security Incidents") and for Security Incidents that do not so result ("Unsuccessful Security Incidents").

For Unsuccessful Security Incidents, SHP and the Plan Administrator agree that this Agreement constitutes notice from SHP of any such Unsuccessful Security Incidents. In other words, the Plan Administrator waives any separate notice of Unsuccessful Security Incidents. By way of example, SHP and the Plan Administrator consider the following to be illustrative of Unsuccessful Security Incidents when they do not result in unauthorized access, use, disclosure, modification, or destruction of a Member's electronic PHI or interference with an information system.

1. Pings on SHP's firewall,
2. Port scans,

3. Attempts to log on to a system or enter a database with an invalid password or username,
4. Denial-of-service attacks that do not result in a server being taken off-line, and
5. Malware (e.g., worms, viruses).

For Successful Security Incidents, SHP shall give notice promptly to the Plan Administrator in the event a Member's electronic PHI was compromised.

8. Disposition of Protected Health Information

The parties agree that upon termination, cancellation, expiration or other conclusion of this Agreement, SHP will return or destroy all PHI received or created by SHP on the Plan Administrator's behalf as soon as feasible. Due to various regulatory and legal requirements, the Plan Administrator acknowledges that immediate return or destruction of all such information is not feasible.

SHP agrees that upon conclusion of this Agreement for any reason, it will use or disclose the PHI it received or created on the Plan's behalf only as necessary to meet SHP's regulatory and legal requirements and for no other purposes unless permitted in writing by the Plan Administrator. SHP will destroy PHI received or created by SHP on the Plan Administrator's behalf that is in SHP's possession under such circumstances and upon such schedule as SHP deems consistent with its regulatory and other legal obligations.

These responsibilities agreed to by SHP and related to protecting the privacy and safeguarding the security of PHI, as well as any terms directly related thereto, shall survive the termination of this Agreement and, where applicable, shall govern SHP's receipt, use or disclosure of PHI pursuant to the terms of this Agreement.

9. To the extent SHP is to carry out one or more of Plan Administrator's obligations under the HIPAA Privacy Regulations, it shall comply with the

requirements of the Privacy Regulations that apply to the Plan Administrator in the performance of such obligations.

B. Access, Amendment and Disclosure Accounting for Protected Health Information

1. Upon the Plan Administrator's written request, SHP will make available for inspection and obtaining copies by the Plan Administrator, or at the Plan Administrator's direction by the Member (or the Members' representative), any PHI about the Member created or received for or from the Plan Administrator in SHP's custody or control so the Plan Administrator may meet its access obligations under federal law.
2. Upon receipt of a written request from the Plan Administrator, or at the Plan Administrator's direction by the Member (or the Members' representative), SHP will amend or permit the Plan Administrator access to amend any portion of the PHI created or received for or from the Plan Administrator in SHP's custody or control, so the Plan Administrator may meet its amendment obligations under federal law.
3. The Plan Administrator may meet its disclosure accounting obligations under federal law or state law, SHP will do the following:
 - a. SHP will record each disclosure of Members' PHI which is not excepted from disclosure accounting under Section 5.1(8) 3.b, that SHP makes to the Plan Administrator or to a third party.

The information about each disclosure that SHP must record ("Disclosure Information") is (i) the disclosure date, (ii) the name and (if known) address of the person or entity to whom SHP made the disclosure, (iii) a brief description of the PHI disclosed, and (iv) a brief statement of the purpose of the disclosure.

For repetitive disclosures of Members' PHI that

SHP makes for a single purpose to the same person or entity (including the Plan Administrator), SHP may record (i) the disclosure information for the first of these repetitive disclosures, (ii) the frequency, periodicity or number of these repetitive disclosures, and (iii) the date of the last of these repetitive disclosures.

- b. SHP will not be required to record disclosure information or otherwise account for disclosures of Members' PHI that this Agreement or the Plan Administrator in writing permits or requires:
- (1) for Payment Activities or Health Care Operations,
 - (2) to the Member who is the subject of the PHI or to that Members' personal representative,
 - (3) to persons involved in that Members' health care or payment for health care, as provided under federal law,
 - (4) for notification for disaster relief purposes or national security or intelligence purposes as provided under federal law,
 - (5) to law enforcement officials or correctional institutions regarding inmates,
 - (6) for incidental uses or disclosures,
 - (7) as part of a limited data set in accordance with federal law,
 - (8) that occurred prior to the HIPM Privacy Compliance Date,
 - (9) pursuant to a valid authorization, or
 - (10) as may be required by law.
- c. SHP will have available for the Plan Administrator the disclosure information required by Section 5.1(B) 3.a. for the six (6) years immediately preceding the date of the Plan Administrator's request for the disclosure information.

- d. Upon the Plan Administrator's written request, SHP will make available to the Plan Administrator, or at the Plan Administrator's direction to the Member (or the Member's representative), disclosure information regarding the Member so the Plan Administrator may meet its disclosure accounting obligations under federal law.

C. Information Safeguards

1. SHP will maintain reasonable and appropriate administrative, technical, and physical safeguards to protect the privacy of Member PHI. The safeguards must reasonably protect Member PHI from any intentional or unintentional use or disclosure in violation of federal law and limit incidental uses or disclosures made pursuant to a use or disclosure otherwise permitted by this Agreement.
2. SHP will implement administrative, technical, and physical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic PHI SHP creates, receives, maintains, or transmits on behalf of the Plan Administrator as required by federal law.

D. Inspection of Books and Records

SHP will make its internal practices, books, and records relating to its use and disclosure of PHI created or received for or from the Plan Administrator available to the Plan Administrator and to the U.S. Department of Health and Human Services to determine compliance with federal law or this Agreement.

E. Plan Disclosures

SHP will prepare and distribute a notice of privacy practices appropriate for the Plan to meet its notice obligations under federal law. The Plan Administrator authorizes SHP to disclose the minimum necessary PHI to the Plan Sponsor for plan administration functions specified in the Plan documents as amended.

- F. Information Privacy and Safeguard Provisions Survive Termination of Agreement. These responsibilities agreed to by SHP and related to protecting the privacy of PHI, as well as any terms directly related thereto, shall survive the termination of this Agreement and where applicable, shall govern SHP's receipt, use and disclosure of PHI obtained pursuant to the terms of this Agreement.

5.2 RESPONSIBILITIES OF THE PLAN SPONSOR

- A. The Plan Sponsor retains full and final authority and responsibility for the Plan and its operation. SHP is empowered to act on behalf of the Plan only as stated in this Agreement or as mutually agreed in writing by the Plan Sponsor and SHP.
- B. Except with respect to services provided by SHP set forth in this agreement, the Plan Sponsor will have the sole responsibility for and will bear the entire cost of compliance with all federal, state and local laws, rules, and regulations concerning the privacy of PHI, including any licensing, filing, reporting, and disclosure requirements, which may apply to the Plan.

SHP will have no responsibility for the Plan's compliance or noncompliance with any applicable federal, state, or local law, rule, or regulation that the Plan Sponsor is responsible for under this subsection.

By executing this Agreement, the Plan Sponsor certifies to SHP that it has amended the Plan documents to incorporate the provisions required by and under federal law and agrees to comply with the Plan Administrator's plan documents as amended. SHP may rely on Plan Sponsor's certification and Plan Administrator's written authorization and will have no obligation to verify (1) the Plan Administrator's plan documents have been amended to comply with the requirements of federal law or this Agreement or (2) the Plan Sponsor is complying with the Plan Administrator's plan document as amended.

- C. For any high deductible health plan offered by the Plan Sponsor, the Plan Sponsor assumes sole responsibility for determining whether the Plan qualifies as a high deductible health plan under Section 223(c)(2) of the

U.S. Internal Revenue Code. SHP MAKES NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE REGARDING THE PLAN.

For any high deductible health plan offered by the Plan Sponsor, SHP does not provide legal or tax advice, and expressly disclaims responsibility for determining, on behalf of any individual or group, the legal and tax implications of: (1) establishing a health savings account; (2) eligibility for a health savings account; (3) the contributions made to a health savings account; (4) the deductibility of contributions to a health savings account; and (5) withdrawals from a health savings account and related taxation.

6. FEES AND CHARGES:

- 6.1 SHP agrees to the provisions and premium rates, for the Effective Date of this Agreement, in the attached Premium Rate Structure Table (Exhibit C).
- 6.2 SHP and NDPERS agree to the Health Plan Performance Guarantees, as outlined in the attached Exhibit B.
- 6.3 NDPERS will use best efforts to pay SHP, on or before the twentieth day of each month (but not later than the last day of the month), for the current month's premium income based on the amount identified in Exhibit C.

NDPERS will also maintain funds in a Programs Cash Reserve Account held by SHP for purposes of funding the Pharmacy Disease Management Program, the Wellness Benefit Program and any other programs funded outside of premium. NDPERS will maintain a balance reasonably estimated to anticipate experience of such programs. This Programs Cash Reserve Account shall earn interest at a rate to be determined monthly, based on US Treasury Notes quoted by the Wall Street Journal. The monthly rate will be established at the close of the first trading day each month based on the closing yield to maturity of US Treasury Notes maturing 24 months hence. If there are multiple notes for that maturity, the rate will be based on an average. If there are no notes with that maturity, the next subsequent maturity will be used.

- 6.4 SHP will retain any surplus funds from the amounts

identified as such in a schedule to the Premium Rate Table attached as Exhibit C. Surplus funds retained by SHP shall earn interest at a rate to be determined monthly, based on US Treasury Notes quoted by the Wall Street Journal. The monthly rate will be established at the close of the first trading day each month based on the closing yield to maturity of US Treasury Notes maturing 24 months hence. If there are multiple notes for that maturity, the rate will be based on an average. If there are no notes with that maturity, the next subsequent maturity will be used.

Surplus funds described in the above section 6.5 not used by SHP to pay NDPERS Health Plan incurred claims plus retention will be subject to the Final Accounting as described in Section 7 of this Agreement.

- 6.5 In the event any Federal or State authority imposes any changes to plan design, plan benefits or other mandate affecting the Plan, SHP and NDPERS shall reasonably cooperate to anticipate material increased expenses or other material effects and negotiate in good faith to incorporate consequent premium rate or other contractual changes.

In the event the parties are unable to reach agreement, either party may terminate this Agreement pursuant to Section 8.2(b) hereof. SHP reserves the right to adjust premium rates, with a 90-day notice, for any such changes in taxes and/or benefits imposed upon SHP for the NDPERS health plan. SHP further reserves the right to adjust premium rates for any health plan design, plan benefit changes or other mandates imposed by the STATE or Federal legislative action or NDPERS Board mandate when such changes become effective.

7. FINAL ACCOUNTING

- 7.1 A continual accounting of NDPERS Health Plan experience will take place during the 2025-2027 biennium. Monthly reports of earned income less incurred claims and retention will be produced during the biennium and the twenty-four months following the biennium.
- 7.2 Within 31 days of 12 months after the end of the biennium (by July 31, 2028 SHP will provide an accounting which will result in an initial settlement of the biennium agreement as follows:

1. Earned Premium Income (net of the NDPERS \$2.80 PCPM retention fee) during the Biennium.
2. Plus, interest on Surplus Funds.
3. Less Claims Incurred during the Biennium and paid July 1, 2025 - June 30, 2027. These include:
 - Claims paid directly through SHP's claims system
 - Any capitated payments for medical services
 - Payments/receivables to/from providers for value- based contracts
 - Direct fee for service payments outside SHP's claims system
4. Less Estimated Claims Incurred and unpaid on June 30, 2028, as calculated using standard actuarial completion factors.
5. Less non-claims system claims cost reduction expense. This includes:
 - Network access fees: Whereby SHP accesses deeper discounts than a direct contract thereby lowering total claims costs.
 - Subrogation fees: Whereby SHP reimburses a portion of the claim recouped by our subrogation partner.
 - Claims payment integrity reviews: Whereby incentive based contracts lower total claims cost with a percentage of the savings paid to our contracted partner.
6. Less Administrative Expense during the Biennium (\$99.04 per PPO contract per month and \$20.57 per Medicare contract per month). This fee is inclusive of the Wellness program expenses and service charges for reinsurance that had been itemized in prior biennium.
7. If 1+2-3-4-5-6 of 7.2 is positive, the refund will be paid to NDPERS.
8. Within 62 days of 12 months after the end of the biennium (by August 31, 2027) refunds will be paid to NDPERS as defined by 7.2.
9. All amounts, other than #4, the Estimated Claims

Incurred and unpaid, will be included in the interest calculation referenced in #2.

10. All amounts in #3 & #5 will be based on date of service, where applicable, instead of date invoiced or paid.

7.3 Within 31 days of 24 months after the end of the biennium (by July 31, 2029) SHP will provide an accounting which will result in a final settlement of the biennium agreement as follows:

1. Earned Premium Income (net of the NDPERS \$2.80 PCPM retention fee) during the Biennium.
2. Plus, interest on Surplus Funds.
3. Less Claims Incurred during the Biennium and paid July 1, 2025 - June 30, 2027. These include:
 - Claims paid directly through SHP's claims system
 - Any capitated payments for medical services
 - Payments/receivables to/from providers for value-based contracts
 - Direct fee for service payments outside SHP's claims system
4. Less Estimated Claims Incurred and unpaid on June 30, 2029, as calculated using standard actuarial completion factors.
5. Less non-claims system claims cost reduction expense. This includes:
 - Network access fees: Whereby SHP accesses deeper discounts than a direct contract thereby lowering total claims costs.
 - Subrogation fees: Whereby SHP reimburses a portion of the claim recouped by our subrogation partner.
 - Claims payment integrity reviews: Whereby incentive based contracts lower total claims cost with a percentage of the savings paid to our contracted partner.
6. Less Administrative Expense during the Biennium (\$99.04 per PPO contract per month and \$20.57 per Medicare contract per month). This fee is inclusive of

the Wellness program expenses and service charges for reinsurance that had been itemized in prior biennium.

7. If 1+2-3-4-5-6 of 7.3 is positive, the refund will be paid to NDPERS.
8. Within 62 days of 24 months after the end of the biennium (by August 31, 2027), the final settlement will be paid to NDPERS as defined by 7.2 and 7.3. Sample illustrations of Sections 7.2 and 7.3 are attached as Exhibit D.
9. All amounts, other than #4, the Estimated Claims Incurred and unpaid, will be included in the interest calculation referenced in #2.
10. All amounts in #3 & #5 will be based on date of service, where applicable, instead of date invoiced or paid.

8. TERM AND TERMINATION OF AGREEMENT

- 8.1 The term of this Agreement shall be for a two-year period from July 1, 2025, to June 30, 2027.
- 8.2 This Agreement may be terminated by mutual agreement of both parties, upon 60 days' notice, in writing.

Either party may terminate this Agreement effective 90 days following delivery of written notice to the other party, or at such later date as may be stated in the notice, under any of the following conditions:

- a. If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term. The Agreement may be modified by agreement of the parties in writing to accommodate a reduction of funds.
- b. If federal or state laws, rules, or regulations are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Agreement or are no longer eligible for the funding proposed for payments authorized by this Agreement.

- c. If any license, permit or certificate required by law, rule or regulation, or by the terms of this Agreement, is for any reason denied, revoked, suspended or not renewed.

Any such termination of this Agreement shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

- d. In the event of a breach by either party, other than for nonpayment of premium, the other party may terminate this Agreement by written notice to the breaching party. The breaching party has 31 days to fully cure the breach. If the breach is not cured within 31 days after written notice, this Agreement will immediately terminate.

9. PROVIDER NETWORK DISCOUNT PROGRAMS

SHP has a variety of relationships with regional and national PPO discount Programs. Whenever a Member accesses health care services outside of the geographic area SHP serves, the claim for those services may be processed through one of these discount Programs and presented to SHP for payment in accordance with the rules of the discount program policies then in effect. The discount programs available to Members under this Agreement are described generally below.

Typically, when accessing care outside the SHP service area, a Member will obtain care from health care providers that have a contractual agreement (i.e., "participating agreement") with the discount program. In some instances, a Member may obtain care from health care providers who have not entered into a "participating agreement" with SHP directly. SHP payment practices in both instances are described below.

A. Regional and National Network Discount Program

When Members access health care services outside the geographic area served by SHP, SHP will adjudicate claims with the health care providers who have entered a "participating agreement" with any one of SHP's discount network programs (participating health care providers). The financial terms of the Regional or National Network Discount Program are described below. Individual circumstances may arise that are not directly

covered by this description; however, in those instances, SHP's action will be consistent with the spirit of this description.

Liability Calculation Method Per Claim - The calculation of Member liability on claims for Covered Services processed through the Regional or National Network Discount Program will be based on the negotiated price made available to SHP by the Regional or National Network Discount program.

The Regional or National Network discount program may use various methods to determine a negotiated price, depending on the terms of each health care provider contracts. The negotiated price made available to SHP represents a payment negotiated by a Regional or National Network discount program with a health care provider.

The difference between the applicable contract rate and the participating provider's billed charges is the discount amount. The amount paid by the Member is a final price; no future price adjustment will result in increases or decreases to the pricing of past claims. Should the state in which health care services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, SHP would then calculate the Member's liability in accordance with applicable law.

Return of Overpayments - recoveries from participating health care providers can arise in several ways, including, but not limited to, anti- fraud and abuse recoveries, provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, SHP will engage third parties to assist in discovery or collection of recovery amounts. The fees of such a third party may be netted against the recovery. Recovery amounts determined in this way will be applied in accordance with applicable SHP policies, which generally require correction on a claim-by-claim or prospective basis.

B. Nonparticipating Providers Outside the SHP Service Area

When Covered Services are provided outside of SHP's service area by health care providers who have not entered into a "participating agreement" with SHP or SHP- contracted Regional or National Network Discount Programs (nonparticipating health care providers), the amount the Member pays for such services will be based on SHP's maximum allowed amount, which is the lesser of (a) the

amount charged for a covered service or supply, or (b) reasonable costs as established by SHP or its Regional or National Network Discount Programs. Members are responsible for any difference between the amount charged and SHP's payment for covered services unless the services fall under the No Surprises Act which became effective January 1, 2022. The No Surprises Act prohibits providers from billing the patient the difference between SHP's payment for Covered Services and the provider's share if the services relate to a medical emergency, air ambulance, or services rendered by a nonparticipating provider practicing at a participating facility.

In certain situations, SHP may pay claims based on the payment SHP would make if the Covered Services had been obtained within the SHP service area by a Participating Provider. Such situations include where a Member did not have reasonable access to a participating health care provider, as determined by SHP in its sole and absolute discretion or by applicable state law. SHP may also in its sole and absolute discretion, negotiate a payment with such a health care provider on an exception basis. In any of these situations, the Member may be responsible for the difference between the amount that the nonparticipating health care provider bills and payment SHP will make for the Covered Services as set forth in this paragraph.

10. REBATE PAYMENTS

Sanford Health Plan agrees that all rebates collected as a result of medication utilization is applied in two ways, both to reduce the cost of the agreement with NDPERS. First, the claim experience is reduced by the use of the savings caused by rebates, resulting in a premium reduction.

Second, rebate savings are used to reduce the member cost share paid by the member at the point of sale for all generic medications in the formulary.

11. GENERAL PROVISIONS

11.1 SHP is an independent entity under this Agreement and is not a State employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act. SHP retains sole and absolute discretion in the manner and means of carrying out SHP'S activities and responsibilities under This Agreement, except to the extent specified in this Agreement.

11.2 This Agreement, including the following documents, constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement. This Agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties.

Notwithstanding anything herein to the contrary, in the event of any inconsistency or conflict among the documents making up this Agreement, the documents must control in this order of precedence:

- a. The terms of this Agreement as may be amended;
 - b. State's Request for Proposal fully Insured Group Medical and Prescription; and
 - c. SHP's Formal Health Insurance Proposal for 2021- 2023 and all amendments thereto.
- 11.3 This Agreement shall be governed by and construed according to the laws of the State of North Dakota. Any action to enforce this Agreement must be adjudicated exclusively in the State District Court of Burleigh County, North Dakota.
- 11.4 Failure of either party at any time to require performance by the other party of any provision of this Agreement shall not be deemed to be a continuing waiver of that provision or a waiver of any other provision of this Agreement.
- 11.5 No assignment of this Agreement in whole or in part may be made by either party without written agreement approved by both parties. SHP may not assign or otherwise

transfer or delegate any right or duty hereunder without NDPERS express written consent, or as otherwise set forth in this Agreement.

However, SHP may enter into subcontracts for the provision of services under this Agreement provided that any subcontract acknowledges the binding nature of this Agreement and incorporates this Agreement, including any attachments. SHP is solely responsible for the performance of any subcontractor. Notwithstanding the foregoing, NDPERS acknowledges and agrees that SHP is a party to existing subcontracts with the PBM and other entities and may be bound by, or subject to, exclusivity or other limiting provisions under such existing subcontracts. SHP does not have authority to contract for or incur obligations on behalf of the Plan Sponsor or Plan Administrator.

- 11.6 All notices and correspondence required or permitted to be given under this Agreement shall be given by personal delivery to the other party or may be sent by mail, postage prepaid to the other party at the following address:

North Dakota Public Employees Retirement
System PO Box 1657
Bismarck, North Dakota 58502

Sanford Health Plan
4800 W 57th St
Sioux Falls, South Dakota
57108

- 11.7 Neither Party shall be held responsible for delay or default caused by fire, riot, terrorism, pandemic (excluding COVID-19), acts of God, or war if the event was not foreseeable through the exercise of reasonable diligence by the affected Party, the event is beyond the Party's reasonable control, and the affected Party gives notice to the other Party promptly upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default. If SHP is the affected Party and does not resume performance within fifteen (15) days or another period agreed between the Parties, then NDPERS may seek all available remedies, up to and including termination of this Contract pursuant to its Termination Section, and NDPERS shall be entitled to a pro-rata refund of any amounts paid for which the full value has not been realized, including amounts paid toward software subscriptions, maintenance, or licenses.

- 11.8 **Scope of Services:** SHP agrees, represents, and warrants, to provide the services as specified in this agreement, State's Request for Proposal Fully Insured Group Medical and Prescription, SHP's Formal Health Insurance Proposal for 2021- 2023 and all amendments thereto; additionally, the parties agree to be bound by the terms contained in the following exhibits (incorporated by reference):

[The parties agree to negotiate in good faith to finalize the applicable exhibits and will execute an amendment to add a reference such exhibits here once they are finalized.]

- 11.9 SHP will prepare Summaries of Benefits and Coverage for distribution to applicants and Members by NDPERS so that SHP, the Plan and NDPERS may all satisfy related disclosure obligations under federal law. It shall be the sole responsibility of NDPERS to distribute the Summaries of Benefits and Coverage in accordance with federal law, and the Plan Administrator acknowledges and agrees that SHP will rely upon NDPERS for compliance with the requirements for distribution of the Summaries of Benefits and Coverage to applicants and Members.
- 11.10 When coverage under this Agreement is terminated, SHP will, within a reasonable period of time, issue a Certificate of Creditable Coverage to the Subscriber to the extent the certificate is required under state and/or federal law. Upon notification by the Subscriber of the ineligibility of a dependent, a Certificate of Creditable Coverage will be issued to the affected Member within a reasonable period of time. Certificates of Creditable Coverage may also be obtained from SHP upon request within 24 months after coverage is terminated. Certificates of Creditable Coverage will only reflect continuous coverage provided through SHP.
- 11.11 **SEVERABILITY:** If any term in this Agreement is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms must not be affected, and, if possible, the rights and obligations of the parties are to be construed and enforced as if the Agreement did not contain that term.
- 11.12 **ALTERNATIVE DISPUTE RESOLUTION - JURY TRIAL:** Neither Plan Sponsor nor Plan Administrator agree to

binding arbitration, mediation, or any other form of mandatory Alternative Dispute Resolution. The parties may enforce the rights and remedies in judicial proceedings. Neither Plan Sponsor nor Plan Administrator waive any right to a jury trial.

- 11.13 PAYMENT OF TAXES BY PLAN SPONSOR and ADMINISTRATOR: Neither Plan Sponsor nor Plan Administrator will pay local, state, or federal taxes. State sales tax exemption number is E-2001, and certificates will be furnished upon request by the Plan Administrator.
- 11.14 Upon the effective date of any final regulation or amendment to final regulations with respect to PHI, Standard Transactions, the security of health information or other aspects of the Health Insurance Portability and Accountability Act of 1996 applicable to this Agreement, this Agreement will automatically amend such that the obligations imposed on the Plan Sponsor, the Plan Administrator and SHP remain in compliance with such regulations, unless SHP elects to terminate this Agreement by providing the Plan Sponsor and the Plan Administrator notice of termination in accordance with this Agreement at least thirty-one (31) days before the effective date of such final regulation or amendment to final regulations.
- 11.15 The parties agree that all participation by Members in programs administered by NDPERS is confidential under North Dakota law. SHP may request and NDPERS shall provide directly to SHP upon such request, confidential information necessary for SHP to provide the services described herein. SHP shall keep confidential all NDPERS information obtained in the course of delivering services in accordance with law and the BAA and shall not use any PHI or other Member information for any marketing purposes without express consent. Failure of SHP to maintain the confidentiality of such information may be considered a material breach of the contract and may constitute the basis for additional civil and criminal penalties under North Dakota law.

SHP shall not disclose any individual employee or dependent information unless otherwise permitted by the terms of this Agreement or the BAA without the prior written consent of the employee or family member. SHP has exclusive control over the direction and guidance of the persons rendering services under this Agreement.

Upon termination of this Agreement, for any reason, SHP shall return or destroy all confidential information received from NDPERS or created or received by SHP on behalf of NDPERS except as provided in the BAA. This provision applies to confidential information that may be in the possession of subcontractors or agents of SHP.

SHP shall retain no copies of the confidential information except as provided in the BAA. In the event that SHP asserts that returning or destroying the confidential information is not feasible, SHP shall provide to NDPERS notification of the conditions that make return or destruction infeasible.

Upon explicit written agreement of NDPERS that return, or destruction of confidential information is not feasible, SHP shall extend the protections of this Agreement to that confidential information and limit further uses and disclosures of any such confidential information to those purposes that make the return or destruction infeasible, for so long as SHP maintains the confidential information.

SHP understands that, except for disclosures prohibited in this Agreement, NDPERS must disclose to the public upon request any records it receives from SHP unless such disclosure is not permitted by law. SHP further understands that any records that are obtained or generated by SHP under this Agreement, except for records that are confidential under this Agreement, may, under certain circumstances, be open to the public upon request under the North Dakota open records law. SHP agrees to contact NDPERS immediately upon receiving a request for information under the open records law and to comply with NDPERS's instructions on how to respond to the request.

The parties acknowledge and agree that the provisions of N.D.C.C. § 54-52.1-12 apply with respect to Member information. In compliance with Law, SHP shall not discriminate on the basis of age, gender, gender identity, sex, color, race, national origin, disability, marital status, sexual preference, religious affiliation, public assistance status, a person's status as a victim of domestic violence or whether an advance directive has been executed. SHP shall not, with respect to any person and based upon any health factor or the results of genetic screening or test (a) refuse to issue or renew a Certificate of Insurance, (b) terminate coverage, (c) limit benefits, or (d) charge a

different Premium.

- 11.16 SHP agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes and unemployment compensation and workers' compensation premiums. SHP shall have and keep current at all times during the term of this Agreement all licenses and permits required by law.
- 11.17 All records, regardless of physical form, and the accounting practices and procedures of SHP relevant to this Agreement are subject to examination by the North Dakota State Auditor, the Auditor's designee, or Federal auditors. SHP shall maintain all of these records for at least three (3) years following completion of this Agreement and be able to provide them at any reasonable time. Plan Sponsor, State Auditor, or Auditor's designee shall provide reasonable notice to SHP prior to conducting examination.
- 11.18 INDEPENDENT ENTITY: SHP is an independent entity under this Agreement and is not a State employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act. SHP retains sole and absolute discretion in the manner and means of carrying out SHP's activities and responsibilities under this Agreement, except to the extent specified in this Agreement.
- 11.19 SHP agrees to comply with all applicable federal state laws, rules, and policies, including those relating to nondiscrimination, accessibility, and civil rights (See N.D.C.C. Title 34 – Labor and Employment, specifically N.D.C.C. ch. 34-06.1 Equal Pay for Men and Women).

SHP agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes, unemployment compensation and workers' compensation premiums.

SHP shall have and keep current all licenses and permits required by law during the Term of this Contract.

SHP is prohibited from boycotting Israel for the duration of this Agreement. (See N.D.C.C § 54-44.4-15.) SHP represents that it does not and will not engage in a boycotting Israel during the term of this Agreement. If NDPERS receives evidence that

SHP boycotts Israel, NDPERS shall determine whether the company boycotts Israel. The foregoing does not apply to contracts with a total value of less than \$100,000 or if SHP has fewer than ten (10) full-time employees.

SHP's failure to comply with this section may be deemed a material breach by SHP entitling NDPERS to terminate in accordance with the Termination for Cause section of this Agreement.

12 DISPUTES AND INDEMNIFICATION

- 12.1 If litigation is filed regarding denial of benefits or otherwise, and SHP is named as the sole defendant, SHP will have the right to manage and have full control of litigation and to determine whether to pay, compromise, litigate or appeal litigation. If Plan Sponsor and Plan Administrator are named as parties, and SHP represent either, the legal defense provided by SHP to the Plan Sponsor and Plan Administrator under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for Plan Sponsor and Plan Administrator is necessary. The legal defense must meet the requirements of N.D.C.C. §54- 12-08. Except as otherwise provided in this Agreement, the Plan Sponsor, Plan Administrator, and SHP each agree to assume their own liability for any and all legal equitable claims of any nature including all costs, expenses and attorneys' fees which may in any manner result from or arise out of this Agreement.
- 12.2 SHP shall secure and keep in force during the term of this Agreement, from insurance companies, government self-insurance pools or government self-retention funds, the

following insurance coverages:

1. Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$2,000,000 per occurrence.
2. Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$500,000 per person and \$2,000,000 per occurrence.
3. Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this contract.
4. Employer's liability or "stop gap" insurance of not less than \$2,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
5. Professional errors and omissions with minimum limits of \$1,000,000 per claim and in the aggregate, Contractor shall continuously maintain such coverage during the contract period and for three years thereafter. In the event of a change or cancellation of coverage, Contractor shall purchase an extended reporting period to meet the time periods required in this section.

12.3 The insurance coverages listed above must meet the following additional requirements:

1. Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of SHP. The amount of any deductible or self-retention is subject to approval by NDPERS, upon request.
2. This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A" rating must be approved by NDPERS. The policies shall be in form and terms approved by NDPERS.
3. SHP shall furnish a certificate of insurance to the undersigned NDPERS representative.

4. Failure to provide insurance as required in this Agreement is a material breach of contract entitling NDPERS to terminate this Agreement immediately.

12.4 SHP shall not cancel insurance coverage required by this Agreement or modify the insurance coverage below limits required by this Agreement without thirty (30) days' prior written notice to the undersigned NDPERS representative.

12.5 New insurance shall be promptly furnished in the event of insolvency, bankruptcy, or failure of any insurance company. SHP shall notify NDPERS thirty (30) days in advance of any cancellation, termination, or alteration of insurance policies required hereunder. A renewal policy or certificate shall be delivered to NDPERS at least thirty (30) days prior to the expiration date of each expiring policy.

12.6 After a period of a right to cure, failure to provide insurance as required in this Agreement is a material breach of contract entitling NDPERS to terminate this Agreement immediately.

13 DOCUMENTS NECESSARY TO EFFECTUATE THE AGREEMENT


In the event the parties mutually determine the need to complete other documentation, including contract amendments, to complete this transaction, the parties agree to reasonable cooperate to execute such documents to effectuate the agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed, In their names by their undersigned officers, the same being duly authorized to do so.

**NORTH DAKOTA PUBLIC EMPLOYEES
RETIREMENT SYSTEM
(PLAN ADMINISTRATOR)
PO Box 1657
Bismarck, North Dakota 58502**

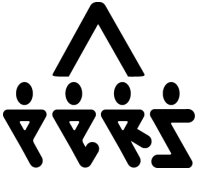
By: _____
Title: _____
Date: _____

**SANFORD HEALTH PLAN
4800 W 57th St, Sioux Falls, SD 57108**

By: 
Title: CEO
Date: 12/19/24

**NORTH DAKOTA PUBLIC EMPLOYEES
RETIREMENT SYSTEM (PLAN SPONSOR)
PO Box 1657
Bismarck, North Dakota 58502**

By: _____
Title: _____
Date: _____



**North Dakota
Public Employees Retirement System**
1600 East Century Avenue, Suite 2 • PO Box 1
Bismarck, North Dakota 58502-1657

Rebecca Fricke
Executive Director
(701) 328-3900
1-800-803-7377

Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: January 6, 2025

SUBJECT: Legislation

Since the last interim Employee Benefits Programs Committee (EBPC) meeting on October 31, there have been three additional bills that the Committee Chair and Vice Chair have taken jurisdiction of so that NDPERS can request cost and technical analyses from our consultants.

Please note that these bill drafts do not have EBPC recommendations given their EBPC jurisdiction occurred following the final interim meeting. It is our understanding that the report that is attached by the EBPC to the bill for consideration during session will reflect “No Recommendation”.

The following is information on each of these bill drafts:

Bill #	Bill Draft	Summary of Bill	Sponsor	EBPC Recommendation
624	Attachment 1	Health insurance mandate regarding nonopioid drugs for the treatment or management of pain	Senator Roers	No Recommendation
655	Attachment 2	Allows participating political subdivisions to withdraw their participation in the Defined Contribution Plan, while allowing them to continue participation in the Main Defined Benefit Plan for their existing employees hired prior to the Main plan closure	Representative Kasper	No Recommendation

747	Attachment 3	Health insurance mandate regarding anti-obesity medication coverage	Representative Nelson	No Recommendation
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Pre-filed agency bills have also begun to be published. Thus far there are two bills that have been published that impact NDPERS that to our knowledge the EBPC has not taken jurisdiction of so consultant technical and cost analysis has not yet been done. However, one includes a technical correction that mirrors one of the items we have in our technical correction bill. This is found in Section 10 of House Bill 1031 and is included as Attachment 4. The other is a clarification to the definition of security officer for the National Guard for retirement plan eligibility. This is found in House Bill 1077 and is Attachment 5.

In addition, the NDPERS appropriations bill (House Bill 1023) has been published and is included as Attachment 6.

Staff need direction of the Board regarding the position of the Board for testimony preparation by staff.

Board Action Requested:

Advise staff of the position to take on:

- 1) Bill Draft 624
- 2) Bill Draft 655
- 3) Bill Draft 747
- 4) House Bill 1031, specific to Section 10
- 5) House Bill 1077
- 6) House Bill 1023

Sixty-ninth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

Senator Roers

1 A BILL for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota
2 Century Code, relating to public employee prescription drug benefits; to provide for a report to
3 the legislative assembly; to provide for application; and to provide an expiration date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 54-52.1 of the North Dakota Century Code is created
6 and enacted as follows:

7 **Health insurance benefits coverage - Prescription drug coverage - Nonopioid drugs.**

8 1. The prescription drug component of the health insurance benefits coverage may not
9 disadvantage or discourage a prescribed nonopioid drug approved by the United
10 States food and drug administration for the treatment or management of pain in favor
11 of an opioid or narcotic drug for the treatment or management of pain.

12 2. A prescribed nonopioid drug may not be:

13 a. Designated a nonpreferred drug if an opioid or narcotic drug prescribed for the
14 same purpose is designated as a preferred drug;

15 b. Subject to more restrictive or extensive utilization controls, including prior
16 authorization and step therapy requirements, than the least restrictive or
17 extensive utilization controls applicable to an opioid or narcotic drug prescribed
18 for the same purpose; or

19 c. Subject to a cost-sharing responsibility that exceeds the lowest cost-sharing
20 responsibility required for any opioid or narcotic drug prescribed for the same
21 purpose.

22 3. This section applies to a prescribed nonopioid drug immediately upon its approval by
23 the United States food and drug administration for the treatment or management of
24 pain.

1 4. This section does not preclude opioid drugs from being preferred over other opioid
2 drugs or nonopioid drugs from being preferred over other nonopioid drugs.

3 **SECTION 2. PUBLIC EMPLOYEES RETIREMENT SYSTEM - PRESCRIPTION DRUG**
4 **COVERAGE - NONOPIOID DRUGS - REPORT TO LEGISLATIVE ASSEMBLY.** Pursuant to

5 section 54-03-08, the public employees retirement system shall prepare and submit for
6 introduction a bill to the seventieth legislative assembly to repeal the expiration date for this Act
7 and to extend the coverage of prescription drug benefits for nonopioid drugs to all group and
8 individual health insurance policies. The public employees retirement system shall append a
9 report to the bill regarding the effect of the prescription drug benefits for nonopioid drugs
10 requirement on the system's health insurance programs, information on the utilization and costs
11 relating to the coverage, and a recommendation regarding whether the coverage should be
12 continued.

13 **SECTION 3. APPLICATION.** This Act applies to health benefits coverage that begins after
14 June 30, 2025, and which does not extend past June 30, 2027.

15 **SECTION 4. EXPIRATION DATE.** This Act is effective through June 30, 2027, and after that
16 date is ineffective.

Sixty-ninth
Legislative Assembly
of North Dakota

BILL NO.

Introduced by

Representative Kasper

1 A BILL for an Act to amend and reenact section 54-52-02.15 of the North Dakota Century Code,
2 relating to political subdivision participation in the public employees retirement system defined
3 contribution retirement plan.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 54-52-02.15 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **54-52-02.15. Public employees retirement system main plan - Closure to new hires -**
8 **Multiple plan membership. (Effective after December 31, 2024)**

- 9 1. Under this section "eligible employee" means a permanent employee who:
 - 10 a. Meets all the eligibility requirements set by this chapter;
 - 11 b. Is at least eighteen years of age;
 - 12 c. Becomes a participating member after December 31, 2024; and
 - 13 d. Is not eligible to participate in the law enforcement plan, judges' plan, highway
14 patrol plan, teachers' fund for retirement plan, or alternative retirement program
15 established under section 15-10-17 for university system employees.
- 16 2. Effective January 1, 2025, the public employees retirement system defined benefit
17 main plan maintained for employees is closed to new eligible employees. However, an
18 employee who becomes a participating or deferred member under this chapter before
19 January 1, 2025, remains in the defined benefit retirement plan under this chapter,
20 regardless of being rehired after December 31, 2024.
- 21 3. Except as otherwise provided under this section, effective January 1, 2025, an eligible
22 employee who begins employment with ~~an~~ a participating employer shall participate in
23 the defined contribution retirement plan under chapter 54-52.6 as provided under
24 section 54-52.6-02.1.

1 4. This section does not impact an employee to the extent the employee is a participating
2 member in one or more of the following enumerated plans: law enforcement plan,
3 judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative
4 retirement program established under section 15-10-17 for university system
5 employees.

6 a. A participating or deferred member in the defined contribution retirement plan
7 under chapter 54-52.6 who becomes eligible to participate in a plan enumerated
8 under this subsection is eligible to participate in the retirement plan enumerated
9 under this subsection.

10 b. A participating member of a retirement plan enumerated under this subsection
11 who becomes an eligible employee is not eligible to participate in the defined
12 benefit retirement plan under this chapter but instead participates in the defined
13 contribution retirement plan under chapter 54-52.6. However, this subdivision
14 does not apply to an individual who before January 1, 2025, is a participating or a
15 deferred member under this chapter, as that individual continues to participate in
16 the defined benefit retirement plan under this chapter.

17 5. The board shall adopt rules to implement this section.

18 6. This section may not be construed to require a political subdivision to participate in the
19 defined contribution retirement plan under chapter 54-52.6, even if the political
20 subdivision has participated or continues to participate in the defined benefit
21 retirement plan under this chapter. Political subdivision participation in the public
22 employees retirement system, including the defined contribution retirement plan under
23 chapter 54-52.6, is optional.

24 7. Notwithstanding sections 54-52-04 and 54-52-02.1, the board may not assess any
25 fees or costs against a political subdivision for withdrawing from the defined
26 contribution retirement plan under chapter 54-52.6.

27 ~~**Public employees retirement system main plan – Closure to new hires – Multiple plan**~~
28 ~~**membership. (Effective on the date identified if the contingency is satisfied) (Contingent**~~
29 ~~**effective date – [See note](#))**~~

30 4. Under this section "eligible employee" means a permanent employee who:

31 a. ~~Meets all the eligibility requirements set by this chapter;~~

- 1 b. Is at least eighteen years of age;
- 2 e. Becomes a participating member after the day before the effective date of this
- 3 Act; and
- 4 d. Is not eligible to participate in the law enforcement plan, judges' plan, highway
- 5 patrol plan, teachers' fund for retirement plan, or alternative retirement program
- 6 established under section 15-10-17 for university system employees.
- 7 2. ~~Effective on the effective date of this Act, the public employees retirement system~~
- 8 ~~defined benefit main plan maintained for employees is closed to new eligible~~
- 9 ~~employees. However, an employee who becomes a participating or deferred member~~
- 10 ~~under this chapter before the effective date of this Act, remains in the defined benefit~~
- 11 ~~retirement plan under this chapter, regardless of being rehired after the day before the~~
- 12 ~~effective date of this Act.~~
- 13 3. ~~Except as otherwise provided under this section, effective on the effective date of this~~
- 14 ~~Act, an eligible employee who begins employment with an employer shall participate in~~
- 15 ~~the defined contribution retirement plan under chapter 54-52.6 as provided under~~
- 16 ~~section 54-52.6-02.1.~~
- 17 4. ~~This section does not impact an employee to the extent the employee is a participating~~
- 18 ~~member in one or more of the following enumerated plans: law enforcement plan,~~
- 19 ~~judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative~~
- 20 ~~retirement program established under section 15-10-17 for university system~~
- 21 ~~employees:~~
- 22 a. ~~A participating or deferred member in the defined contribution retirement plan~~
- 23 ~~under chapter 54-52.6 who becomes eligible to participate in a plan enumerated~~
- 24 ~~under this subsection is eligible to participate in the retirement plan enumerated~~
- 25 ~~under this subsection.~~
- 26 b. ~~A participating member of a retirement plan enumerated under this subsection~~
- 27 ~~who becomes an eligible employee is not eligible to participate in the defined~~
- 28 ~~benefit retirement plan under this chapter but instead participates in the defined~~
- 29 ~~contribution retirement plan under chapter 54-52.6. However, this subdivision~~
- 30 ~~does not apply to an individual who before the effective date of this Act, is a~~

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- 1 ~~participating or a deferred member under this chapter, as that individual~~
- 2 ~~continues to participate in the defined benefit retirement plan under this chapter.~~
- 3 5. ~~The board shall adopt rules to implement this section.~~

25.0747.01000

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of North Dakota

BILL NO.

Introduced by

Representative Nelson

1 A BILL for an Act to create and enact a new section to chapter 54-52.1 of the North Dakota
2 Century Code, relating to minimum standards for coverage of antiobesity medication; to provide
3 for a report to the legislative assembly; to provide for application; and to provide an expiration
4 date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 54-52.1 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Health insurance benefits coverage - Prescription drug coverage - Antiobesity**
9 **medication.**

- 10 1. The prescription drug component of the health insurance benefits coverage must
11 include coverage of at least two antiobesity medications approved by the United
12 States food and drug administration with an indication for chronic weight management
13 in a patient with obesity.
- 14 2. The coverage criteria for antiobesity medication may not be more restrictive than the
15 United States food and drug administration approved indications.
- 16 3. The coverage provided under this section may be subject to cost-sharing
17 requirements, including a deductible, copayment, coinsurance, or annual or maximum
18 benefit provision, provided the requirements are consistent with requirements
19 applicable to other pharmaceutical coverage under the health insurance benefits
20 coverage.
- 21 4. The insurer shall provide notice to policyholders regarding the coverage required by
22 this section. The notice must be:
 - 23 a. In writing;
 - 24 b. Prominently positioned in any literature or correspondence; and

1 c. Provided to policyholders when annual information is made available, or in any
2 other mailing to policyholders.

3 **SECTION 2. PUBLIC EMPLOYEES RETIREMENT SYSTEM - PRESCRIPTION DRUG**
4 **COVERAGE - ANTI OBESITY MEDICATION - REPORT TO LEGISLATIVE ASSEMBLY.**

5 Pursuant to section 54-03-28, the public employees retirement system shall prepare and submit
6 for introduction a bill to the seventieth legislative assembly to repeal the expiration date for this
7 Act and to extend the coverage of prescription drug benefits for antiobesity medication to all
8 group and individual health insurance policies. The public employees retirement system shall
9 append a report to the bill regarding the effect of the prescription drug benefits for antiobesity
10 medication requirement on the system's health insurance programs, information on the
11 utilization and costs relating to the coverage, and a recommendation regarding whether the
12 coverage should be continued.

13 **SECTION 3. APPLICATION.** This Act applies to health benefits coverage that begins after
14 June 30, 2025, and which does not extend past June 30, 2027.

15 **SECTION 4. EXPIRATION DATE.** This Act is effective through June 30, 2027, and after that
16 date is ineffective.

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of North Dakota

HOUSE BILL NO. 1031

Introduced by

Legislative Management

(Judiciary Committee)

1 A BILL for an Act to amend and reenact section 1-01-49, subdivision g of subsection 1 of
2 section 12.1-32-15, subdivision b of subsection 1 of section 14-07.6-01, section 18-01-36,
3 subdivision j of subsection 4 of section 27-20.3-16, subsection 19 of section 45-13-01,
4 subsection 7 of section 49-02-02, section 52-02-18, subsection 5 of section 54-10-28, section
5 54-52.6-02.2, subsection 3 of section 57-02-08.8, subsection 2 of section 57-38-30.3, and
6 subsection 1 of section 57-40.5-03 of the North Dakota Century Code, relating to technical
7 corrections and improper, inaccurate, redundant, missing, or obsolete references; to repeal
8 sections 1-01-18, 1-01-20, 1-01-21, 1-01-27, 1-01-29, 1-01-30, 1-01-36, 1-01-40, 1-01-41,
9 1-01-42, 1-01-45, 1-01-46, 1-01-47, and 1-01-51 of the North Dakota Century Code, relating to
10 technical corrections and improper, inaccurate, redundant, missing, or obsolete references; and
11 to provide an effective date.

12 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

13 **SECTION 1. AMENDMENT.** Section 1-01-49 of the North Dakota Century Code is amended
14 and reenacted as follows:

15 1-01-49. Other general definitions.

16 As used in this code, unless the context otherwise requires or unless otherwise defined:

- 17 1. "Children" includes children by birth and by adoption.
- 18 2. "Coal" means all kinds of coal and includes what is known as lignite coal.
- 19 3. "Compound interest" means interest added to the principal as the interest becomes
20 due and which thereafter bears interest.
- 21 4. "Corporate surety" means a corporation or limited liability company duly authorized
22 under the laws of this state to transact a surety business in the state.
- 23 5. "Decree" has the same meaning as the word "judgment".
- 24 6. "Depose" includes every mode of written statement under oath or affirmation.

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- 1 ~~2-7.~~ "Executor" includes administrator and "administrator" includes executor.
- 2 ~~3-8.~~ "Female" means a girl, woman, or an individual whose biological reproductive system
3 is developed to produce ova.
- 4 ~~4-9.~~ "Good faith" means an honest intention to abstain from taking any unconscientious
5 advantage of another even through the forms or technicalities of law, together with an
6 absence of all information or belief of facts which would render the transaction
7 unconscientious.
- 8 ~~10.~~ "Individual" means a human being.
- 9 ~~5-11.~~ "Male" means a boy, man, or an individual whose biological reproductive system is
10 developed to produce sperm.
- 11 ~~6-12.~~ "Oath" includes "affirmation".
- 12 ~~7-13.~~ "Organization" includes a foreign or domestic association, business trust, corporation,
13 enterprise, estate, joint venture, limited liability company, limited liability partnership,
14 limited partnership, partnership, trust, or any legal or commercial entity.
- 15 ~~8-14.~~ "Paper" means any flexible material upon which it is usual to write.
- 16 ~~15.~~ "Partnership" includes a limited liability partnership registered under chapter 45-22.
- 17 ~~9-16.~~ "Penitentiary" includes any affiliated facilities.
- 18 ~~10-17.~~ "Person" means an individual, organization, government, political subdivision, or
19 government agency or instrumentality. The term does not include environmental
20 elements, artificial intelligence, an animal, or an inanimate object.
- 21 ~~11-18.~~ "Personal property" includes money, goods, chattels, things in action, and evidences
22 of debt.
- 23 ~~12-19.~~ "Population" means the number of inhabitants as determined by the last preceding
24 state or federal census.
- 25 ~~20.~~ "Preceding" and "following" when used by way of reference to a chapter or other part
26 of a statute means the next preceding or next following chapter or other part.
- 27 ~~13-21.~~ "Primary sector business" means an individual, corporation, limited liability company,
28 partnership, or association certified by the department of commerce division of
29 economic development and finance which through the employment of knowledge or
30 labor adds value to a product, process, or service which results in the creation of new
31 wealth.

- 1 For purposes of this subsection, "new wealth" means revenues generated by a
2 business in this state through the sale of products or services to:
- 3 a. Customers outside of this state; or
4 b. Customers in this state if the products or services were previously unavailable or
5 difficult to obtain from a business in this state.
- 6 ~~14-22.~~ "Process" means a writ or summons issued in the course of judicial proceedings.
7 ~~15-23.~~ "Property" includes property, real and personal.
8 ~~16-24.~~ "Qualified elector", as used in this code concerning qualifications for signing petitions
9 to governmental bodies, means a citizen of the United States who is eighteen years of
10 age or older; and is a resident of this state and of the area affected by the petition.
11 25. "Real property" shall be coextensive with lands, tenements, and hereditaments.
12 ~~17-26.~~ "Rule" includes regulation.
13 ~~18-27.~~ "Several" in relation to number means two or more.
14 28. "Sex" means the biological state of being male or female, based on the individual's
15 nonambiguous sex organs, chromosomes, or endogenous hormone profiles at birth.
16 ~~19-29.~~ "Signature" or "subscription" includes "mark" when the ~~person~~individual cannot write,
17 the ~~person's~~individual's name being written near it and written by a ~~person~~another
18 individual who writes ~~that person's~~the individual's own name as a witness.
19 ~~20-30.~~ "State" when applied to the different parts of the United States, includes the District of
20 Columbia and the territories.
21 ~~21-31.~~ "Testify" includes every mode of oral statement under oath or affirmation.
22 ~~22-32.~~ "Third persons" includes all who are not parties to the obligation or transaction
23 concerning which the phrase is used.
24 33. "United States" includes the District of Columbia and the territories.
25 ~~23-34.~~ "Value" or "valuable consideration" means something of value parted with, or a new
26 obligation assumed at the time of obtaining something, which serves as substantial
27 compensation for what is received in return.
28 35. "Verdict" includes not only the verdict of a jury, but also the finding upon the facts of a
29 judge or of a master appointed to determine the issues in a cause.
30 36. "Verified" means sworn to before an officer authorized to administer oaths.
31 37. "Will" includes codicils.

1 ~~24-38.~~ "Writ" means an order or precept in writing, issued in the name of the state or of a
2 court or judicial officer.

3 **SECTION 2. AMENDMENT.** Subdivision g of subsection 1 of section 12.1-32-15 of the
4 North Dakota Century Code is amended and reenacted as follows:

5 g. "Sexual offender" means a person who has pled guilty to or been found guilty,
6 including juvenile delinquent adjudications, of a violation of section 12.1-20-03,
7 12.1-20-03.1, 12.1-20-04, 12.1-20-05, 12.1-20-05.1, 12.1-20-06, 12.1-20-06.1,
8 12.1-20-07 except for subdivision a of subsection 1, 12.1-20-11, 12.1-20-12.1,
9 12.1-20-12.2, 12.1-20-12.3 except for subdivision a of subsection 1 and
10 subdivision b of subsection 1 if the offense involves only a demand for money,
11 chapter 12.1-27.2, ~~subsection 2 of section 12.1-22-03.1,~~ subdivision b of
12 subsection 1 of section 12.1-41-02, section 12.1-41-04, 12.1-41-05, or
13 12.1-41-06, or an equivalent offense from another court in the United States, a
14 tribal court, or court of another country, or an attempt or conspiracy to commit
15 these offenses.

16 **SECTION 3. AMENDMENT.** Subdivision b of subsection 1 of section 14-07.6-01 of the
17 North Dakota Century Code is amended and reenacted as follows:

18 b. The filing party has been found by a court to have committed an act of domestic
19 violence or disorderly conduct against the opposing party pursuant to a court
20 order entered under chapter 14-07.1, 14-09, or ~~12.1-32-2~~12.1-31.2, or an
21 equivalent ordinance from another state, provided the issuing court made a
22 specific finding of domestic violence or disorderly conduct, or the filing party has
23 a prior conviction relating to domestic violence against the opposing party under
24 chapter 12.1-17;

25 **SECTION 4. AMENDMENT.** Section 18-01-36 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **18-01-36. Petroleum tank release compensation fund fees.**

28 The insurance commissioner shall charge and collect fees for services provided by the state
29 fire marshal program to entities covered by the petroleum tank release compensation fund
30 under chapter ~~23-37~~23.1-12. All fees collected under this section must be deposited in the
31 insurance regulatory trust fund.

1 **SECTION 5. AMENDMENT.** Subdivision j of subsection 4 of section 27-20.3-16 of the North
2 Dakota Century Code is amended and reenacted as follows:

3 j. That permanency hearing must be as set forth in section ~~27-20.3-36~~27-20.3-26;
4 and

5 **SECTION 6. AMENDMENT.** Subsection 19 of section 45-13-01 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 19. "Partnership" means an association of two or more persons to carry on as co-owners
8 of a business for profit formed under section 45-14-02, predecessor law, or
9 comparable law of another jurisdiction.

10 **SECTION 7. AMENDMENT.** Subsection 7 of section 49-02-02 of the North Dakota Century
11 Code is amended and reenacted as follows:

12 7. Cooperate with and receive technical and financial assistance from the United States,
13 any state, or any department, agency, or officer thereof for any purposes relating to
14 federal energy laws that deal with energy conservation, coal conversion, rate reform,
15 and utilities subject to the jurisdiction of the commission. The commission shall also
16 have the authority to file any reports, hold hearings, and promulgate regulations for
17 any such purposes. Information received by the commission which was developed or
18 obtained by a regional transmission organization market monitor, the organization of
19 midwestmidcontinent independent system operator states, and the southwest power
20 pool regional state committee is exempt from section 44-04-18 and section 6 of
21 article XI of the Constitution of North Dakota.

22 **SECTION 8. AMENDMENT.** Section 52-02-18 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **52-02-18. Independent performance audit.**

25 The state auditor, upon request of the legislative audit and fiscal review committee, shall
26 cause a performance audit of job service North Dakota to be conducted within twelve months
27 after receipt of the request. The state auditor may appoint an independent audit firm, with
28 extensive expertise in job service practices and standards, to complete a performance audit or
29 the state auditor may conduct the performance audit. If the state auditor completes the audit,
30 the state auditor may contract with a consulting firm to aid in the state audit or to complete the
31 audit and shall charge job service North Dakota for the audit, including the services of the

1 consulting firm. The executive director of job service North Dakota and the auditor shall present
2 the audit report and any action taken as a result of the audit to the legislative audit and fiscal
3 review committee and to the house ~~and senate~~ industry, business and labor standing
4 ~~committees~~committee and the senate industry and business standing committee during the next
5 regular session of the legislative assembly following the audit.

6 **SECTION 9. AMENDMENT.** Subsection 5 of section 54-10-28 of the North Dakota Century
7 Code is amended and reenacted as follows:

8 5. Present results of information technology compliance reviews to the information
9 technology committee ~~and the state information technology advisory committee.~~

10 **SECTION 10. AMENDMENT.** Section 54-52.6-02.2 of the North Dakota Century Code is
11 amended and reenacted as follows:

12 **54-52.6-02.2. Election after December 31, 2024 - Additional employer contribution.**
13 **(Effective after December 31, 2024)**

- 14 1. As used in this section, "eligible employee" means a permanent state employee who
15 on December 31, 2024, is a participating member of the public employees retirement
16 system main system plan under chapter ~~54-42~~54-52, who has been a participating
17 member under chapter 54-52 for no more than five years, and who is at least eighteen
18 years of age.
- 19 2. The board shall provide a three-month election period, from January 1, 2025, through
20 March 31, 2025, for an eligible employee to transfer to the defined contribution plan
21 under this chapter pursuant to the rules and policies adopted by the board.
- 22 a. An election under this section made by a member of the public employees
23 retirement system under chapter 54-52 to transfer to the defined contribution
24 retirement plan under this chapter is irrevocable.
- 25 b. For an eligible employee who elects to transfer from the public employees
26 retirement system under chapter 54-52 to the defined contribution retirement plan
27 under this chapter, the board shall transfer a lump sum amount from the public
28 employees retirement system fund to the member's account in the defined
29 contribution retirement plan under this chapter. However, if the eligible employee
30 terminates employment before receiving the lump sum transfer under this
31 section, the election made is ineffective and the eligible employee remains a

1 member of the public employees retirement system under chapter 54-52 and
2 retains all the rights and privileges under that chapter.

3 c. The board shall calculate the lump sum amount to be transferred based on the
4 actuarial present value of the eligible employee's accumulated benefit obligation
5 under the public employees retirement system based on the assumption the
6 eligible employee will retire under the earlier applicable normal retirement age,
7 plus interest from January 1, 2025, to the date of transfer, at the rate of one-half
8 of one percent less than the actuarial interest assumption at the time of the
9 election.

10 d. This section does not affect an eligible individual's right to health benefits under
11 chapter 54-52.1.

12 3. The state employer of an eligible employee who elects under this section to participate
13 in the defined contribution retirement plan under this chapter shall pay an additional
14 annual contribution of three thousand three hundred and thirty-three dollars for up to
15 three years. Under this subsection, the employer shall pay the additional contribution
16 each year the eligible employee continues permanent employment with the state,
17 beginning January 2026, and extending no further than January 2028.

18 4. If the board receives notification from the internal revenue service that this section or
19 any portion of this section will cause the public employees retirement system or the
20 retirement plan established under this chapter to be disqualified for tax purposes
21 under the Internal Revenue Code, that portion that will cause the disqualification does
22 not apply.

23 **Election after the day before the effective date of this Act - Additional employer**
24 **contribution. (Effective on the date identified if the contingency is satisfied) (Contingent**
25 **effective date - [See note](#))**

26 1. As used in this section, "eligible employee" means a permanent state employee who
27 on the day before the effective date of this Act, is a participating member of the public
28 employees retirement system main system plan under chapter ~~54-4254-52~~, who has
29 been a participating member under chapter 54-52 for no more than five years, and
30 who is at least eighteen years of age.

- 1 2. The board shall provide a three-month election period, beginning on the effective date
2 of this Act, for an eligible employee to transfer to the defined contribution plan under
3 this chapter pursuant to the rules and policies adopted by the board.
- 4 a. An election under this section made by a member of the public employees
5 retirement system under chapter 54-52 to transfer to the defined contribution
6 retirement plan under this chapter is irrevocable.
- 7 b. For an eligible employee who elects to transfer from the public employees
8 retirement system under chapter 54-52 to the defined contribution retirement plan
9 under this chapter, the board shall transfer a lump sum amount from the public
10 employees retirement system fund to the member's account in the defined
11 contribution retirement plan under this chapter. However, if the eligible employee
12 terminates employment before receiving the lump sum transfer under this
13 section, the election made is ineffective and the eligible employee remains a
14 member of the public employees retirement system under chapter 54-52 and
15 retains all the rights and privileges under that chapter.
- 16 c. The board shall calculate the lump sum amount to be transferred based on the
17 actuarial present value of the eligible employee's accumulated benefit obligation
18 under the public employees retirement system based on the assumption the
19 eligible employee will retire under the earlier applicable normal retirement age,
20 plus interest from the effective date of this Act, to the date of transfer, at the rate
21 of one-half of one percent less than the actuarial interest assumption at the time
22 of the election.
- 23 d. This section does not affect an eligible individual's right to health benefits under
24 chapter 54-52.1.
- 25 3. The state employer of an eligible employee who elects under this section to participate
26 in the defined contribution retirement plan under this chapter shall pay an additional
27 annual contribution of three thousand three hundred and thirty-three dollars for up to
28 three years. Under this subsection, the employer shall pay the additional contribution
29 each year the eligible employee continues permanent employment with the state,
30 beginning one year after the effective date of this Act, and extending no further than
31 three years following the effective date of this Act.

- 1 4. If the board receives notification from the internal revenue service that this section or
2 any portion of this section will cause the public employees retirement system or the
3 retirement plan established under this chapter to be disqualified for tax purposes
4 under the Internal Revenue Code, that portion that will cause the disqualification does
5 not apply.

6 **SECTION 11. AMENDMENT.** Subsection 3 of section 57-02-08.8 of the North Dakota
7 Century Code is amended and reenacted as follows:

- 8 3. A disabled veteran or ~~unremarried~~ surviving spouse claiming a credit under this
9 section for the first time shall file with the county auditor an affidavit showing the facts
10 required under this section, a description of the property, and a certificate from the
11 United States department of veterans' affairs, or its successor, certifying to the amount
12 of the disability. The affidavit and certificate must be open for public inspection. A
13 person shall thereafter furnish to the assessor or other assessment officials, when
14 requested to do so, any information which supports the claim for credit for any
15 subsequent year.

16 **SECTION 12. AMENDMENT.** Subsection 2 of section 57-38-30.3 of the North Dakota
17 Century Code is amended and reenacted as follows:

- 18 2. For purposes of this section, "North Dakota taxable income" means the federal taxable
19 income of an individual, estate, or trust as computed under the Internal Revenue Code
20 of 1986, as amended, adjusted as follows:
- 21 a. Reduced by interest income from obligations of the United States and income
22 exempt from state income tax under federal statute or United States or North
23 Dakota constitutional provisions.
- 24 b. Reduced by the portion of a distribution from a qualified investment fund
25 described in section 57-38-01 which is attributable to investments by the qualified
26 investment fund in obligations of the United States, obligations of North Dakota or
27 its political subdivisions, and any other obligation the interest from which is
28 exempt from state income tax under federal statute or United States or North
29 Dakota constitutional provisions.

- 1 c. Reduced by the amount equal to the earnings that are passed through to a
2 taxpayer in connection with an allocation and apportionment to North Dakota
3 under section 57-38-01.35.
- 4 d. Reduced by forty percent of:
- 5 (1) The excess of the taxpayer's net long-term capital gain for the taxable year
6 over the net short-term capital loss for that year, as computed for purposes
7 of the Internal Revenue Code of 1986, as amended. The adjustment
8 provided by this subdivision is allowed only to the extent the net long-term
9 capital gain is allocated to this state.
- 10 (2) Qualified dividends as defined under Internal Revenue Code section 1(h)
11 (11), added by section 302(a) of the Jobs and Growth Tax Relief
12 Reconciliation Act of 2003 [Pub. L. 108-27; 117 Stat. 752; 2 U.S.C. 963
13 et seq.], but only if taxed at a federal income tax rate that is lower than the
14 regular federal income tax rates applicable to ordinary income. If, for any
15 taxable year, qualified dividends are taxed at the regular federal income tax
16 rates applicable to ordinary income, the reduction allowed under this
17 subdivision is equal to thirty percent of all dividends included in federal
18 taxable income. The adjustment provided by this subdivision is allowed only
19 to the extent the qualified dividend income is allocated to this state.
- 20 e. Increased by the amount of a lump sum distribution for which income averaging
21 was elected under section 402 of the Internal Revenue Code of 1986 [26 U.S.C.
22 402], as amended. This adjustment does not apply if the taxpayer received the
23 lump sum distribution while a nonresident of this state and the distribution is
24 exempt from taxation by this state under federal law.
- 25 f. Increased by an amount equal to the losses that are passed through to a
26 taxpayer in connection with an allocation and apportionment to North Dakota
27 under section 57-38-01.35.
- 28 g. Reduced by the amount of military pay received by a taxpayer as a member of
29 the armed forces of the United States on federal active duty, member of the
30 national guard or reserve member of the armed forces of the United States, to
31 the extent that military pay is included in North Dakota taxable income of the

- 1 taxpayer. For purposes of this subdivision, "military pay" includes all federal pay
2 for training, education, mobilization, and bonuses and state pay when called to
3 support an emergency on state active duty.
- 4 h. Reduced by income from a new and expanding business exempt from state
5 income tax under section 40-57.1-04.
- 6 i. ~~Reduced by interest and income from bonds issued under chapter 11-37.~~
- 7 j. Reduced by up to ten thousand dollars of qualified expenses that are related to a
8 donation by a taxpayer or a taxpayer's dependent, while living, of one or more
9 human organs to another human being for human organ transplantation. A
10 taxpayer may claim the reduction in this subdivision only once for each instance
11 of organ donation during the taxable year in which the human organ donation and
12 the human organ transplantation occurs but if qualified expenses are incurred in
13 more than one taxable year, the reduction for those expenses must be claimed in
14 the year in which the expenses are incurred. For purposes of this subdivision:
- 15 (1) "Human organ transplantation" means the medical procedure by which
16 transfer of a human organ is made from the body of one person to the body
17 of another person.
- 18 (2) "Organ" means all or part of an individual's liver, pancreas, kidney, intestine,
19 lung, or bone marrow.
- 20 (3) "Qualified expenses" means lost wages not compensated by sick pay and
21 unreimbursed medical expenses as defined for federal income tax
22 purposes, to the extent not deducted in computing federal taxable income,
23 whether or not the taxpayer itemizes federal income tax deductions.
- 24 ~~k-j.~~ Increased by the amount of the contribution upon which the credit under section
25 57-38-01.21 is computed, but only to the extent that the contribution reduced
26 federal taxable income.
- 27 ~~l-k.~~ Reduced by the amount of any payment received by a veteran or beneficiary of a
28 veteran under section 37-28-03 or 37-28-04.
- 29 ~~m-l.~~ Reduced by the amount received by a taxpayer that was paid by an employer
30 under paragraph 4 of subdivision a of subsection 2 of section 57-38-01.25 to hire
31 the taxpayer for a hard-to-fill position under section 57-38-01.25, but only to the

1 extent the amount received by the taxpayer is included in federal taxable income.
2 The reduction applies only if the employer is entitled to the credit under section
3 57-38-01.25. The taxpayer must attach a statement from the employer in which
4 the employer certifies that the employer is entitled to the credit under section
5 57-38-01.25 and which specifically identified the type of payment and the amount
6 of the exemption under this section.

7 n.m. Reduced by the amount up to a maximum of five thousand dollars, or ten
8 thousand dollars if a joint return is filed, for contributions made under a higher
9 education savings plan administered by the Bank of North Dakota, pursuant to
10 section 6-09-38.

11 e.n. Reduced by the amount of income of a taxpayer, who resides anywhere within
12 the exterior boundaries of a reservation situated in this state or situated both in
13 this state and in an adjoining state and who is an enrolled member of a federally
14 recognized Indian tribe, from activities or sources anywhere within the exterior
15 boundaries of a reservation situated in this state or both situated in this state and
16 in an adjoining state.

17 p.o. For married individuals filing jointly, reduced by an amount equal to the excess of
18 the recomputed itemized deductions or standard deduction over the amount of
19 the itemized deductions or standard deduction deducted in computing federal
20 taxable income. For purposes of this subdivision, "itemized deductions or
21 standard deduction" means the amount under section 63 of the Internal Revenue
22 Code that the married individuals deducted in computing their federal taxable
23 income and "recomputed itemized deductions or standard deduction" means an
24 amount determined by computing the itemized deductions or standard deduction
25 in a manner that replaces the basic standard deduction under section 63(c)(2) of
26 the Internal Revenue Code for married individuals filing jointly with an amount
27 equal to double the amount of the basic standard deduction under section 63(c)
28 (2) of the Internal Revenue Code for a single individual other than a head of
29 household and surviving spouse. If the married individuals elected under
30 section 63(e) of the Internal Revenue Code to deduct itemized deductions in
31 computing their federal taxable income even though the amount of the allowable

1 standard deduction is greater, the reduction under this subdivision is not allowed.

2 Married individuals filing jointly shall compute the available reduction under this
3 subdivision in a manner prescribed by the tax commissioner.

4 e.p. Reduced by an amount equal to four thousand one hundred fifty dollars for
5 taxable year 2018, for each birth resulting in stillbirth, as defined in section
6 23-02.1-01, for which a fetal death certificate has been filed under section
7 23-02.1-20. For taxable years beginning after December 31, 2018, the deduction
8 amount must be adjusted annually on January first of each year by the
9 cost-of-living adjustment. For purposes of this subdivision, "cost-of-living
10 adjustment" means the percentage increase in the consumer price index for all
11 urban consumers in the midwest region as determined by the United States
12 department of labor, bureau of labor statistics, for the most recent year ending
13 December thirty-first. The exemption may only be claimed in the taxable year in
14 which the stillbirth occurred.

15 f.g. Reduced by the amount of expenses incurred by an employee which are directly
16 related to the attainment of higher education or career and technical education
17 which are reimbursed by the employee's employer, but only to the extent the
18 amount of reimbursement is reported as federal taxable income.

19 s.r. Reduced by the amount received by a taxpayer as retired military personnel
20 benefits, including retired military personnel benefits paid to the surviving spouse
21 of a deceased retired member of the armed forces of the United States, a reserve
22 component of the armed forces of the United States, or the national guard, but
23 only to the extent the amount was included in federal taxable income.

24 t.s. Reduced by the amount of social security benefits included in a taxpayer's
25 federal adjusted gross income under section 86 of the Internal Revenue Code.

26 u.t. Reduced by the amount of retired law enforcement personnel benefits received
27 by a taxpayer who has served a combined total of at least twenty years as a
28 peace officer or has medically retired from the taxpayer's duties as a peace
29 officer with a medical certificate due to a permanent mental or physical disability
30 that rendered the taxpayer unable to discharge the taxpayer's duties as a peace

1 officer, but only to the extent the amount was included in federal taxable income.

2 For purposes of this subdivision:

3 (1) "Peace officer" means a public servant authorized by law or by a
4 government agency or branch of the United States, a state, or a political
5 subdivision of a state to enforce the law and to conduct or engage in
6 investigations of violations of the law.

7 (2) "Retired law enforcement personnel benefits" means retirement income
8 received by a taxpayer eligible to receive retirement income attributable to
9 the taxpayer's employment as a peace officer from a retirement plan
10 maintained by or through the employer from which the taxpayer retired as a
11 peace officer.

12 **SECTION 13. AMENDMENT.** Subsection 1 of section 57-40.5-03 of the North Dakota
13 Century Code is amended and reenacted as follows:

14 1. Aircraft acquired by disabled veterans as defined by the provisions of Public Law
15 No. 79-663 [38 U.S.C. ~~4904~~3901]. This exemption shall be allowed only with respect
16 to one aircraft owned by any disabled veteran.

17 **SECTION 14. REPEAL.** Sections 1-01-18, 1-01-20, 1-01-21, 1-01-27, 1-01-29, 1-01-30,
18 1-01-36, 1-01-40, 1-01-41, 1-01-42, 1-01-45, 1-01-46, 1-01-47, and 1-01-51 of the North Dakota
19 Century Code are repealed.

20 **SECTION 15. EFFECTIVE DATE.** Sections 11 and 12 of this Act are effective for taxable
21 years beginning after December 31, 2024.

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1077

Introduced by

Government and Veterans Affairs Committee

(At the request of the Adjutant General)

1 A BILL for an Act to amend and reenact subsection 11 of section 54-52-01 of the North Dakota
2 Century Code, relating to the definition of national guard security officer and firefighter.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Subsection 11 of section 54-52-01 of the North Dakota Century
5 Code is amended and reenacted as follows:

- 6 11. "National guard security officer or firefighter" means a participating member who is:
- 7 a. A security police employee of the North Dakota national guard; ~~or~~
 - 8 b. A security officer employee of the North Dakota national guard; or
 - 9 c. A firefighter employee of the North Dakota national guard.

Sixty-ninth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1023

Introduced by

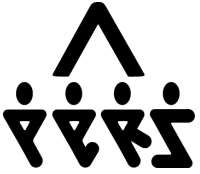
Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the public employees
2 retirement system.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated from special funds to the public employees retirement
6 system for the purpose of defraying the expenses of the public employees retirement system,
7 for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	Adjustments or <u>Enhancements</u>	<u>Appropriation</u>
10 Salaries and wages	\$8,232,492	\$0	\$8,232,492
11 Operating expenses	2,416,162	0	2,416,162
12 Contingencies	<u>250,000</u>	<u>0</u>	<u>250,000</u>
13 Total special funds	\$10,898,654	\$0	\$10,898,654
14 Full-time equivalent positions	40.50	0.00	40.50



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Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: January 6, 2025

SUBJECT: Committee/State Investment Board Assignments

As discussed at the December meeting, due to changes in the Board membership, there will be vacancies on several of the Board committees and the State Investment Board assignment.

Senator Vedaa's term on the Board ended with the swearing in of new legislators as of December 1st. Senator Vedaa was serving on the Compensation and Performance Review Committee. However, this committee will not be meeting until later in 2025 and therefore, a replacement is not necessary at this time, unless the Board would like to make an appointment.

With Joe Morrissette's return to state employment, he is no longer eligible to serve on the NDPERS Board as a Governor appointee. Mr. Morrissette served on two committees. They were the Audit Committee, which he chairs, and the Investment Committee.

Therefore, if the Board wishes, they can name replacements to Senator Vedaa and Mr. Morrissette. The current designations are:

- Audit Committee (Board selects):
 - Morrissette (Chair), Dever, Erickson, Miller
- Investment Committee (Board Chair selects):
 - Miller (Chair), Erickson, Morrissette, Stemen, Volk
- Compensation & Performance Appraisal Committee (Board Chair selects):
 - Dockter (Chair), Buck, Goodhouse, Seminary, Vedaa

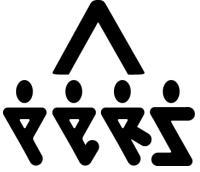
- Election Committee (Board selects):
 - Will be appointed in the February prior to next election per NDAC requirement

- State Investment Board (Board selects):
 - Buck, Miller

We will discuss the various committees to determine if the Board wishes to make changes to the committees, keeping in mind that as new members are appointed to the Board, the topic will be reviewed as needed.

Board Action Requested:

Determine if changes should be made to the Board committees in light of current vacancies to the Board. If determined changes should be made, provide direction on appointments to each committee and/or the State Investment Board.



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Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: January 6, 2025

SUBJECT: Contracts under \$10,000

Attached is a document that shows the contracts under \$10,000 that have been signed since the last update. Please let me know if you have any questions on any of these contracts.

This topic is informational only.

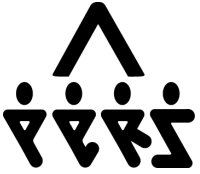
Attachment

All Contracts Signed During 2024:

Vendor	Amount	Notes
CliftonLarsonAllen	\$ -	GASB 68 & 75 Representation Lettess
TIAA	\$ -	Termination notice due to recordkeeper award
BND	\$ 909.00	Staff Years of Service Awards (Gift Cards)
City of Berthold	\$ -	Joined Life Insurance Plan 3/1/2024
Mandaree Public Schools	\$ -	Joined Deferred Compensation Plan 3/1/2024
Interoffice	\$ 1,179.44	Office Chair
Emmons County	\$ -	Joined Public Safety Plan 4/1/2024
City of Leeds	\$ -	Joined Defined Benefit Plan 4/1/2024
City of Leeds	\$ -	Joined Deferred Compensation Plan 4/1/2024
City of Emerado	\$ -	Joined Public Safety Plan 2/1/2024
City of Riverdale	\$ -	Joined Defined Benefit Plan 4/1/2024
City of Riverdale	\$ -	Joined Deferred Compensatoin Plan 4/1/2024
Fireside	\$ 3,079.80	5 year total lease on multi-function printer
Advanced Business Methods	\$ 5,713.20	5 year total lease on document scanner
Eddy County	\$ -	Joined Life Insurance Plan 5/1/2024
Galliard Fund Agreements	\$ -	Lowering the share class in the Galliard investments in the 401(a) & 457 Plans
Larimore Public School	\$ -	Joined Deferred Compensation Plan 1/1/2025
TIAA Deconversion Guide	\$ -	Strategy guide with TIAA for deconvertig to Empower
TIAA Letter of Direction	\$ -	Direction to pay out RMDs & scheduled installments early with TIAA prior to blackout
Empower Letter of Instruction	\$ -	Letter of instruction on brokerage account in 457 and 401(a) plans
Empower Brokerage Application	\$ -	Application on brokerage account in 457 and 401(a) plans
TIAA Custodial Agreement Terminations	\$ -	Termination of Custodial Agreements with TIAA for both the 457 and 401(a) Plans
TIAA Record Keeper Amendment	\$ -	Authorization for TIAA to pull recordkeeper fees through June 2024
Beulah Public School # 27	\$ -	Joined Deferred Compensation Plan 7/1/2024
TIAA Brokerage Re-Registration Letter	\$ -	Authorizes the transfer of brokerage accouts on both the 457 and 401(a) Plans
Empower Brokerage Transfer Request Form	\$ -	Authorizes the transfer of brokerage accouts on both the 457 and 401(a) Plans
Empower Plan Asset Transfer & Investment Direction	\$ -	Directs the investments of brokerage accouts on both the 457 and 401(a) Plans
Inter Office	\$ 824.76	Rising legs for standing desk
Advanced Business Methods	\$ 3,930.00	5 year total lease on multi-function printer
Steele County	\$ -	Joined Public Safety Plan 7/1/2024
City of Grand Forks	\$ -	Joined Deferred Compensation Plan 9/1/2024
Fargo Public Schools	\$ -	Joined Deferred Compensation Plan 1/1/2025
Garrison Public Schools	\$ -	Joined Deferred Compensation Plan 7/1/2024
Empower	\$ -	Staff setup on plan sponsor website
Oliver Mercer Special Education	\$ -	Joined Deferred Compensation Plan 7/1/2024
Central Cass School District	\$ -	Joined Deferred Compensation Plan 7/1/2024
Grand Forks Public Library	\$ -	Joined Deferred Compensation Plan 9/1/2024
Tri-County Water District	\$ -	Joined Defined Benefit Plan and Deferred Compensation Plan 8/1/2024
Inter-office	\$ 1,206.66	Office Chair
Northern Cass School District	\$ -	Joined Deferred Compensation Plan 1/1/2025
Empower	\$ -	401(a) NDPERS Admin Fee Agreement
Oakes Public School District	\$ -	Joined Deferred Compensation Plan 1/1/2025
Western Education Regional Cooperative	\$ -	Joined Defined Benefit Plan, Deferred Compensation Plan and Life Plan 10/1/2024
Parshall School District	\$ -	Joined Defined Benefit Plan 9/1/2024
City of Jamestown	\$ -	Joined Public Safety Plan 11/1/2024
City of Rugby	\$ -	Joined Public Safety Plan 11/1/2024
Lake Metigoshe Recreation Service District	\$ -	Joined Deferred Compensation Plan 10/1/2024
IRS	\$ -	Power of Attorney & Penalty of Perjury Statement for 401(a) IRS Determination Letter
Jamestown Parks & Recreation District	\$ -	Joined Deferred Compensation Plan 1/1/2025
Tri-County Water District	\$ -	Terminated election to join Defined Benefit 8/1/2024
Jamestown Public Schools	\$ -	Joined Deferred Compensation Plan 1/1/2025
Eddy County	\$ -	Joined Public Safety Plan 11/1/2024
Divide County	\$ -	Joined Public Safety Plan 1/1/2025
IRS	\$ -	Power of Attorney & Penalty of Perjury Statement for 457(b) IRS Private Letter Ruling
Ramsey County	\$ -	Joined Public Safety Plan 1/1/2025
Empower	\$ -	Acceptance of Mass Transfer Balances (Letter of Direction - Special Election Trasfers)
Grand Forks County	\$ -	Joined Deferred Compensation Plan 1/1/2025
City of Fairmount	\$ -	Joined Defined Benefit Plan and Deferred Compensation Plan 12/1/2024
Kulm Public School	\$ -	Joined Deferred Compensation Plan 11/1/2024
Devils Lake Public Schools	\$ -	Joined Deferred Compensation Plan 1/1/2025
James River Multi-District Specal Eduation Unit	\$ -	Joined Deferred Compensation Plan 1/1/2025
OMB	\$ -	Subsequent events confirmation for state ACFR
ND Firefighters Association	\$ -	Joined Public Safety Plan 1/1/2025
Cavalier Public School	\$ -	Joined Deferred Compensation Plan 1/1/2025
Empower	\$ -	Fund Line-up to Include In-Plan Annuities Letters of Direction
City of Minot	\$ -	Joined Public Safety Plan 1/1/2025
Devils Lake Public Schools	\$ -	Joined Deferred Compensation Plan 1/1/2025
Inter Office	\$ 1,171.66	Office Chair
City of Minnewaukan	\$ -	Joined Defined Benefit Plan and Deferred Compensation Plan 12/1/2024
City of Strasburg	\$ -	Joined Defined Benefit Plan, Deferred Compensation Plan and Life Plan 12/1/2024
Sioux County	\$ -	Joined Defined Benefit Plan 12/1/2024
Bakken Area Skills Center	\$ -	Joined Defined Benefit Plan and Deferred Compensation Plan 12/1/2024

Contracts Signed Since Last Report:

Empower	\$ -	Amendment to Agreement - allow 457 deferral elections on Empower portal
Wahpeton Public Schools	\$ -	Joined Deferred Compensation Plan 1/1/2025
Dunseith Community Nursing Home	\$ -	Joined Deferred Compensation Plan 1/1/2025
City of Medora	\$ -	Joined Public Safety Plan 1/1/2025
General Services Administration Application	\$ -	Surplus Property
Mountrail County	\$ -	Joined Public Safety Plan 11/1/2024
City of Carrington	\$ -	Joined Public Safety Plan 1/1/2025
Burke County	\$ -	Joined Public Safety Plan 1/1/2025



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Memorandum

TO: NDPERS Board

FROM: Derrick Hohbein

DATE: January 6, 2025

SUBJECT: Annual Comprehensive Financial Report (ACFR)

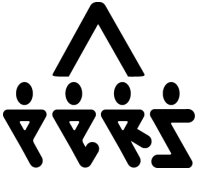
We have completed the 2024 annual comprehensive financial report. The report contains detailed financial, investment, actuarial, and statistical information for the plans administered by NDPERS. You can view, download, or print the report from the NDPERS website at:

<https://www.ndpers.nd.gov/sites/www/files/documents/about/financial/acfr-2024.pdf>

We sent an email notice to each participating employer notifying them that the annual report is available on the NDPERS website. We also submitted the report to the Government Finance Officers Association with an application for the GFOA Certificate of Excellence in Financial Reporting.

Please let me know if you have any questions on the report.

**Board material for the Member Experience
Annual Report will be sent under separate
cover.**



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Memorandum

TO: NDPERS Board

FROM: Katheryne Korom

DATE: January 6, 2025

SUBJECT: Assurance NM Testing

Assurance NM is the State's emergency communication software. It is a way to get critical information out to all necessary parties without making individual contacts. All Board members' contact information is added to the system in the event we have an emergency and staff need to get in contact with the Board. We test this process twice a year to ensure all Board members get the messages we have sent.

You will receive a test message during our meeting on all phone numbers and email addresses you have listed in PeopleSoft.

No Board Action is necessary, other than letting us know if you do NOT receive the communication.