

**TFFR BOARD GOVERNANCE & POLICY REVIEW COMMITTEE MEETING**

Thursday, April 10, 2025, 3:30 p.m.

**Virtual Only**

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**AGENDA**

- I. **CALL TO ORDER AND ACCEPTANCE OF AGENDA** *(Committee Action)*
- II. **ACCEPTANCE OF MINUTES** *(Committee Action)*
- III. **REVIEW TFFR POLICY MANUAL FOR CHANGES** *(Committee Action)*  
– MR. ROBERTS (20 MIN)
- IV. **TFFR BOARD RETREAT – MS. SMITH (15 MIN)** *(Committee Action)*
- V. **ADJOURNMENT**

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT  
GOVERNANCE & POLICY REVIEW COMMITTEE  
MINUTES OF THE FEBRUARY 4, 2025, MEETING (VIRTUAL)**

**BOARD MEMBERS PRESENT:** Cody Mickelson, Chair  
Mike Burton, TFFR Board  
Rob Lech, TFFR Board

**STAFF PRESENT:** Jodi Smith, Interim Exec. Director  
Chad Roberts, DED/CRO  
Denise Weeks, Retirement Prog. Mngr.  
Sarah Mudder, Communication & Outreach Director  
Rachelle Smith, Retirement Prog. Admin. Assistant

**CALL TO ORDER:**

Mr. Cody Mickelson, Chair of the Teachers' Fund for Retirement (TFFR) Governance & Policy Review (GPR) Committee, called the meeting to order at 3:30 p.m. on Tuesday, February 4, 2025. The meeting was held virtually.

**AGENDA:**

The Committee considered the agenda for the February 4, 2025, meeting.

**IT WAS MOVED BY DR. LECH AND SECONDED BY MR. BURTON AND CARRIED BY A VOICE VOTE TO ACCEPT THE AGENDA FOR THE FEBRUARY 4, 2025, MEETING.**

**AYES: MR. BURTON, DR. LECH, MR. MICKELSON  
NAYS: NONE  
MOTION CARRIED**

**MINUTES:**

The Committee considered the minutes for the November 7, 2024, meeting.

**IT WAS MOVED BY DR. LECH AND SECONDED BY MR. BURTON AND CARRIED BY A VOICE VOTE TO ACCEPT THE NOVEMBER 7, 2024, MINUTES AS DISTRIBUTED.**

**AYES: MR. BURTON, DR. LECH, AND MR. MICKELSON  
NAYS: NONE  
MOTION CARRIED**

**REVIEW OF THE PROPOSED POLICY MANUAL FOR CHANGES AND DISCUSSION:**

Mr. Roberts noted that, as in the previous meeting, there are minimal changes this year due to the comprehensive overhaul completed last year. The proposed minor revisions in the second stage of the policy manual review include adding "designee" language to the Treasurer and Superintendent board positions, contingent on the passage of SB 2134. If enacted, Section 5 would also require updates to reflect this change. Additionally, Section 2, subsection D(1) includes grammatical adjustments, subsections D(1) and D(3) involve formatting changes, and subsection D(2) removes a redundant bullet point. Committee discussion followed.

**IT WAS MOVED BY MR. BURTON AND SECONDED BY DR. LECH AND CARRIED BY A VOICE VOTE TO ACCEPT THE PROPOSED POLICY MANUAL CHANGES.**

**AYES: MR. BURTON, DR. LECH, AND MR. MICKELSON**

**NAYS: NONE**

**MOTION CARRIED**

**LEGISLATIVE UPDATE AND DISCUSSION:**

Ms. Smith reviewed HB 1022, HB 1163, HB 1285, and HB 2134 from the 2025-2027 Legislative Session RIO Bill Tracker. She noted that funding for retirement pension education in the HB 1022 budget bill was pulled. HB 1163, which proposes establishing a \$1 billion school construction loan fund as part of the state Legacy Fund, has been referred to appropriations. HB 1285, which would transfer \$49.2 million from the General Fund to TFFR for a one-time supplemental payment to recipients, has had no action at this time. HB 2134, which seeks to amend language to allow the Superintendent and Treasurer to appoint a voting designee to the TFFR Board, saw minimal discussion. Committee discussion followed.

**ADJOURNMENT:**

With no further business to come before the Committee, Mr. Mickelson adjourned the meeting at 3:59 p.m.

Submitted by:

Rachelle Smith, Assistant to the Board

## MEMORANDUM

**TO: TFFR GPR Committee Members**  
**FROM: Chad R. Roberts, DED/CRO**  
**DATE: April 5, 2025**  
**RE: Suggested TFFR Policy Manual Revisions for April 2025 Meeting**

As part of the TFFR GPR Committee work plan adopted at the September 10, 2024, meeting, suggested policy changes for the following are submitted to the TFFR GPR Committee for consideration and acceptance at the April 10, 2025, meeting.

- **No changes to the sections listed on the GPR Committee workplan other than grammatical, punctuation, capitalization, and formatting errors**
- **Addition of an appendix containing definitions for acronyms used in the manual**

As determined in the development of the TFFR GPR Committee work plan established at the September 10, 2024, meeting, the committee will address suggested changes for identified sections over the course of the fiscal year. Upon completion of the full review by the TFFR GPR Committee, a finalized report of all suggested changes will be provided to the TFFR Board of Trustees for consideration.

**COMMITTEE ACTION REQUESTED: Committee Acceptance.**

**TFFR BOARD GOVERNANCE & POLICY REVIEW COMMITTEE WORKPLAN FY2025**

<b>September 10, 2024</b>	<b>November 7, 2024</b>	<b>February 4, 2025</b>	<b>April 10, 2025</b>
Review the work plan	Review of Board Program Manual Section 1 Sub-section I	Review of Board Program Manual Section 1 Sub-section A	Review of Board Program Manual Section 1 Sub-section G
Review proposed policy manual changes for the 2 <sup>nd</sup> TFFR Board reading	Review of Board Program Manual Section 1 Sub-section J	Review of Board Program Manual Section 1 Sub-section B	Review of Board Program Manual Section 1 Sub-section H
	Review of Board Program Manual Section 1 Sub-section K	Review of Board Program Manual Section 1 Sub-section C	Review of Board Program Manual Section 1 Sub-section M
	Review of Board Program Manual Section 1 Sub-section O	Review of Board Program Manual Section 1 Sub-section D	Review of Board Program Manual Section 1 Sub-section N
	Review of Board Program Manual Section 1 Sub-section P	Review of Board Program Manual Section 1 Sub-section E	Review of Board Program Manual Section 1 Sub-section Q
	Review of Board Program Manual Section 1 Sub-section S	Review of Board Program Manual Section 1 Sub-section F	Review of Board Program Manual Section 1 Sub-section R
	Review of Board Program Manual Section 2 Sub-section A	Review of Board Program Manual Section 1 Sub-section L	Review of Board Program Manual Section 2 Sub-section E
	Review of Board Program Manual Section 2 Sub-section B	Review of Board Program Manual Section 1 Sub-section T	Review of Board Program Manual Section 2 Sub-section F
	Review of Board Program Manual Section 2 Sub-section C	Review of Board Program Manual Section 1 Sub-section U	Review the appendix of acronyms found in the policy manual
		Review of Board Program Manual Section 2 Sub-section D	Review, Discuss, and Approve Recommendations for Program Policy Manual Amendments to the TFFR Board

# TEACHERS' FUND FOR RETIREMENT BOARD PROGRAM MANUAL

## SECTION I: TFFR GOVERNANCE POLICIES

### G. State Investment Board

The SIB is responsible for oversight, policy making, and administration of the SIB investment program as provided under NDCC § 21-10. As such, TFFR assets, as well as ~~other state pension~~other state pensions, insurance, and other state funds, are invested by the SIB.

The SIB is composed of thirteen trustees, consisting of:

- a. Governor of the State of North Dakota or Designee
- b. State Treasurer.
- c. Director of ~~the~~ Office of Management and Budget.
- d. Director of Workforce Safety & Insurance.
- e. Commissioner of University and School Lands.
- f. Two TFFR trustees.
- g. Two PERS trustees.
- h. Two members, each of whom by experience is familiar with institutional investments, appointed by the governor. One initial appointee shall serve a term of three years, one initial appointee shall serve a term of five years, and all subsequent appointees shall serve five-year terms.
- i. Two members, one from the ~~senate~~Senate and one from the ~~house~~House of ~~representatives~~Representatives, or the member's designee, who serve on the legacy and budget stabilization fund advisory board, as selected by that board.

Investment of TFFR assets is based on the asset allocation and investment policy statement approved by the TFFR Board and accepted by the SIB. Funds are invested following the "prudent investor rule" and must be invested exclusively for the benefit of TFFR members.

The SIB is also the governing body of RIO.

### H. Retirement and Investment Office

RIO coordinates the activities of the TFFR retirement program and SIB investment program as provided under NDCC 54-52.5. The governing body of RIO is the SIB, although the TFFR Board and SIB each maintain their legal identities and authority under state law.

RIO is responsible for developing the agency budget, providing the staff, and allocating necessary resources to administer both the TFFR and SIB programs, subject to budget approval by the Legislature. The TFFR Board and SIB provide input to RIO Executive Management to ensure retirement and investment program needs, policies, and services are considered.

RIO Executive Director is the administrator of RIO and is responsible for oversight and administration of all RIO programs and operations. RIO Deputy Executive Director – Chief Retirement Officer assists in the administration of RIO and the TFFR retirement program.

RIO is an administrative agency of the State of North Dakota and operates from an office located at 1600 East Century Avenue, Suite 3 in Bismarck, North Dakota.

## M. Board and Committee Meetings

### 1. Open Meetings

All Board and Committee meetings are open to the public in accordance with North Dakota Open Meetings laws pursuant to NDCC 44-04-17.1.

Meetings include any gathering of a quorum of the members of the Board (four members constitute a quorum for TFFR Board) regarding public business, and includes committees, subcommittees, informal gatherings or work sessions, and discussions where a quorum of members are participating by phone or any other electronic communication (either at the same time or in a series of individual contacts).

Emails or text messages between Board members regarding public business may constitute a meeting and violate open meeting laws even if done on personal devices under circumstances and within the parameters established by the North Dakota Office of Attorney General.

Training seminars and purely social gatherings attended by a quorum of the Board or Committee are not meetings; however, as soon as the members discuss any public business, it becomes a meeting.

### 2. Rules of Order

All Board and Committee ~~meeting-meetings~~ will be conducted in accordance with Robert's Rules of Order Newly Revised, except as superseded by state law and Board governance policies.

### 3. Meeting Schedule

The Board will hold meetings as often as necessary for the transaction of business but will conduct a minimum of six Board meetings each year.

The Board will approve an annual Board meeting schedule identifying the time, date, and location of regular Board meetings. Board meetings will generally be scheduled for the Thursday afternoon preceding SIB meetings beginning in July of each year unless a different day is determined. (Note: SIB meetings are generally scheduled for the 4th Friday of each month.) The Board or Board President may modify this schedule; if needed.

The Board President, or any two members of the Board, may call for special or emergency Board meetings.

At the July Board meeting each year, the Board will elect officers, review governance and program policies, and develop the annual board agenda and education plan.

The Board may hold an annual Board retreat, either on-site or off-site, to focus on board development, strategic planning, legislative planning, developments in public pension

administration, and other topics as determined by the Board. A Board Retreat must also be noticed as a meeting of the Board.

#### 4. Meeting Notice

Public notice of all Board and Committee meetings is made in accordance with state law pursuant to NDCC 44-04-20.

Meeting notices are posted on the Secretary of State website, RIO public website, RIO office, and the meeting location.

#### 5. Meeting Agendas

An annual schedule of agenda topics, reports, and education items for each regular board meeting will be developed by the Executive Director and approved by the Board. The annual schedule will also include review of the Board Governance Manual over several meetings.

Board meeting agendas will be prepared by the Executive Director and approved by the Board President using the annual schedule as a basis for topics to be included on each regular meeting agenda. Additional topics may be added by the Executive Director, Chief Retirement Officer, Board President, and Board trustees, subject to approval by the Board President.

The meeting agenda should contain enough detail so trustees, members, interested parties, and the general public can understand the nature of each agenda item.

Any individual or organization who desires to appear on the agenda of a Board or Committee meeting must notify the Executive Director in writing at least ten working days prior to the meeting date. The request must include the reason or topic to be discussed with the Board. Subject to approval by the Board President, the individual will be placed on a Board meeting agenda.

Regular Board meeting agendas may be added to or altered at the time of the meeting. For special or emergency meetings, only the specific topics included in the meeting notice may be discussed.

The meeting agenda will identify if the item requires Board action, information only, consent agenda, or executive session. The agenda will also note the estimated amount of time expected for each topic.

- a. **Action** items on the agenda contain information that ~~require~~requires Board discussion and vote (annual reports, policy changes, benefit determinations, legislative positions, etc.)
- b. **Information** only items contain information that it is important for the Board to know, but do not require Board action or a Board vote (project updates, status reports, education, etc.)
- c. **Consent agenda** items will primarily consist of approval of disability applications, QDROs, business partner reviews, or other routine administrative matters that require Board action as recommended by staff, but which typically do not require Board discussion. Trustees may request any item to be removed from the Consent agenda to allow for Board discussion and action.



- d. If an **Executive session** is required or anticipated, the Executive session must be listed as an agenda item (i.e., confidential member information, attorney consultation, etc.)

## **6. Meeting Materials**

The Executive Director will coordinate the preparation of Board meeting materials and develop an Executive Summary.

Meeting materials will generally be sent to trustees 5-7 days before the meeting, unless otherwise indicated.

Materials will be posted on the public RIO website, except for Executive Session or confidential items, which will be sent via secure email to the trustees only.

## **7. Meeting Attendance and Quorum**

Attendance at Board meetings is an essential element of a trustee's fiduciary responsibility. Therefore, Board members are expected to attend all Board and applicable Committee meetings.

Board members may attend meetings in person, by telephone or [via](#) video conference.

A quorum of four members must be present for the Board to conduct business.

Board members should come to meetings having read the materials prepared and circulated by staff and/or consultants.

Board members should be inquisitive, and should appropriately question staff, advisors, and fellow trustees as circumstances require.

Board members should conduct themselves with integrity and dignity, always maintaining the highest ethical conduct.

Board members should make every effort to engage in collegial deliberations and to maintain an atmosphere in which trustees can speak freely and explore ideas before becoming committed to positions.

## **8. Voting**

Voting on matters before the Board will be by roll call vote, except for procedural matters.

Board members have a duty to vote unless there is an applicable statute that would require or permit abstention.

Each Board member is entitled to one vote. Proxy voting is not allowed.

Four members constitutes a quorum.

Four votes are required for resolution or action by the Board.

Board minutes will show the recorded vote of each Board member.

## 9. Public Access and Comment

All Board and Committee meetings are open to the public and all persons who wish to attend may do so in accordance with North Dakota Open Meeting laws, NDCC 44-04-17.1.

Public participation or comments during Board meetings may be allowed and limited to reasonable time limits at the discretion of the Board President as follows:

- a. By written request to appear on a Board meeting agenda.
- b. By written request to speak on a specific Board meeting agenda topic.
- c. By written request to speak on any ~~TFFR-related~~TFFR-related topic which is not on a regular Board meeting agenda.
- d. By submitting a letter or written document for distribution to the Board.

See *TFFR Board Public Participation Guidelines (Exhibit 2)*.

## 10. Executive Sessions

The Board or Committee may conduct business in Executive Session only as permitted by state law, NDCC 44-04-19.2. Executive sessions shall be presided over by the Board President or Committee Chair.

Only the portions of a public meeting that are specifically confidential or exempt from the Open Meetings law may be closed to the public and held in Executive Session. The remainder of the meeting must be open to the public.

## 11. Closed Meeting Procedures

State law specifies the following general procedure for holding an executive session.

- a. Convene a meeting in an open session preceded by public notice.
- b. Announce during the open portion of the meeting the topics to be considered during the executive session and the legal authority for holding an executive session on those topics.
- c. Pass a motion to hold an executive session unless motion is unnecessary because a confidential meeting is required to discuss confidential information.
- d. Record the executive session electronically.
- e. Limit the topics considered during the executive session to the announced, authorized topics.
- f. Take final action on the topics considered in the executive session during the open portion of a meeting.
- g. All substantive votes must be recorded by roll call.

## 12. Meeting Minutes and Records

Minutes will be taken at all Board and Committee meetings and presented for approval at the next regular meeting.

At a minimum, minutes must include:

- a. The names of the members attending the meeting.
- b. The date and time the meeting was called to order and adjourned.
- c. A list of topics discussed regarding public business.
- d. A description of each motion made at the meeting and whether the motion was seconded.
- e. The results of every vote taken at the meeting; and
- f. The vote of each member on every recorded roll call vote.

Approved meeting minutes will be made available on the RIO-TFFR website, or upon request. Meeting minutes and records of the Board and Committee activities and actions will be maintained as required by state law.

### **13. Meeting Payment and Travel Expense Reimbursement**

Board members, excluding ex-officio members, will receive compensation and travel expenses for attending Board and Committee meetings as provided in state law, NDCC 15-39.1-08.

Board members will be paid \$148 for each Board or Committee meeting attended. Board members will be paid the full amount for each meeting attended that lasts for two or more hours. Meetings lasting less than two hours will be paid at ~~one-half~~one-half the amount. Mileage and travel expense reimbursement will be paid as provided in state law.

Board members may not lose regular salary, vacation pay, vacation or any personal leave, or be denied attendance by the state or political subdivision while serving on official business of TFFR.

To receive meeting payment, Board members must complete a Board Meeting Payroll & Expenses form SFN62436 and submit it to RIO.

## **N. Committees**

### **1. Standing Committees**

The TFFR Board may establish permanent standing committees. The TFFR Board has created a permanent standing Governance and Policy Review Committee.

- a. POLICY OF THE TFFR BOARD – Governance & Policy Review Committee  
The Governance & Policy Review Committee is authorized to:
  - Review and recommend policies for the governance manual.
  - Ensure the governance manual reflects best practices and governance.
  - As directed by the board, review specific governance concerns, and make recommendations for improvement.
  - Request RIO staff for specific topic training or education

### **2. Special Committees**

The Board may establish special ad hoc committees as needed to carry out duties specified by the Board.

The Board President will appoint the Committee Chair and Committee members for special committees.

Committee Chairs are responsible for organizing the work of the Committee. In fulfilling this function, Committee Chairs:

- a. Schedule Committee meetings as often as necessary.
- b. Consult with the Executive Director or designee in setting the meeting agenda in accordance with the Committee's delegated responsibilities.
- c. Conduct Committee meetings in a collegial, fair, and efficient manner following Board policies, procedures, and applicable state law such as the open meetings law.
- d. Ensure the Committee operates to assist the Board consistent with its delegation.
- e. Provide Committee updates and reports to the Board.

When the Committee's duties are completed, the Committee automatically ceases to exist.

### **3. Audit Committee**

The SIB Audit Committee also functions as the Audit Committee for the TFFR Board since the SIB is the governing body of the RIO agency and RIO administers both the TFFR retirement program and SIB investment program.

The TFFR Board selects one TFFR representative on the SIB to serve on the SIB Audit Committee, subject to official appointment by SIB Chair. This representative will act as the TFFR Board's liaison to the SIB Audit Committee.

The TFFR Board's representative on the SIB Audit Committee and/or the Audit Supervisor, will provide Audit Committee updates and monitoring reports to the Board.

## **Q. Trustee Orientation and Education Program**

Trustees are responsible for making policy decisions affecting all major aspects of the TFFR plan administration. Therefore, trustees should acquire and maintain an appropriate level of knowledge that provides and improves core competencies necessary to govern a large, complex pension fund.

### **1. Board Member Core Competencies**

Board members should develop and maintain their knowledge and understanding of the issues involved in the prudent management of the retirement plan. Specific areas include:

- a. Public pension plan governance
- b. Asset allocation and investment management
- c. Actuarial principles and funding policies
- d. Financial reporting, controls, and audits
- e. Benefits administration
- f. Open meeting and open records laws
- g. Fiduciary responsibilities
- h. Ethics and conflicts of interest

### **2. Board Member Education**

To permit Board members to develop core competencies, discharge their fiduciary duties, and ensure Board members have a full understanding of the issues facing the TFFR plan, the Board encourages trustee education including:

- a. New trustee orientation
- b. Mentoring program
- c. Educational conferences, workshops, and other training programs
- d. In-house education sessions
- e. Fiduciary education and ethics training
- f. Open meeting and open records training
- g. Webinars, Reports, and Studies

Board members should identify areas in which they might benefit from additional education, and work with the Executive Director to find or develop educational opportunities to best address those needs.

Board members must annually report trustee education received each year. See *TFFR Board Education Report Form*.

### **3. New Trustee Orientation**

Each new Board member should attend a new trustee orientation session(s) as soon as possible after appointed to the Board or elected to office. The orientation sessions will be developed by the Executive Director, and will include, at minimum, review of the following topics and materials:

- a. Introduction to RIO staff
- b. Tour of RIO office
- c. Board Governance Manual
- d. Board duties and responsibilities
- e. History and overview of the plan
- f. Overview of TFFR-SIB-RIO organizational structure
- g. Laws, rules, and board policies governing the plan
- h. Benefit structure, administration, and outreach services
- i. Fiduciary responsibilities, conflict of interests, and ethics
- j. Open meetings and open records
- k. Board meeting schedule and protocol
- l. Board meeting minutes and materials
- m. Actuarial valuation report, assumptions, methods, and funding policy
- n. Actuarial experience report
- o. Actuarial audit report
- p. Annual financial report
- q. Investment program, investment policy statement, asset allocation, and performance
- r. RIO website – TFFR and SIB sections
- s. Legislative issues
- t. List of educational conferences and training sessions
- u. Other relevant information or materials deemed appropriate

### **4. Mentoring Program**

The Board President will assign each new trustee an experienced Board mentor to assist the new trustee in becoming familiar with Board responsibilities. The Board mentor should have at least two years of experience on the Board.

The Board mentor should contact the new Board member periodically outside of regularly scheduled Board meetings for consultation or discussion related to Board member duties and responsibilities. The new Board member should contact the Board mentor as often as necessary.

Appointment of a Board mentor does not constitute appointment of a committee and does not implicate open meeting notice requirements.

## **5. Educational Conferences, Workshops, and other Training Programs**

The Executive Director or designee will maintain a list of educational conferences, workshops, and other training programs appropriate for Board members to attend. The list will be provided at least annually to Board members. Board members may attend such conferences or others deemed to be appropriate by the Executive Director.

Subject to budget availability, Board members may attend at least one ~~out-of-state~~out-of-state educational conference each year. New trustees, or trustees with investment or other specialized Board responsibilities, may attend additional educational training sessions to help develop core competencies and become proficient in performing their duties.

The Executive Director will review conference agendas and materials to ensure they are geared toward trustee education, and, subject to budget availability, will approve Board travel requests. Board travel outside of the continental United States must be approved by the Board President and Executive Director.

Any Board member who attends a conference, workshop, or other training program will present an oral report to the Board.

The Executive Director will inform the Board of educational conferences, workshops, or other training programs attended by trustees on an annual basis.

## **6. In-House Education Sessions**

Based on the education needs identified by Board members, the Executive Director will arrange for staff or outside service providers to conduct educational sessions at regularly scheduled Board meetings. Topics may include pension board governance, actuarial and funding issues, investments, retirement operations and benefits, workforce demographics and shortages, and other topics determined by the Board.

## **7. Fiduciary Education and Ethics Training**

At least every two years, a fiduciary education and ethics training session will be conducted at a regularly scheduled Board meeting. The session will review and update trustees regarding fiduciary issues and ethical conduct affecting their service on the Board.

## **8. Open Meetings and Open Records Training**

At least every two years, an open meetings and open records training session will be conducted at a regularly scheduled Board meeting. The session will review and update trustees regarding open meetings and open records requirements affecting their service on the Board.

## 9. Webinars, Reports, and Studies

Board members are encouraged to subscribe to mailing lists and review websites for information about public pension plan conferences, webinars, reports, and studies from pension and investment organizations. Examples include:

- a. National Council on Teacher Retirement (NCTR)
- b. National Institute on Retirement Security (NIRS)
- c. National Education Association-Retired (NEA-R)
- d. National Retired Teachers Association (NRTA-AARP)
- e. International Foundation for Employee Benefit Plans (IFEBC)
- f. Center for State and Local Government Excellence (SLGE)
- g. Center for Retirement Research at Boston College (CRR)
- h. Callan Investment Institute (Callan)
- i. Council of Institutional Investors (CII)

The Chief Retirement Officer will also provide links to recent published reports and studies with Board meeting materials.

## 10. Reimbursement of Education Expenses

Trustees must request approval for travel to educational conferences or other educational programs. Trustees should notify the Chief Retirement Officer of their interest in attending an educational conference or other program. RIO will complete the travel authorization form which must be signed by the trustee and approved by the Executive Director. *See North Dakota Authorization for Out of State Travel.*

RIO will make all travel arrangements and pay conference registration fees, unless otherwise agreed to by the Chief Retirement Officer and trustee.

Payment of travel-related expenses for trustee education will be in accordance with state of North Dakota travel policies. Trustees will be reimbursed for travel related expenses including lodging, meals, transportation, etc. In order to receive reimbursement, a trustee must complete an expense form and attach receipts as required. *See RIO Travel Authorization Form).*

## R. Board Members' Code of Conduct

The following will be the Code of Ethical Responsibility for the TFFR Board of Trustees:

Board members owe a duty to conduct themselves so as to inspire the confidence, respect, and trust of the TFFR members and to strive to avoid not only professional impropriety but also the appearance of impropriety.

Board members should perform the duties of their offices impartially and diligently. Board members are expected to fulfill their responsibilities in ~~accord~~ accordance with the intent of all applicable laws and regulations and to refrain from any form of dishonest or unethical conduct. Board members should be unswayed by partisan interest, public sentiment, or fear of criticism. Conflicts of interest and the appearance of impropriety shall be avoided by Board members. Board members must not allow their family, social, professional, or other



relationships to influence their judgment in discharging their responsibilities. Board members must refrain from financial and business dealings that tend to reflect adversely on their duties. If a conflict of interest unavoidably arises, the board member shall immediately disclose the conflict to the board. A board member must abstain in those situations where the board member is faced with taking some official action regarding property or a contract in which the board member has a personal interest. Conflicts of interest to be avoided include but are not limited to: receiving consideration for advice over which the board member has any direct or indirect control, acting as an agent or attorney for a person in a transaction involving the board, and participation in any transaction involving for which the board member has acquired information unavailable to the general public, through participation on the board.

1. "Conflict of Interest means a situation in which a board member has a conflict of interest as that term is defined in North Dakota statute and rules promulgated by the North Dakota Ethics Commission under N.D.A.C. Chapter 115-04-01.
2. The board should not unnecessarily retain consultants. The hiring of consultants shall be based on merit, avoiding nepotism and preference based upon considerations other than merit that may occur for any reason, including prior working relationships. The compensation of such consultants shall not exceed the fair value of services rendered.
3. Board members shall perform their respective duties in a manner that satisfies their fiduciary responsibilities.
4. All activities and transactions performed on behalf of public pension funds must be for the exclusive purpose of providing benefits to plan participants and defraying reasonable expenses of administering the plan.

Prohibited transactions are those involving self-dealing. Self-dealing refers to the fiduciary's use of plan assets or material, non-public information for personal gain; engaging in transactions on behalf of parties whose interests are adverse to the plan; or receiving personal consideration in connection with any planned transaction.

5. Violation of these rules shall result in an official reprimand from the TFFR Board. No reprimand shall be issued until the board member has had the opportunity to be heard by the board.
6. Board members are required to affirm their understanding of this policy annually, in writing, and must disclose any conflicts of interest that may arise. *See TFFR Code of Conduct Annual Affirmation (Exhibit 6)*
7. RIO Deputy Executive Director- Chief Retirement Officer is required to affirm his/her understanding of RIO Administrative Policy – Code of Conduct for RIO Employees – annually, in writing, and must disclose any conflicts of interest that may arise.
8. RIO Executive Director is required to affirm his/her understanding of RIO Administrative Policy – Code of Conduct for RIO Employees – annually, in writing, and must disclose any conflicts of interest that may arise.

## SECTION II: TFFR Program Policies

### E. Business ~~partner~~ Partner Policies



## 1. Business ~~partner~~Partner Payment Plan Models

- A. The TFFR Board has developed models relating to business partner payment of member contributions as provided for in NDCC 15-39.1-09 and NDAC 82-04-01. The models are outlined in business partner instructions prepared by the fund. Special provisions apply to state agencies and institutions, and business partners that have not adopted a model.
- B. Business partners must select the business partner payment plan model under which they will pay member contributions through the method prescribed by the administrative office. The model selected by the business partner can only be changed once each year at the beginning of the fiscal year.
- C. The following business partner payment plan models are available to participating business partners:
- 1) Model 1: Member contributions are paid by the member through a salary reduction and remitted to TFFR by the business partner as tax deferred contributions.
  - 2) Model 2 All: Member contributions are paid by the business partner as a salary supplement and remitted to TFFR as tax deferred contributions.
  - 3) Model 2 Partial (%): A fixed percentage (1% minimum and increasing increments of full percentages only effective July 1, 2025) of the member contributions are paid by the business partner as a salary supplement and remitted to TFFR as tax deferred contributions. The remaining member contributions are paid by the member and remitted by the business partner as tax deferred contributions.
  - 4) Model 3 Partial (4): Model eliminated effective July 1, 2019.
  - 5) Model 4 State Agencies: Four Percent (4%) of the member contributions (or the % of member contributions the State agrees to pay) are paid by the State as a salary supplement and remitted to TFFR as tax deferred contributions. The remaining member contributions are paid by the member and remitted by the business partner as tax deferred contributions.
- D. Business partners who do not select one of the above models must report member contributions paid by the member and remitted by the business partner as taxed contributions. Payment of member contributions cannot be made on a tax deferred basis unless one of the above approved models is selected in writing.

## 2. Business ~~partner~~Partner Reporting Errors

It is the policy of the TFFR Board of Trustees that when an unintentional error in the reporting of retirement contributions by a TFFR participating business partner is discovered during ~~an~~a business partner audit, the following guidelines will apply:

- a. The business partner will be billed for all material shortages due plus interest or refunded for all material overpayments.
- b. Materiality limit to be used in determining if a member's account will be corrected is an aggregate total of \$500 in a fiscal year per individual member per year, unless otherwise approved by the

Deputy Executive Director-Chief Retirement Officer.

- c. The interest charged to the business partner will be the actuarial investment return assumption.
- d. Failure of the business partner to pay the required shortages or provide required information will constitute “failure to make required reports and payments” and require application of section 15-39.1-23, NDCC.
- e. The TFFR board reserves the right to negotiate with a business partner.
- f. The business partner must respond in writing to the finding(s) and/or recommendation(s) within 30 days of being notified.

### 3. Business Partner Reports

- A. It shall be the policy of the TFFR Board of Trustees to require all participating ~~employ~~ ~~e+r-employers~~ to file reports and make payment of member and business partner contributions ~~on a monthly basis~~ ~~monthly~~ to the RIO. Both payment and report are due by the 15th day of the month following the end of the reporting period.
- B. The administrative office will monitor late TFFR business partner reports and payments and establish procedures for minor processing delays. Except for unintentional reporting errors, business partners that do not meet the established deadlines for filing required reports shall be assessed a civil penalty as required in NDCC 15-39.1-23 unless the Executive Director or Deputy Executive Director/Chief Retirement Officer approves a request for a waiver of the penalty under special circumstances such as:
  - 1) Death, surgery, or illness of the individual responsible for TFFR reports or their family.
  - 2) “Acts of God” that require ~~ana~~ business partner to close school, such as blizzards, storms, or floods.
  - 3) Unforeseen events such as resignation of the individual responsible for TFFR reports, computer malfunction, etc.
- C. The request for a waiver must be in writing and signed by the administrator.

### 4. Ineligible TFFR Salary

The TFFR Board desires to provide guidance to TFFR business partners regarding how eligible salary shall be determined for payments made to licensed teachers for performing certain duties.

NDCC 15-39.1-04(10)(h) provides that eligible salary does not include “*other benefits or payments not defined in this section which the board determines to be ineligible teachers’ fund for retirement salary.*”

It is the policy of the TFFR Board of Trustees that effective July 1, 2016, additional payments made by a TFFR participating business partner to a licensed TFFR member for equipment maintenance and repair, jobsite prep and finish work, and similar types of nonteaching duties are not eligible salary for TFFR purposes if the duties are not included on the member’s regular teaching contract(s).

This policy does not prohibit the Board from making an eligible salary determination for an individual member pursuant to N.D.A.C. § 82-04-02-01.

## F. Member Communication

### 1. Disclosure to Membership

It shall be the policy of the TFFR Board of Trustees that member handbooks, member statements, member newsletters, and financial reports be prepared and made available for TFFR members. RIO staff will prepare, and the TFFR Board of Trustees will review for approval at least once a biennium a communications plan that summarizes the content and method for providing member and business partner education and publications.

### 2. Information Dissemination

It is the policy of the TFFR Board of Trustees to allow member and business partner interest groups and other approved third parties to send specific information to the TFFR membership using a “blind mailing” method. The information to be mailed and third-party organization must be approved by the Executive Director in advance. Member and business partner interest groups include, but are not limited to, NDCEL, North Dakota United (NDU), NDRTA, and North Dakota School Boards Association (NDSBA).

Under the “blind mailing” method, the third party must submit information or materials they wish to send to TFFR members. The third party must sign an agreement that they will not use the mailing to engage in partisan political activities.

If approved, the third party will forward the materials to an independent mailing company approved by TFFR. The mailing company must sign a “no disclosure” agreement with TFFR.

Agreements between TFFR and the mailing companies and third parties must be executed prior to ~~the~~ providing the membership information.

TFFR will then supply membership mailing information to the mailing company. The mailing company will combine the material from the third party with the mailing list and send to TFFR members. The cost of the mailing will be paid by the third party.

**TFFR Board Adopted:** July 15, 1999.

**Amended:** November 15, 2001.

### 3. Outreach Program Facilities

It shall be the policy of the TFFR Board of Trustees that school district facilities used for TFFR outreach programs must meet ADA requirements. In addition, authorized school district employees must be present to direct guests to the proper meeting room and lock the building at the close of the program. RIO employees who are conducting outreach programs for TFFR members are not allowed to be in school district buildings without the presence of an administrator, teacher, or other authorized school district employee.

RIO staff will not be able to conduct outreach programs at that site if the above conditions are not met.

## Appendix: Acronyms Used in the TFFR Program Manual

<b>Acronym</b>	<b>Full Form</b>
AAL	Actuarial Accrued Liability
ADC	actuarially Determined Contribution
ADEC	Actuarially Determined Employer Contribution
AGO	Attorney General's Office
AVA	Actuarial Value of Assets
CII	Council of Institutional Investors
CRR	Center for Retirement Research at Boston College
CTE	Department of Career and Technical Education
DPI	Department of Public Instruction
EFT	Benefit payments made by Electronic Funds Transfer
IFEBP	International Foundation for Employee Benefit Plans
IRC	Internal Revenue Code
LBO	Leveraged buyout
MVA	Market Value of Assets
NCTR	National Council on Teacher Retirement
NDCC	ND Century Code
NDCEL	North Dakota Council of Educational Leaders
NDPERS	North Dakota Public Employees Retirement System
NDRTA	North Dakota Retired Teachers Association
NDSBA	North Dakota School Boards Association
NDTFFR	North Dakota Teachers' Fund for Retirement
NDU	North Dakota United
NIRS	National Institute on Retirement Security
PVB	Present Value of Benefits
QDRO	Qualified Domestic Relations Order
REA	Regional Education Associations
RFP	Request for proposal
RIO	Retirement and Investment Office
SIB	State Investment Board
SLGE	Center for State and Local Government Excellence
UAAL	Unfunded Actuarial Accrued Liability