



ND TFFR BOARD MEETING

Thursday, July 23 2020, 1:00 p.m.

RIO Conference Room (Virtual Meeting Host)

Teleconferencing - 701.328.7950

Participant Code – 696855

3442 East Century Avenue, Bismarck, ND

AGENDA

I. CALL TO ORDER AND ACCEPTANCE OF AGENDA

- A. Executive Summary

II. ACCEPTANCE OF MINUTES (June 25, 2020)

III. GOVERNANCE

- A. Trustee Appointment - Ms. Murtha (5 minutes) *Informational*
- B. Election of 2020-2021 Officers - President Lech (10 minutes) *Board Action*
- C. Annual SIB Customer Satisfaction Survey - President Lech (10 minutes) *Informational*
- D. Annual TFFR Program Review - President Lech & Ms. Murtha (30 minutes) *Board Action*
 - 1. Program Awards
 - 2. Program Monitoring Summary
 - 3. Customer Satisfaction Reports
 - 4. Code of Conduct Policy Affirmations
 - 5. Mission/Policy/Goals Review

IV. REPORTS

- A. Quarterly Investment Update - Mr. Hunter (15 minutes) *Board Action*
- B. Quarterly Audit Report - Ms. Sauter (15-20 minutes) *Board Action*
- C. Annual File Maintenance Report - Ms. Thorsen (15-20 minutes) *Board Action*
- D. Annual Technology Report – Mr. Nagel (15 minutes) *Board Action*

V. OPERATIONS

- A. Retirement Education/ Member Outreach Update - Ms. Weeks & Mr. Nagel (5-10 minutes) *Informational*

VI. CONSENT AGENDA – Disability Retirement Applications – Ms. Murtha (5 minutes) *Board Action*¹

VII. PAS PROJECT RFP RESPONSE DISCUSSION – Ms. Murtha (15 minutes) *Board Action*²

VIII. OTHER BUSINESS

- A. Board Reading Materials – *Material References Included*
- B. Next Meeting:
 - 1. TFFR Special Board Meeting Friday, July 24, 2020 at 8:30a.m. –*Cancelled*
 - 2. TFFR Regular Board Meeting Thursday, September 24, 2020 at 1:00p.m.- *Virtual*

IX. ADJOURNMENT

Any individual requiring an auxiliary aid or service, please contact the Retirement and Investment Office (701) 328-9885 at least three (3) days prior to the scheduled meeting.

¹ Executive Session possible if Board discusses confidential member information under N.D.C.C. 15-39.1-30.

² Executive Session pursuant to N.D.C.C. 54-44.4-10, 44-04-17.1, 44-04-18.4, 44-04-19.1, and 44-04-19.2 to discuss responses to the PAS project RFP and contract negotiations.



EXECUTIVE SUMMARY

TFFR Board Regular Meeting

July 23, 2020 – 1 pm CT

-
- I. Agenda:** The **July Board Meeting will be held via video conference.** The board member video link is included in the email with the Board materials. There will be a call in number for the public.
 - II. Minutes:** The June 25, 2020 Board meeting minutes are included for review and approval.
 - III. A. Trustee Appointment:** Ms. Murtha will provide an update regarding Dr. Lech's appointment.
B. Election of 2020-2021 Officers: The Board will conduct its annual election of officers.
C. Annual SIB Customer Satisfaction Survey: Board members will be requested to provide feedback to the SIB relating to services.
D. Annual TFFR Program Review: The Board will conduct its annual program review by receiving reports regarding program awards, program monitoring, customer satisfaction; conduct its annual code of conduct policy affirmations and provide guidance to staff regarding program mission, goals, and policy.
 - IV. Reports:** The Board will receive the following quarterly and annual reports: quarterly investment report, quarterly audit report, annual file maintenance report, and the annual technology report.
 - V. Operations:** Staff will provide the Board with a brief update regarding steps taken to provide member outreach and education workshops and materials in a virtual and digital format.
 - VI. CONSENT AGENDA – Disability Retirement:** The Board will be provided with two applications for review.
 - VII. PAS PROJECT RFP RESPONSE DISCUSSION:** Staff will provide the Board with a brief update regarding the issuance of an RFP for consultant services in the PAS project; followed by an executive session to discuss the responses and request guidance.

Other Business and Adjournment to follow.

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
MINUTES OF THE
JUNE 25, 2020 SPECIAL BOARD MEETING**

BOARD MEMBERS PRESENT: Rob Lech, President
Mike Burton, Vice President
Kirsten Baesler, State Supt. DPI
Toni Gumeringer, Trustee
Cody Mickelson, Trustee
Mel Olson, Trustee
Kelly Schmidt, State Treasurer

STAFF PRESENT: Jamie Heick, Retirement Programs Spec
David Hunter, ED/CIO
Missy Kopp, Retirement Assistant
Jan Murtha, Deputy ED/CRO
Sara Sauter, Internal Audit Supvr
Dottie Thorsen, Internal Auditor
Denise Weeks, Retirement Program Mgr

OTHERS PRESENT: Karen Askerooth, ND United

CALL TO ORDER:

Dr. Rob Lech, President of the Teachers' Fund for Retirement (TFFR) Board of Trustees, called the meeting to order at 3:00 p.m. on Thursday, June 25, 2020. The meeting was held at the ND Retirement and Investment Office (RIO), Bismarck, ND, but most participants attended via video or teleconference.

THE FOLLOWING MEMBERS WERE PRESENT REPRESENTING A QUORUM: SUPT. BAESLER, MR. BURTON, MS. GUMERINGER, PRES. LECH, MR. MICKELSON, MR. OLSON.

ACCEPTANCE OF AGENDA:

The Board considered the agenda for the June 25, 2020, meeting.

IT WAS MOVED BY MR. OLSON AND SECONDED BY MS. GUMERINGER AND CARRIED BY A VOICE VOTE TO APPROVE THE AGENDA AS DISTRIBUTED.

AYES: SUPT. BAESLER, MR. BURTON, MR. MICKELSON, MS. GUMERINGER, MR. OLSON, AND PRES. LECH

NAYS: NONE

ABSENT: TREASURER SCHMIDT

MOTION CARRIED

MINUTES:

The Board considered the minutes of the April 23, 2020, meeting.

IT WAS MOVED BY MS. GUMERINGER AND SECONDED BY MR. BURTON AND CARRIED BY A VOICE VOTE TO APPROVE THE APRIL 23, 2020, MINUTES AS DISTRIBUTED.

AYES: MR. MICKELSON, MR. OLSON, MR. BURTON, SUPT. BAESLER, MS. GUMERINGER, AND PRES. LECH

NAYS: NONE

ABSENT: TREASURER SCHMIDT

MOTION CARRIED

INTRODUCTION OF NEW STAFF:

Ms. Murtha introduced herself and Ms. Jayme Heick to the Board. Ms. Murtha, the Deputy Executive Director/Chief Retirement Officer and Ms. Heick, a Retirement Programs Specialist, started at RIO on June 1, 2020.

OCTOBER BOARD MEETING:

Ms. Murtha shared information with the Board concerning the Board meeting scheduled for October 22, 2020. The October meeting has been scheduled in the past, to occur after the Legislative Employee Benefits Program Committee (LEBPC) meeting. The LEBPC is tentatively scheduled to meet on October 28, 2020. There is also a conflict with the ND Council of Educational Leaders Conference, which is scheduled for October 21-23, 2020.

IT WAS MOVED BY MR. OLSON AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO MOVE THE OCTOBER 22, 2020 MEETING TO NOVEMBER 19, 2020.

AYES: TREASURER SCHMIDT, SUPT. BAESLER, MS. GUMERINGER, MR. OLSON, MR. BURTON, MR. MICKELSON, AND PRES. LECH

NAYS: NONE

MOTION CARRIED

ASSET LIABILITY STUDY:

Ms. Murtha provided an update on the Asset Allocation and Liability Modeling Study. At the April meeting, the Board moved to request a proposal from Callan for an Asset Liability Study. Callan has provided a proposal and contract. The contract is currently being reviewed by RIO staff and TFFR's legal counsel.

IT WAS MOVED BY MR. BURTON AND SECONDED BY MS. OLSON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT CALLAN'S PROPOSAL TO PERFORM THE 2020 TFFR ASSET LIABILITY STUDY.

AYES: MS. GUMERINGER, MR. BURTON, MR. MICKELSON, SUPT. BAESLER, MR. OLSON, TREASURER SCHMIDT, AND PRES. LECH

NAYS: NONE

MOTION CARRIED

TFFR PROGRAM OPERATIONS UPDATE (COVID-19):

Ms. Murtha provided an update on TFFR operations during the COVID-19 pandemic. The RIO office will be accessible to the public by appointment only starting July 1, 2020. Retirement services staff have begun to schedule appointments with members in July and August. Barriers have been installed at key interaction points within the office. When members of the public come into the RIO office, staff will take their temperature and ask screening questions. Board discussion followed.

BOARD PROGRAM MANUAL - 2nd READING:

Mr. Mickelson provided a summary of the proposed updated board governance policies contained in the TFFR Board Program Manual developed by the TFFR Governance and Policy Review Committee with one amendment. The amendment was an updated form located in the Exhibits section of the manual.

Board discussion followed.

IT WAS MOVED BY MR. BURTON AND SECONDED BY MR. OLSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE THE 2ND READING AND ADOPT SECTION I: BOARD GOVERNANCE POLICIES INCLUDED IN UPDATED TFFR BOARD PROGRAM MANUAL AS AMMENDED AND TO REPEAL CERTAIN CURRENT TFFR ENDS, PROGRAM POLICIES, AND BY-LAWS AS LISTED (A-1, B-1, B-2, EXHIBITS B-I, B-II, & B-III, C-1, C-2, C-3, C-18, C-21, C-22, C-23, D-1, D-2, D-3, D-4, D-5, D-6, D-7, & D-8.)

AYES: MR. OLSON, MR. MICKELSON, SUPT. BAESLER, MS. GUMERINGER, TREASURER SCHMIDT, MR. BURTON, AND PRES. LECH.

NAYS: NONE

MOTION CARRIED

ADJOURNMENT:

With no further business to come before the Board, President Lech adjourned the meeting at 3:30 p.m.

Respectfully Submitted:

Dr. Rob Lech, President
Teachers' Fund for Retirement Board

Missy Kopp
Reporting Secretary



MEMORANDUM

TO: TFFR Board

FROM: Jan Murtha

DATE: July 16, 2020

SUBJ: Trustee Appointment

As of the date of this Memorandum, the RIO agency has not yet received notice from the Governor's Office regarding the status of Dr. Lech's reappointment to the TFFR Board. Dr. Lech's term was set to expire June 30, 2020. Julie Kuennen, the Boards and Commissions Manager with the Governor's Office, may provide the appointment information prior to the Board meeting date of July 23, 2020. Governor's Office General Counsel Leslie Bakken Oliver, confirmed that pursuant to NDCC 54-07-01.2(3) Dr. Lech may continue to serve as Trustee until the appointment is addressed by the Governor's Office. This memorandum may be updated prior to the Board meeting on July 23, 2020.

BOARD INFORMATION ONLY. No board action requested.



MEMORANDUM

TO: TFFR Board
FROM: Jan Murtha
DATE: July 16, 2020
SUBJ: Election of 2020-21 Officers and SIB members

The TFFR Board is required by state law to elect officers at the first meeting of each fiscal year. For the 2020-21 year, the Board will need to select:

- **TFFR Board President**
(Currently Rob Lech)
- **TFFR Board Vice President**
(Currently Mike Burton)
- **Three TFFR trustees to represent TFFR on the State Investment Board** to include one active administrator, one active teacher, one retired member (Currently Rob Lech, Mel Olson, and Toni Gumeringer)
- **One TFFR trustee from SIB to represent TFFR on SIB Audit Committee**
(Currently Rob Lech)
- **One TFFR trustee to serve as SIB alternate/designee**
(Currently Mike Burton)

The State Treasurer serves as a member of the State Investment Board pursuant to state law, and therefore is not subject to assignment by the TFFR Board.

Statutory references are included on the following page for your information.

BOARD ACTION: Board election and selection process.

Teachers' Fund for Retirement (TFFR)

15-39.1-05.1. Board composition - Terms - Voting.

1. The authority to set policy for the fund rests in a board of trustees composed as follows:
 - a. The governor shall appoint, from a list of three nominees submitted to the governor by North Dakota united, two board members who are actively employed as elementary or secondary teachers in full-time positions not classified as school administrators. A board member appointed under this subdivision who terminates employment may not continue to serve as a member of the board.
 - b. The governor shall appoint, from a list of three nominees submitted to the governor by the North Dakota council of educational leaders, one board member who is actively employed as a full-time school administrator. A board member appointed under this subdivision who terminates employment may not continue to serve as a member of the board.
 - c. The governor shall appoint, from a list of three nominees submitted to the governor by the North Dakota retired teachers association, two board members who are retired members of the fund.
 - d. The state treasurer and the superintendent of public instruction.
2. All current appointees of the board shall serve the remainder of their terms as members of the board until their terms expire and their successors are appointed. The first newly appointed board member under subdivision a of subsection 1 must be appointed to serve an initial term of four years. The first newly appointed board member under subdivision c of subsection 1 must be elected to serve an initial term of five years. Newly appointed board members shall serve a term of five years. Each newly appointed term begins on July first.
3. Each board member is entitled to one vote, and four members constitute a quorum. Four votes are required for resolution or action by the board.

15-39.1-06. Organization of board.

The board may hold meetings as necessary for the transaction of business and a meeting may be called by the president or any two members of the board upon reasonable notice to the other members of the board. The president for the ensuing year must be elected at the first meeting following July first of each year.

15-39.1-07. Vacancies - Rulemaking power.

Vacancies which may occur among the appointed members of the board must be filled by the governor and the appointee shall complete the term for which the original member was selected. The board may adopt such rules as may be necessary to fulfill the responsibilities of the board.

15-39.1-08. Compensation of members.

Members of the board, excluding ex officio members, are entitled to receive one hundred forty-eight dollars as compensation per day and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09 for attending meetings of the board. No member of the board may lose regular salary, vacation pay, vacation or any personal leave, or be denied right of attendance by the state or political subdivision thereof while serving on official business of the fund.

State Investment Board

21-10-01. State investment board - Membership - Term – Compensation

1. The North Dakota state investment board consists of:
 - a. The governor;
 - b. The state treasurer;
 - c. The commissioner of university and school lands;
 - d. The director of workforce safety and insurance;
 - e. The insurance commissioner;
 - f. Three members of the teachers' fund for retirement board or the board's designees who need not be members of the fund as selected by that board;
 - g. Two of the elected members of the public employees retirement system board as selected by that board;
 - h. One member of the public employees retirement system board as selected by that board; and
 - i. One member of the legacy and budget stabilization fund advisory board, as selected by that board, to serve as a nonvoting member.
2. The director of workforce safety and insurance may appoint a designee, subject to approval by the workforce safety and insurance board of directors, to attend the meetings, participate, and vote when the director is unable to attend. The teachers' fund for retirement board may appoint an alternate designee with full voting privileges to attend meetings of the state investment board when a selected member is unable to attend. The public employees retirement system board may appoint an alternate designee with full voting privileges from the public employees retirement system board to attend meetings of the state investment board when a selected member is unable to attend.
3. The members of the state investment board, except elected and appointed officials and the director of workforce safety and insurance or the director's designee, are entitled to receive as compensation one hundred forty-eight dollars per day and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09 for attending meetings of the state investment board.
4. The state investment board may establish an advisory council composed of individuals who are experienced and knowledgeable in the field of investments. The state investment board shall determine the responsibilities of the advisory council. Members of the advisory council are entitled to receive the same compensation as provided the members of the advisory board of the Bank of North Dakota and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09.



MEMORANDUM

TO: TFFR Board

FROM: Jan Murtha

DATE: July 16, 2020

SUBJ: Annual SIB Customer Satisfaction Survey

The **State Investment Board** wants to hear from its customers whether the SIB, through the RIO agency, is providing quality service.

Sara Sauter, Supervisor of Audit Services, will send the annual SIB Customer Satisfaction Survey to the TFFR Board President. A pdf version of the survey is also included here for informational purposes. In the past, the Board President has sent the survey individually to each board member and has compiled the results. The TFFR Board then reviews the compiled responses at the September board meeting for approval and submission to the SIB.

BOARD INFORMATION ONLY. No Board action requested.

**2020 NORTH DAKOTA STATE INVESTMENT BOARD
CUSTOMER SATISFACTION SURVEY**

Each year the State Investment Board (SIB) conducts a customer satisfaction survey. The purpose of this annual survey is to determine how well the SIB, through the staff of the Retirement and Investment Office (RIO), is meeting the expectations of its clients. This survey is a part of the SIB's ongoing effort to be responsive to the needs of their clients and to continually improve the services that are provided.

Please help us measure our performance and identify areas for improvement by rating the service you received during fiscal year 2020 (July 1, 2019 - June 30, 2020). Please check the response which best reflects your experience.

	Excellent	Above Average	Average	Poor	N/A
Availability/Responsiveness to Requests (via calls and/or emails)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Clarity and Effectiveness of Communications, Reports, and Presentations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Frequency of Communications/Reporting	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Knowledge of Investments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall value of services provided	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How can the State Investment Board (SIB) and/or Retirement and Investment Office (RIO) staff better meet your expectations and improve the services currently being offered?

Thank you for helping us serve you better.



MEMORANDUM

TO: TFFR Board
FROM: Jan Murtha
DATE: July 16, 2020
RE: Annual TFFR Program Review

The TFFR Board is responsible for administering the retirement program, and in fulfillment of its fiduciary responsibilities will conduct a periodic review of the Board's mission, goals, policies, and by-laws included in the Program Manual.

Board responsibilities include:

1. Establish and monitor policies for the administration of the TFFR program.
2. Establish and monitor investment policy, goals, objectives, and asset allocation.
3. Hire and monitor actuarial and medical consultants; establish and monitor actuarial assumptions and methods; and ensure periodic actuarial valuations, experience studies, asset liability modeling studies, and actuarial audits are conducted.
4. Pay benefits and consultant fees.
5. Submit legislation and monitor the statutory responsibilities of the TFFR program.
6. Determine appropriate levels of service to members and employers.
7. Communicate and monitor TFFR program expectations to the SIB expected to be provided through RIO.
8. Promulgate administrative rules as needed.

As part of your annual TFFR Program Review this year, the following reports are included for your review:

- TFFR Board Awards
- TFFR Program Monitoring Summary
- TFFR Customer Satisfaction Reports
- Mission/Policy/Goals Review

Please note that due to the disruption to what had been normal office processes and scheduled meetings during the latter half of the fiscal year, the RIO agency has been and continues to review how certain services and program materials are processed and published. Regularly scheduled presentations and ongoing program performance reports are being evaluated and updated. Staff will provide ongoing updates relating to program performance as the agency continues to integrate ND Smart Restart state facility protocols.

Board members are also required to complete the TFFR Board Code of Conduct form and return to RIO by July 24, 2020. You may print and sign the one included here and return via fax, email, or mail; a digital copy will also be emailed to you separately for your completion and convenience.

BOARD ACTION REQUESTED: Board motion to approve 2020 Annual Program Review and/or any other board directives to staff relating to the board's mission, goals, policies, and by-laws.



MEMORANDUM

TO: TFFR Board

FROM: Jan Murtha

DATE: July 16, 2020

SUBJ: Program Awards

The ND Teachers' Fund for Retirement has received the following Awards:

- 2019 Certificate of Transparency – awarded by the National Council on Public Employee Retirement Systems (NCPERS) for participation in the 2019 NCPERS Public Retirement Systems Study.
- 2019 Recognition Award for Administration – awarded by the Public Pension Coordinating Council (PPCC) in recognition of meeting professional standards for plan administration as set forth in the Public Pension Standards.

BOARD INFORMATION ONLY. No board action requested.

TFFR Program Monitoring Summary

2019-20

Ends Policy	Responsibility	Action	Scheduled	Completed
Mission	TFFR Board	Annual Review	July	9-26-19
Goals	TFFR Board	Annual Review	July	7-25-19
Plan Beneficiaries	TFFR Board	Annual Review	July	7-25-19
Membership Data	TFFR Board	Annual Review	July	7-25-19
	Internal Audit	Annual Report	July	7-25-19
	External Audit/Audit Com.	CliftonLarsonAllen	November	11-13-19
	Retirement Officer	Staff Presentations	Ongoing	
Investments	TFFR Board/SIB	Annual Review	September	9-26-19
	Investment Director	Annual Report	September	9-26-19
Retirement Services	TFFR Board	Annual Review	July	7-25-19
	Internal Audit	Annual Report	July	7-25-19
	External Audit/Audit Com.	CliftonLarsonAllen	November	11-13-19
	Interest Groups	Annual Report	July	7-25-19
	Retirement Officer	Staff Presentations	Ongoing	
Account Claims	TFFR Board	Annual Review	July	7-25-19
	Internal Audit	Annual Report	July	7-25-19
	External Audit/Audit Com.	CliftonLarsonAllen	November	11-13-19
	Retirement Officer	Staff Presentations	Ongoing	
Trust Fund Valuation	TFFR Board	Annual Review	July	7-25-19
	Segal	Annual Valuation	October	10-24-19
	Internal Audit	Annual Report	October	7-25-19
	External Audit/Audit Com.	CliftonLarsonAllen	November	11-13-19
	Retirement Officer	Staff Presentations	Ongoing	
Program Policies	TFFR Board	Annual Review	July	6-25-20



MEMORANDUM

TO: TFFR Board
FROM: Jan Murtha
DATE: July 16, 2020
RE: Annual TFFR Customer Satisfaction Reports

To assist the **TFFR Board** in monitoring how well the TFFR program is serving member and employer needs, we collect evaluations and distribute various surveys each year. Attached are the results of the 2019-20 responses.

We have reviewed the evaluation responses and comments. Here is a brief summary of overall scores, based on a 4-point scale (Excellent 4, Above Average 3, Average 2, Poor 1).

Members

Retirement Education Workshops	3.43
Retirement Group Counseling	3.59
Retirement 101 Presentation	3.6
Comment Cards - 3 Areas	
1. Staff Courtesy	3.94
2. Promptness	3.86
3. Understanding of Information	3.83

Employers

Business Manager Workshops	None Held due to Covid-19 pandemic.
----------------------------	-------------------------------------

Member & Employer Interest Groups

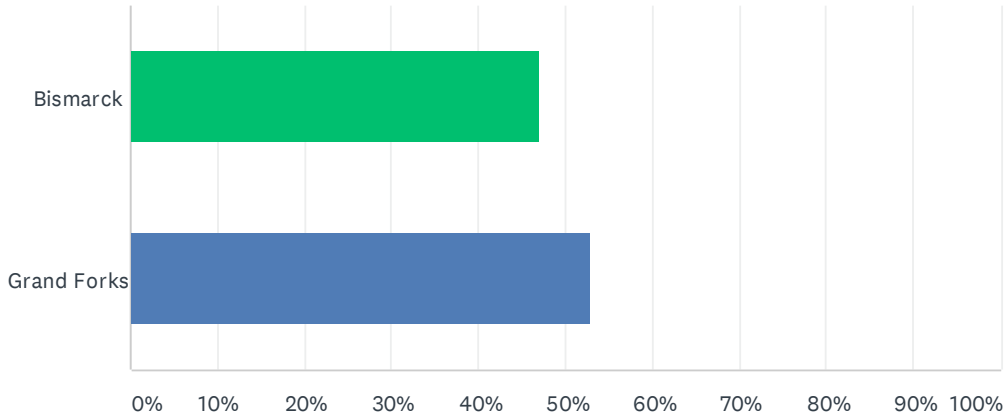
Combined Survey:	Pending. Will provide update at meeting.
ND Assn of School Business Managers	
ND Council of Educational Leaders	
ND Retired Teachers Assn	
ND School Board Assn	
ND United.	

We will continue to take all member and employer suggestions into consideration, and are endeavoring to evolve programs and services to meet TFFR customer's needs and program goals.

BOARD INFORMATION ONLY. No Board Action requested.

Q1 At which location did you attend the workshop?

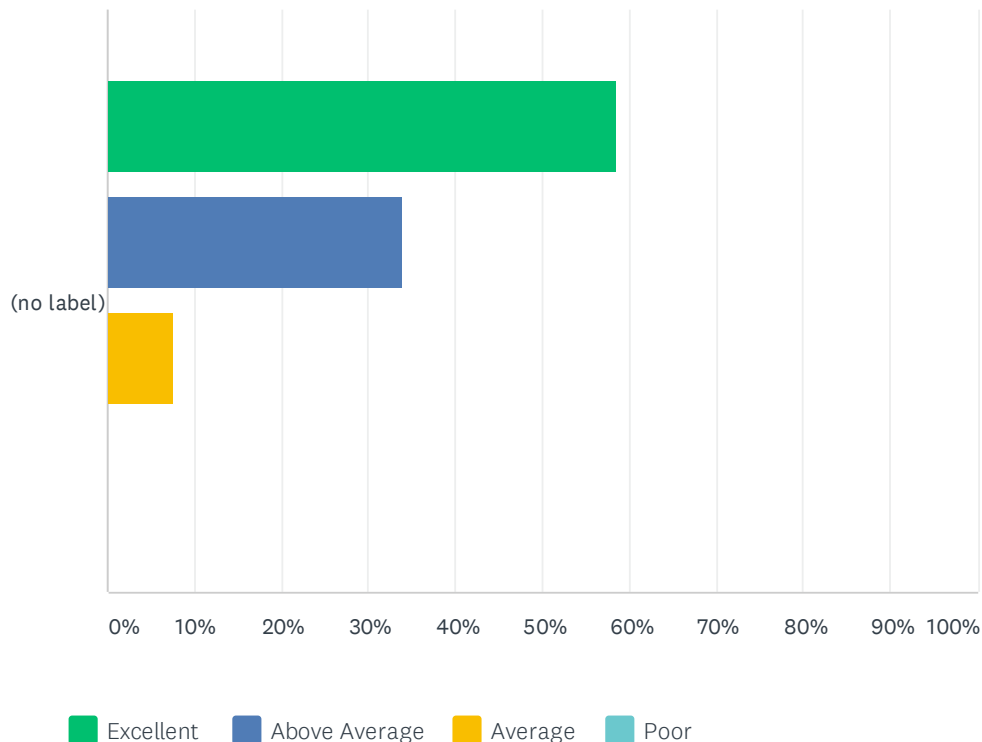
Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES	
Bismarck	47.17%	25
Grand Forks	52.83%	28
TOTAL		53

Q2 TFFR Pension Benefits Presentation

Answered: 53 Skipped: 0

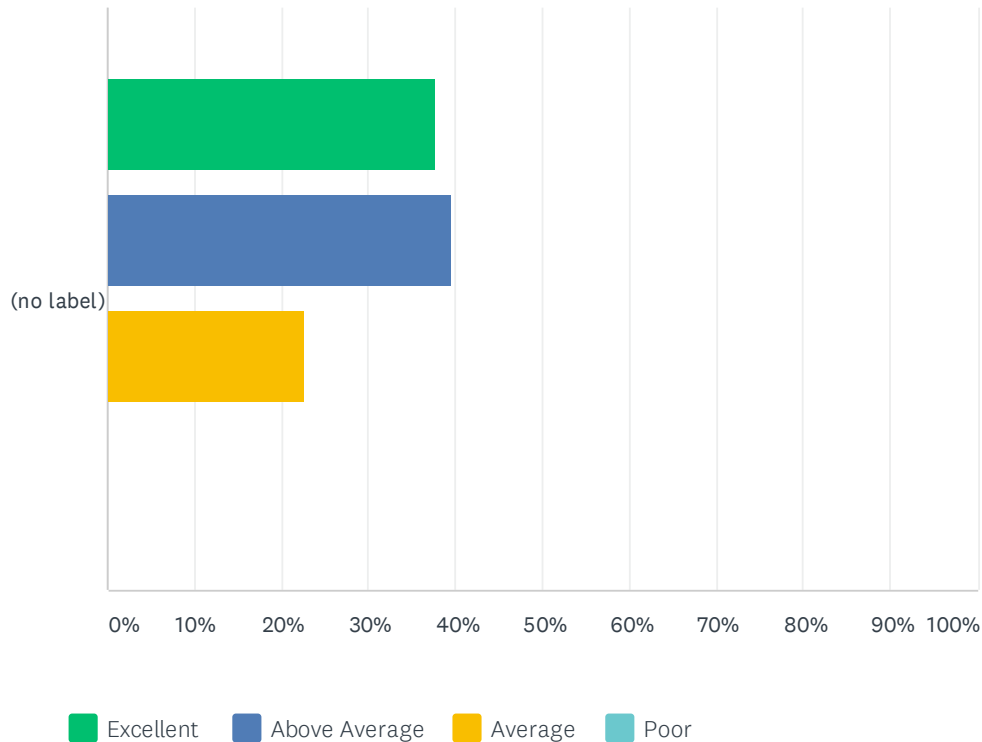


	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	58.49%	33.96%	7.55%	0.00%	53	3.51
	31	18	4	0		

#	COMMENTS
1	I learned so much! It was a wonderful session, very comfortable, easy to listen to and easily accessible.
2	It was great to have a hard copy in front of me to actually see the numbers in black and white. The presentation was very easy to understand and very helpful!
3	The counselor was Awesome
4	Very valuable information. Feeling overwhelmed.
5	I liked the separate sections. There were four and we had a break to rest our brains between each.
6	I felt like there was a lot of using acronyms, which made it difficult to keep up with the info
7	I thought the information shared was very important. Having a variety of speakers was helpful. Each session was about the right length and breaks were frequent. It was very informal too. I gained a great deal of information from the workshop. All involved get an A+
8	Very informative.
9	valuable information presented in a way I could understand it.
10	some stuff I knew, some I didn't - so valuable

Q3 Financial Planning Presentation

Answered: 53 Skipped: 0

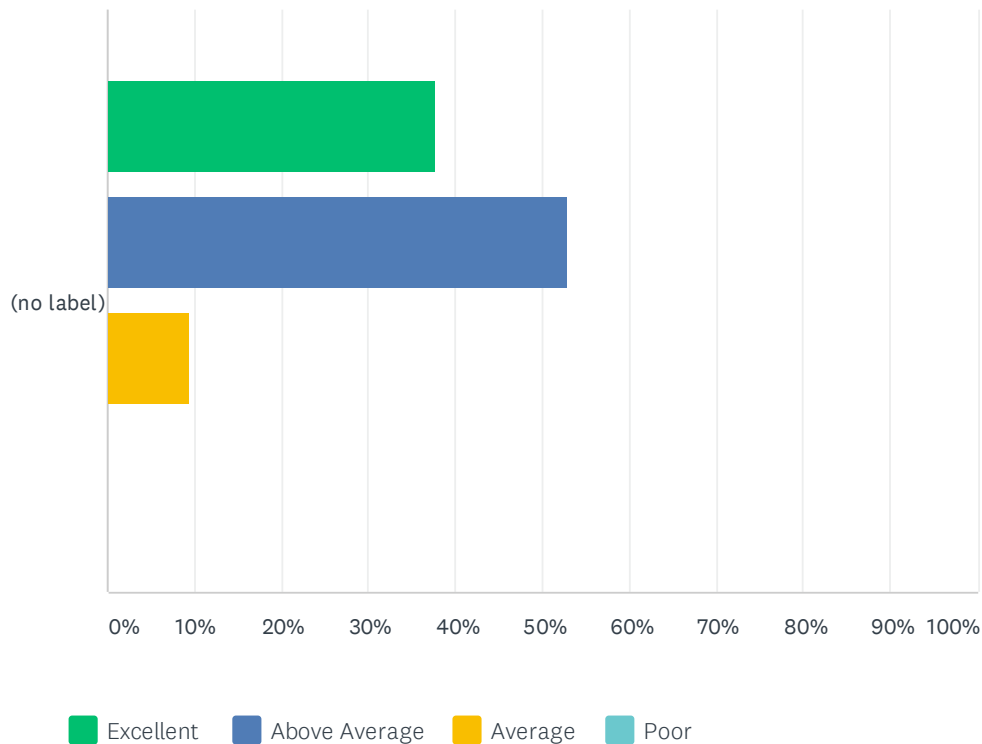


	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	37.74%	39.62%	22.64%	0.00%	53	3.15
	20	21	12	0		

#	COMMENTS
1	Good presenter. I just was more interested in the TFFR information.
2	I was smart enough to start an annuity 30 plus years ago based on the advice from a veteran teacher.
3	Lots to take in.
4	Lots of information. Very good.
5	It answered many questions I had and confirmed what I already knew.
6	Is this the Horace Mann rep? I felt that at the point where we are considering retirement, it's maybe too late to set up a 403b. Not helpful for retirees.
7	NDU uses a Hoarce Mann representative also for their retirement seminar. The agent was a different person but the material was generally the same.
8	I knew a lot of this information already but it was likely helpful to many people.

Q4 Insurance Presentation

Answered: 53 Skipped: 0

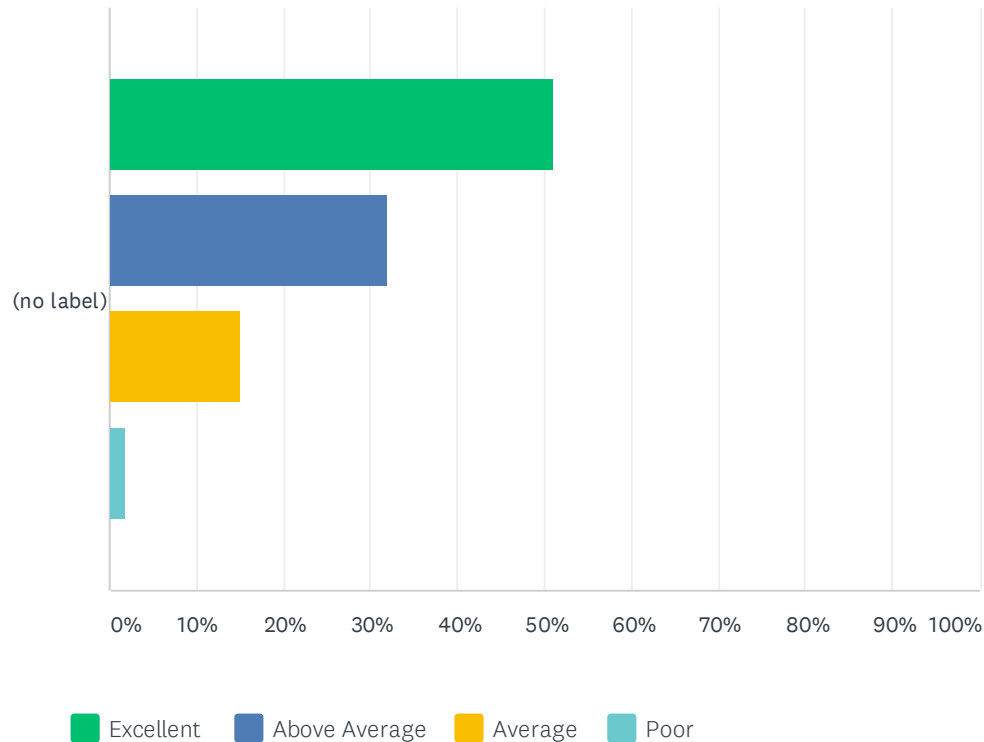


	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	37.74%	52.83%	9.43%	0.00%	53	3.28
	20	28	5	0		

#	COMMENTS
1	She was very helpful, and answered a ton of questions that I had.
2	I had no idea there were agents to help with this overwhelming process!
3	Helpful
4	Already knew most of this, but a great reminder.
5	She is a valuable resource.
6	Insurance is always a confusing issue for me. I appreciated the information.

Q5 Estate Planning Presentation

Answered: 53 Skipped: 0

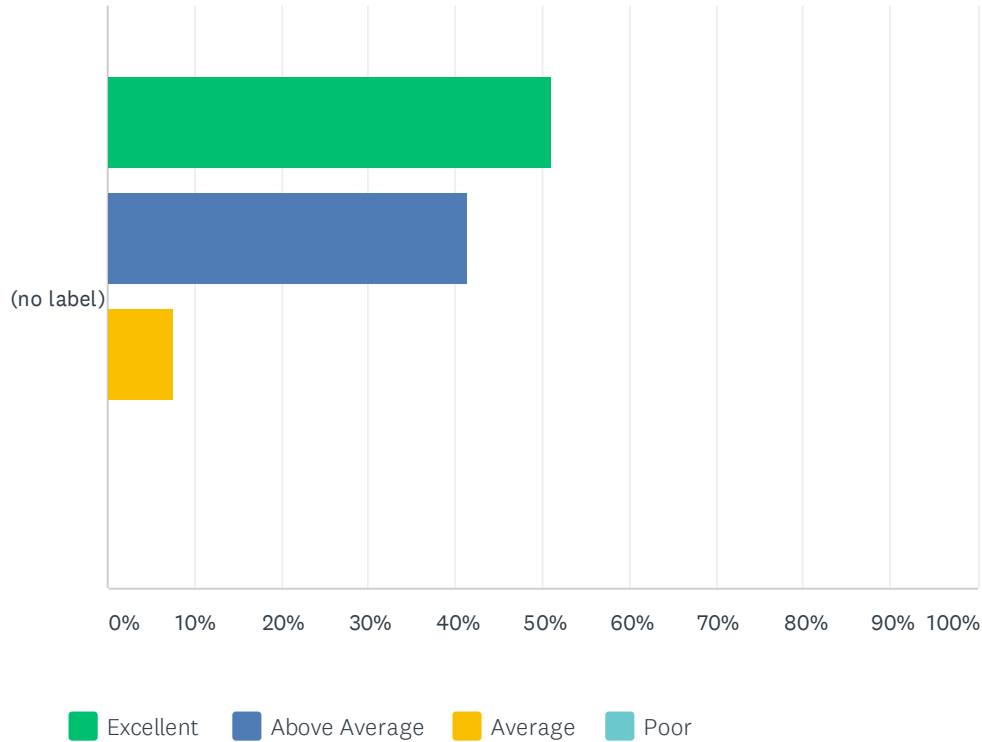


	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	50.94% 27	32.08% 17	15.09% 8	1.89% 1	53	3.32

#	COMMENTS
1	I hadn't even expected this part and it was the best information.
2	I would say this part was a little long and very legalize...? It was eye-opening to see how few people have a will... the best part of the presentation is that I am now working on getting these three documents in place.
3	Susan Johnson did an amazing job and was very knowledgeable.
4	I really need to speak with the presenter! Great information!
5	Did not stay for this part. A friend indicated it was worthwhile.
6	Super excellent !! She explained terms in ways I had not heard before (like will substitute) and now I understand better.
7	I felt she was trying to scare us. I didn't like the impression I was getting that she wanted us to know that she knew more than we did. And she didn't try to make it more clearer.
8	Humor in this type of presentation is very important. He was very knowledgeable and gave what I felt was appropriate caution about certain decisions.

Q6 Overall Seminar

Answered: 53 Skipped: 0

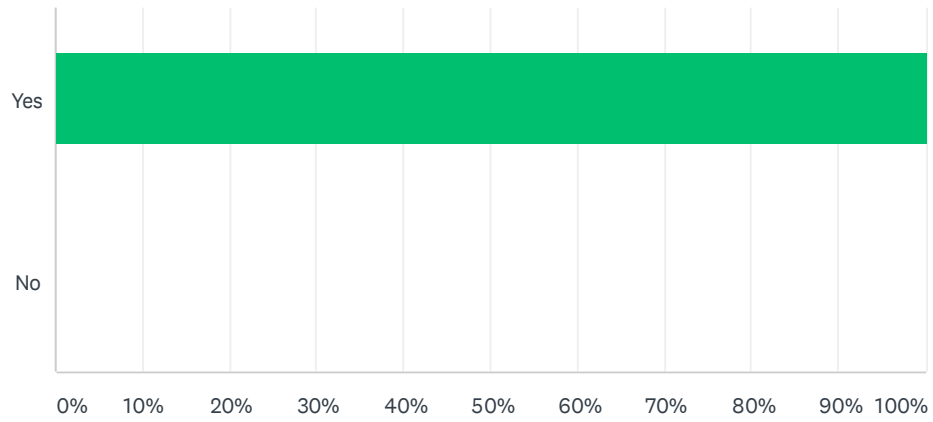


	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	50.94%	41.51%	7.55%	0.00%	53	3.43
	27	22	4	0		

#	COMMENTS
1	I have already recommended this to many of my co-workers.
2	I am SO glad I took the time to attend. I appreciated that no one was selling anything and it was just the distribution of valuable information. I am wondering why summer school doesn't count toward years of service. With school being almost year-round I think this should be taken into account. If you teach 120 hours each summer for two decades and you pay into TFFR over the summer.... it should count for something. Just curious if it has ever been discussed.
3	I am about 4 years from retirement. I was very pleased with the information presented. I feel much more prepared to begin the process and am more comfortable knowing where I need to go from here.
4	I appreciate TFFR employees' willingness to make themselves available to the teachers and administrators in the field. They are very helpful and knowledgeable.
5	Thank you so much. It was worth my time and effort.
6	I attended two years ago also. We each got a folder with info, forms, brochures, etc. Much more useful than the way the info was made available this year.
7	I am so happy I chose to attend the session. I am one of those asking, "when do I know it is time to retire?"
8	This session was very valuable to anyone preparing for retirement or trying to make sure they are on the right track for retirement.

Q7 Do you feel that attendance at this seminar was time well spent?

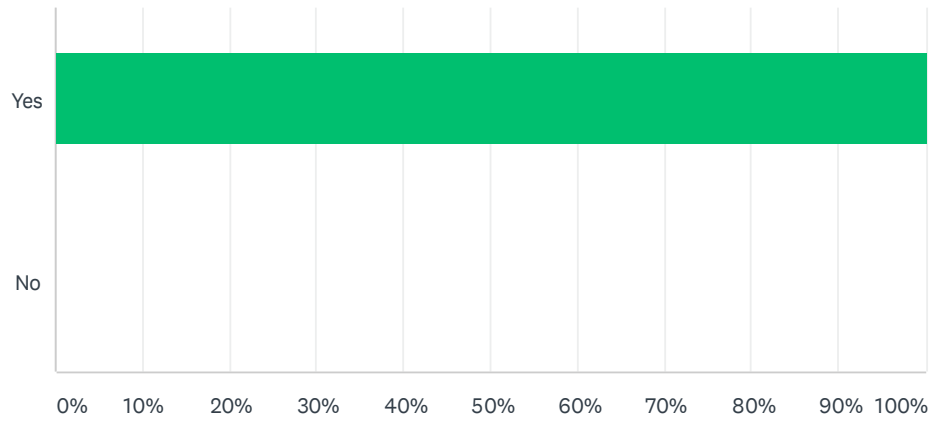
Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	100.00%	53
No	0.00%	0
TOTAL		53

Q8 Would you recommend this workshop to others?

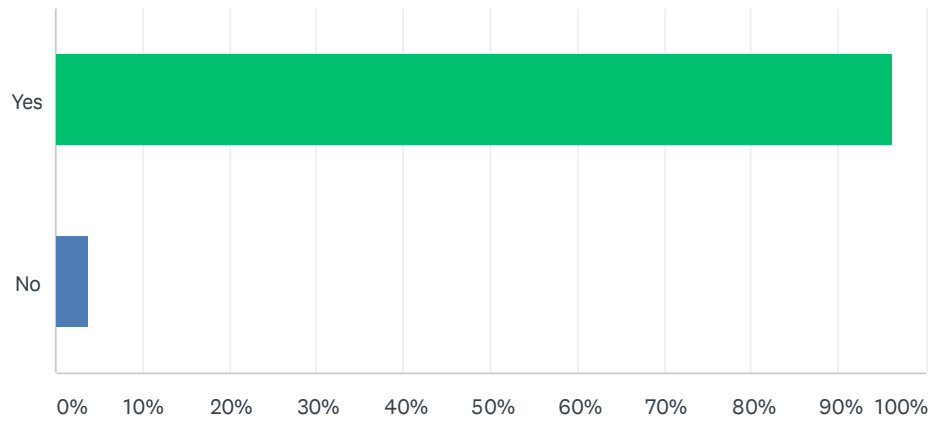
Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	100.00%	53
No	0.00%	0
TOTAL		53

Q9 Will attendance at this workshop motivate you to take action relative to your retirement planning?

Answered: 53 Skipped: 0



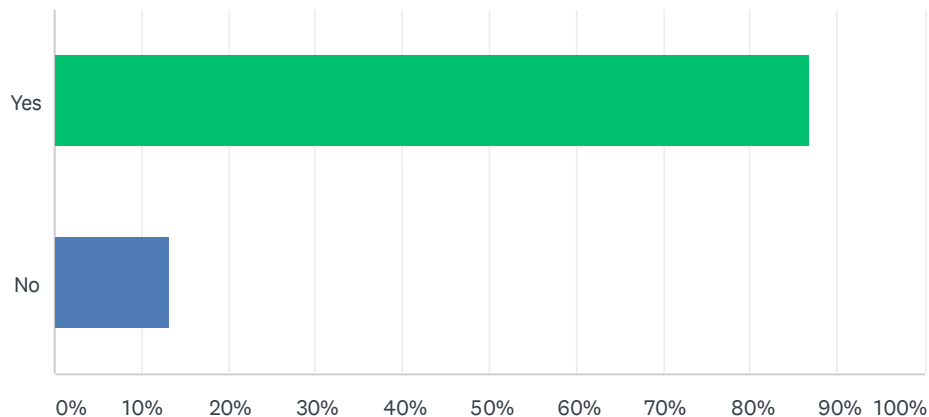
ANSWER CHOICES	RESPONSES	
Yes	96.23%	51
No	3.77%	2
TOTAL		53

TFFR Retirement Education Workshop

#	IF YES, WHAT ACTION WILL YOU TAKE?
1	Start setting up my retirement for the end of this school year.
2	Already have a meeting set up to write a POA.
3	I am working on power of attorney and health directive. I now have a clear plan for how much longer I should work to take advantage of my years of service credit. KICKING myself for taking out my money after five years of teaching.... too young to understand the implications at retirement. I wish it had been explained better to me.... it was such a small amount of money and now I am paying a high price at the end of my career. It was probably explained to me, but being young and foolish, I didn't comprehend the implications.
4	check more into specifics of retirement
5	I will set up a timeline for events that I need to organize and begin planning for before the year I retire.
6	set up will
7	Get our finances and will in order.
8	Getting a Will in order
9	estate planning
10	health insurance
11	Mostly estate planning at this point and getting things ready
12	POA, will, and health insurance choices.
13	I will be attending a group session in October and sign in online to begin the process
14	I plan to schedule my next meeting with tffr
15	Estate planning
16	Attend another meeting in the near future.
17	I plan to proceed with retirement in 2020.
18	buy air time, wills, POA, etc
19	I will find out more about deeds.
20	I had already been planning on retiring.
21	Budget sheet, look at options available.
22	Financial advisor/planning
23	Register and look into insurance options
24	All ready have an annuity, life insurance and multiple CD's
25	Schedule a benefits meeting with a TFFR representative. Contact a lawyer and update my will.
26	I will look into planning for the future by getting a will, power of attorney and health care directive.
27	I am hoping to retire early. This session gave me information for calculating a rough estimate of retirement income so I'll have a better idea if early retirement is even possible. It was also a good reminder to tuck away as much money towards retirement as I can afford.
28	I will do some financial planning.
29	get my will written, register on-line for digital retirement info
30	Setup an individual planning meeting with TFFR and meet with my financial planner
31	Individual counseling to prepare

Q10 Was the length of the program appropriate?

Answered: 53 Skipped: 0

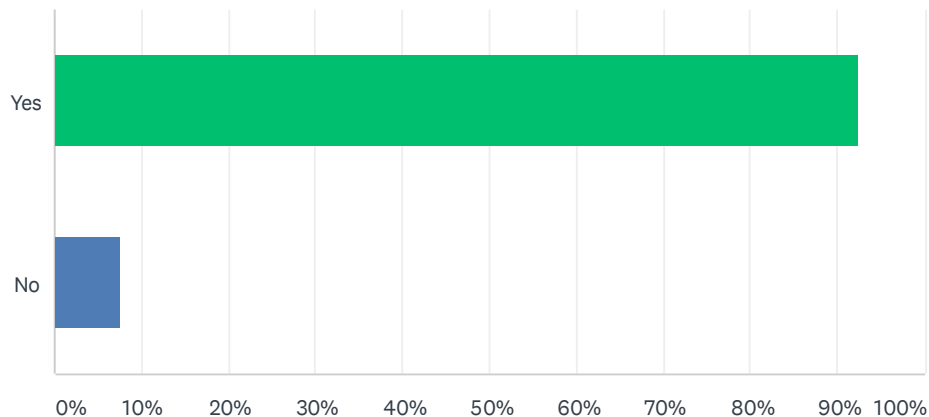


ANSWER CHOICES	RESPONSES
Yes	86.79% 46
No	13.21% 7
TOTAL	53

#	IF NOT, HOW LONG SHOULD THE PROGRAM BE?
1	Need more time to ask questions. A lot of information to absorb.
2	3 hours
3	3 1/2-4hours
4	like 3 hours max
5	Need more time to ask questions. A lot of information to absorb.
6	No more than 3 to 4 hours
7	Too long...less breaks

Q11 Was the time of the program convenient?

Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES
Yes	92.45% 49
No	7.55% 4
TOTAL	53

#	IF NOT, WHAT WOULD BE A BETTER TIME?
1	Too early for people from the west
2	for those driving, it was early, but time is okay
3	I had to get a motel room as I am in mountain time. 9:00 would work.
4	Too early for mst

Q12 Do you have suggestions for future programs?

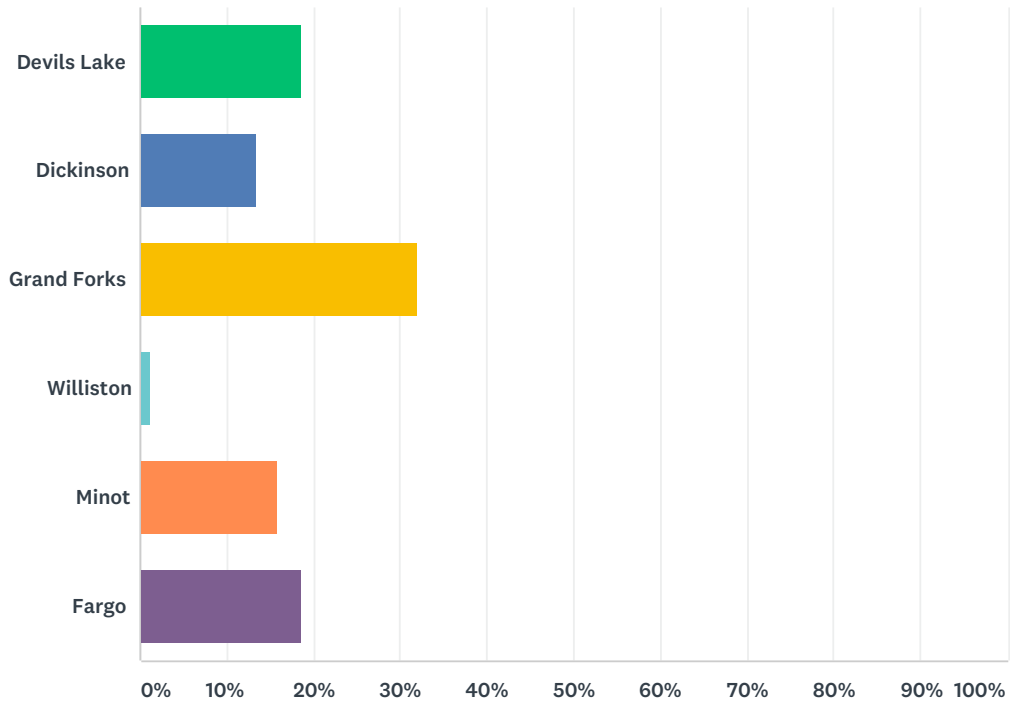
Answered: 20 Skipped: 33

#	RESPONSES
1	Do all day or get get rid of estate planning.
2	Just keep them coming.
3	I would shorten the lawyer's portion.... I thought the overall seminar was EXCELLENT! Very easy to understand the information.
4	Well organized
5	Beginning teachers should take this.
6	very informative
7	I know you offered more time at the end, but I didn't stay for it. Do you have a time that we can work 1 on 1 with someone if needed?
8	My only suggestion would be to include a speaker from the social security administration
9	Na
10	No, it was nice to have speakers who had life experiences to share.
11	This was well-organized and well-run. I have no suggestions for future programs.
12	no, it was very interesting.....I learned so much and appreciate so much all your time and investment.
13	none
14	Thank you.
15	More time on Social security and health insurance, less on estate planning.
16	I am happy that I attended the session.
17	N/A
18	Having the option to do individual sessions afterwards might be helpful to those traveling. They could attend the workshop and then do an individual session in the afternoon to save on traveling back another time.
19	I especially appreciated other attendees questions and comments - felt interactive - and, of course, the presenters were able to field everything we threw at them.
20	Agenda prior to day

Group Benefits Counseling Evaluation
 FY 2019-20

Q1 At which location did you attend?

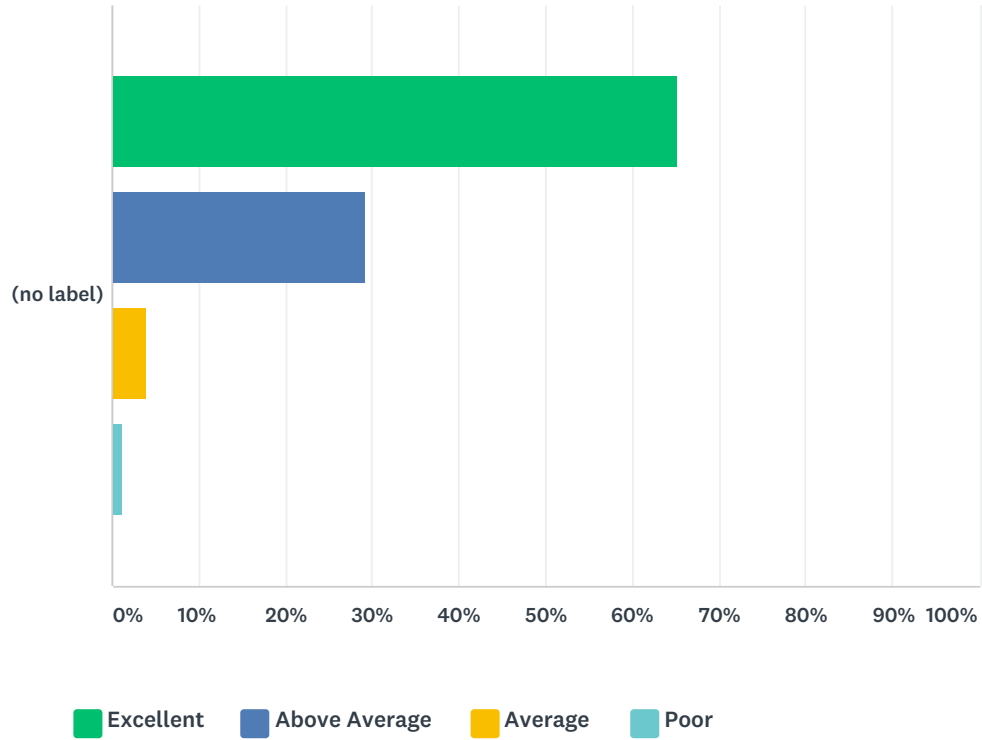
Answered: 75 Skipped: 0



ANSWER CHOICES	RESPONSES	
Devils Lake	18.67%	14
Dickinson	13.33%	10
Grand Forks	32.00%	24
Williston	1.33%	1
Minot	16.00%	12
Fargo	18.67%	14
TOTAL		75

Q2 Please rate the overall program

Answered: 75 Skipped: 0



	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	65.33% 49	29.33% 22	4.00% 3	1.33% 1	75	3.59

Group Benefits Counseling Evaluation

Q3 What did you like best about the program?

Answered: 71 Skipped: 4

#	RESPONSES	DATE
1	the general information and guidance as to the steps to take to complete the application for retirement	10/18/2019 12:26 PM
2	Everything. I was pretty ignorant about the process to retire, the benefits, and the options available.	10/17/2019 10:23 AM
3	Eady to understand!	10/16/2019 5:33 PM
4	all the information	10/15/2019 10:04 AM
5	Getting a current benefit printout with the different options available.	10/14/2019 4:36 PM
6	I was able to ask questions that pertained to me and receive satisfactory responses in private.	10/14/2019 12:46 PM
7	The presenters were knowledgeable.	10/14/2019 12:30 PM
8	The overall summary was very good and detailed.	10/14/2019 11:13 AM
9	Concise information	10/14/2019 10:52 AM
10	The steps of retiring were explained well and we could follow along online or with the paper copies we had in our envelopes. Also, providing time for questions to be asked.	10/14/2019 10:04 AM
11	informative and personalized	10/14/2019 9:43 AM
12	information packet	10/14/2019 9:37 AM
13	The time the presenters took to answer actual questions and scenarios.	10/14/2019 9:12 AM
14	explanation of the different beneficiary choices	10/14/2019 8:55 AM
15	Just the general information re: options at retirement.	10/14/2019 8:53 AM
16	The presenters were informative and knowledgeable and didn't talk "over" your head.	10/14/2019 8:42 AM
17	Information about timelines, supplemental insurance, etc.	10/14/2019 8:42 AM
18	Presenters had a good knowledge of the areas of discussion. Handouts were good. Stayed on topic.	10/10/2019 3:50 PM
19	How they explained the different options for retirement. It made sense finally.	10/8/2019 6:39 AM
20	Overall excellent!	10/6/2019 2:06 PM
21	The amount of information given in a short time	10/6/2019 7:51 AM
22	Well prepared leaders.	10/5/2019 8:37 PM
23	Information given in "words" we could understand.	10/5/2019 8:30 PM
24	Very organized and efficient. Good use of our time and complete simple explanations. Nobody felt "dumb".	10/5/2019 11:15 AM
25	The explanation of the benefit payout options.	10/4/2019 7:33 PM
26	Clear information and answers.	10/4/2019 7:06 PM
27	Helped me understand the process and how tffr works.	10/4/2019 3:43 PM
28	Getting the information that I needed to plan efficiently.	10/4/2019 2:34 PM
29	Individualize printouts	10/4/2019 12:19 PM
30	Very informative	10/4/2019 11:54 AM
31	The organization of the presentation and the presenters were very patient and respectful of all questions.	10/4/2019 11:21 AM

Group Benefits Counseling Evaluation

32	listening to the information and being able to ask questions.	10/4/2019 10:59 AM
33	The counselors did a great job explaining the many facets of the retirement process! They were very aware of people's questions and concerns and provided clear answers to all of them!	10/4/2019 10:56 AM
34	Seeing my own individual information printed out for me.	10/4/2019 10:47 AM
35	Very organized and on task	10/4/2019 10:39 AM
36	It all was informative.	10/4/2019 10:27 AM
37	They were very open to questions and explain things in a simple matter.	10/4/2019 10:16 AM
38	I liked that they explained the options we have and the estimated benefits we will receive when we retire. It was well worth our time.	10/4/2019 9:55 AM
39	Their explanation was clear and concise, and they seemed to cover topics thoroughly.	10/4/2019 9:52 AM
40	Very thorough	10/4/2019 9:34 AM
41	I liked being told the sequence of how it all happens.	10/4/2019 9:32 AM
42	All of the information given. It helps to know in advance all of the details.	10/4/2019 9:28 AM
43	It answered my questions that I had.	10/4/2019 9:21 AM
44	-Learn about options	10/4/2019 9:13 AM
45	Good explanation of the options for my benefit.	10/4/2019 9:13 AM
46	It was thorough and the presenters were knowledgeable.	10/4/2019 9:09 AM
47	I learned a lot.	10/4/2019 9:08 AM
48	The presenters.	10/4/2019 9:07 AM
49	The information that was tailored to my needs.	10/3/2019 5:43 PM
50	Informative and helpful	10/3/2019 3:49 PM
51	Open questions for anyone to ask/answer within the group setting.	10/3/2019 12:16 PM
52	navigating the website	10/1/2019 8:30 PM
53	Explanation of benefits	9/26/2019 8:11 PM
54	I liked having my individual information available to me, instead of just getting a general informational lecture.	9/26/2019 1:19 PM
55	Just hearing all that will be expected of me! My husband was glad he attended as well!	9/26/2019 11:46 AM
56	one to one	9/26/2019 10:56 AM
57	Step by step process of answering questions was very helpful.	9/26/2019 10:23 AM
58	That the counselor stayed afterwards to help me with my situation	9/20/2019 10:49 AM
59	Clarified several questions without me having to ask them. Must have been reading my mind.	9/19/2019 5:58 PM
60	Consultants were there to answer questions, helpful information and explanations	9/19/2019 4:22 PM
61	Everything. I have been to 5 of them and I am finally understanding the information.	9/19/2019 3:41 PM
62	I now have a clearer picture of what needs to be done before I retire and also after retirement.	9/19/2019 3:16 PM
63	The casual atmosphere and the knowledgeable people	9/19/2019 3:06 PM
64	Personalized materials were provided and explained.	9/19/2019 1:54 PM
65	Specific Examples; clarity with which speaker explained	9/19/2019 1:26 PM
66	The amount of information given.	9/19/2019 1:23 PM
67	Explanation of options	9/19/2019 12:49 PM
68	The explanation of the retirement benefits.	9/19/2019 12:30 PM
69	Very easy to follow along and if you weren't sure if you were in the right spot there was someone coming around to check to make sure questions could be answered.	9/19/2019 12:26 PM

Group Benefits Counseling Evaluation

70	What a person needs to do at the time they retire.	9/19/2019 11:37 AM
71	Just all of the information and guidance.	9/19/2019 11:27 AM

Group Benefits Counseling Evaluation

Q4 What did you like least about the program?

Answered: 63 Skipped: 12

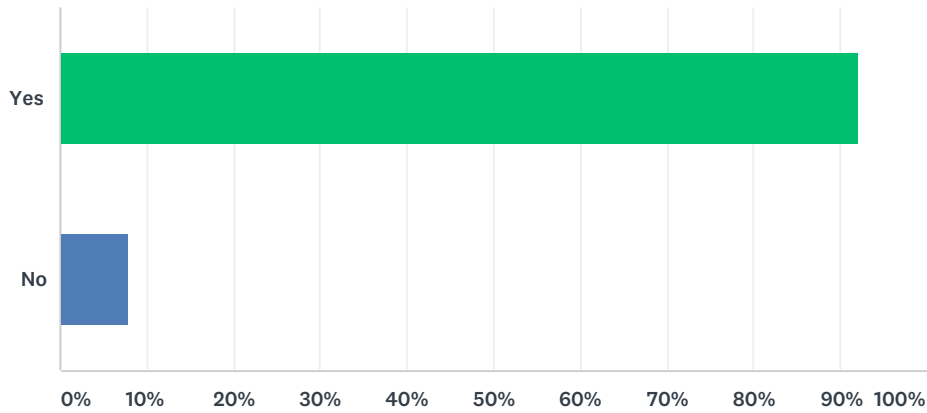
#	RESPONSES	DATE
1	na	10/18/2019 12:26 PM
2	Don't know.	10/17/2019 10:23 AM
3	It was all good!	10/16/2019 5:33 PM
4	too much for the time- didnt stay in the time said	10/15/2019 10:04 AM
5	I never received the email about the time change due to the storm (checked my junk mail too). Not sure how much information I missed. We received a quick overview at a table in the lobby.	10/14/2019 4:36 PM
6	Weather didn't cooperate, so the time slot I was scheduled for was canceled. We didn't have a place to sit and be comfortable, but we were able to have more personal attention given to us.	10/14/2019 12:46 PM
7	Nothing really. I appreciated the time was moved up due to weather.	10/14/2019 12:30 PM
8	Kept asking if they should use the mic, if you all need to ask that question....then use the mic.	10/14/2019 11:13 AM
9	There wasn't anything I disliked.	10/14/2019 10:04 AM
10	some jargon...needed a glossary for some words used	10/14/2019 9:43 AM
11	being rescheduled without notification	10/14/2019 9:37 AM
12	That I'm not retiring today. :)	10/14/2019 9:12 AM
13	Was not notified of the change in time... Checked junk mail too and no e-mail	10/14/2019 8:55 AM
14	Inability to discuss tax \$ etc,	10/14/2019 8:53 AM
15	location	10/14/2019 8:42 AM
16	I wish there had been more time to ask individual questions. We came a long way and felt like we had to get going.	10/14/2019 8:42 AM
17	Would like to have had a print out of what the estimated retirement benefits would be for my remaining years of teaching . Something to compare to our rule of 90 numbers. For those of us looking at retiring with reduced benefits.	10/10/2019 3:50 PM
18	It was all beneficial to hear even if I had heard it previously	10/8/2019 6:39 AM
19	Needed a little more time to cover everything.	10/6/2019 2:06 PM
20	nothing	10/6/2019 7:51 AM
21	Nothing that I can think of.	10/5/2019 8:37 PM
22	It all was excellent!	10/5/2019 8:30 PM
23	Not enough time to ask individual questions after.	10/5/2019 11:15 AM
24	Nothing	10/4/2019 7:06 PM
25	nothing	10/4/2019 3:43 PM
26	nothing	10/4/2019 12:19 PM
27	The price of health insurance!!!!	10/4/2019 11:54 AM
28	nothing- it was all important!	10/4/2019 11:21 AM
29	the location because the closest location to me was at least 90 plus miles away. I had to take time off to be able to attend.	10/4/2019 10:59 AM
30	It was all good	10/4/2019 10:47 AM
31	Great basic information	10/4/2019 10:39 AM

Group Benefits Counseling Evaluation

32	Ran a little long.	10/4/2019 10:34 AM
33	Got home late from trip. Drove a hundred miles for program.	10/4/2019 10:27 AM
34	I can't think of anything I didn't like.	10/4/2019 9:55 AM
35	Nothing comes to mind.	10/4/2019 9:52 AM
36	Nothing	10/4/2019 9:34 AM
37	The extra TFFR representative who walked around and talked to people during the counselor's presentation. It made it very difficult to follow the presentation. She kept reminding us how old we were (explained what a link was, etc). She should realize old people like to listen and not have extra noise.	10/4/2019 9:32 AM
38	5pm start. Hard to drive in on time after school.	10/4/2019 9:21 AM
39	- Young lady stereotyped older people/retirement age	10/4/2019 9:13 AM
40	none	10/4/2019 9:13 AM
41	NA	10/4/2019 9:09 AM
42	I really liked everything. I want to attend another session just to solidify the information.	10/4/2019 9:08 AM
43	I couldn't get my husbands infor. Even though I signed him up.	10/3/2019 5:43 PM
44	a little long	10/3/2019 3:49 PM
45	Nothing	10/3/2019 12:16 PM
46	NA	10/1/2019 8:30 PM
47	I liked it all.	9/26/2019 1:19 PM
48	N/A	9/26/2019 11:46 AM
49	nothing	9/26/2019 10:56 AM
50	Nothing	9/26/2019 10:23 AM
51	Microphone speaker was a bit loud.	9/19/2019 5:58 PM
52	n/a	9/19/2019 4:22 PM
53	Nothing.	9/19/2019 3:41 PM
54	Can't think of anything.	9/19/2019 3:16 PM
55	Nothing	9/19/2019 3:06 PM
56	It maybe could have been a bit longer. A lot of material was covered very quickly.....when retirement decisions are so crucial, it was a lot to process in a very short time. Our presenters seemed to have to talk quickly in order to get everything in.....so, a slower pace would have been beneficial.	9/19/2019 1:54 PM
57	Nothing	9/19/2019 1:26 PM
58	The amount of information with little time to process it. I preferred the one-on-one session that I attended a few years ago.	9/19/2019 1:23 PM
59	I maybe would have liked some time to meet with one of the counselors afterwards . They were great in answering questions, but questions are so individual.	9/19/2019 12:49 PM
60	I'm still unclear on the benefit to me of some of the choices we are offered on how we want our retirement paid out to us.	9/19/2019 12:30 PM
61	Nothing	9/19/2019 12:26 PM
62	None	9/19/2019 11:37 AM
63	Does not apply	9/19/2019 11:27 AM

Q5 Was the length of the program appropriate?

Answered: 75 Skipped: 0

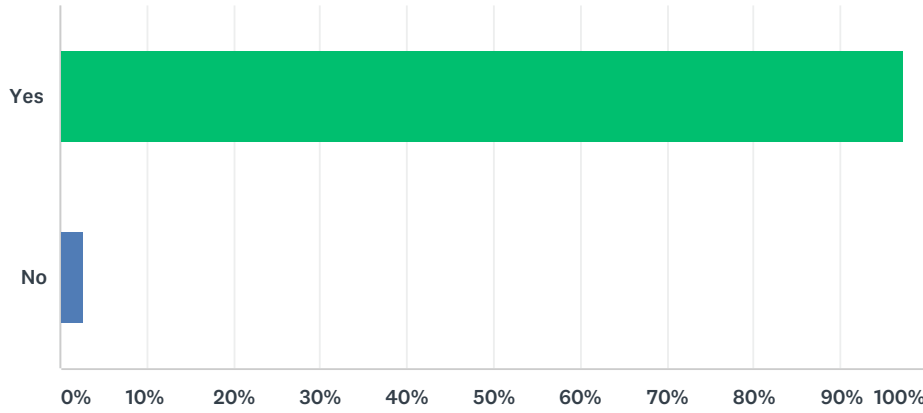


ANSWER CHOICES	RESPONSES	
Yes	92.00%	69
No	8.00%	6
TOTAL		75

#	IF NOT, HOW LONG SHOULD THE PROGRAM BE?	DATE
1	needed to be longer	10/15/2019 10:04 AM
2	I think the actual program would have been	10/14/2019 9:37 AM
3	Well, sort of. The weather played a big factor.	10/14/2019 8:42 AM
4	2 hrs	10/6/2019 2:06 PM
5	Perfect	10/4/2019 10:39 AM
6	it said 6:15 pm	10/4/2019 10:34 AM
7	2 hours, if they are going to tell stories and scenarios	10/4/2019 9:13 AM
8	N/A	9/26/2019 11:46 AM
9	Ha....addressed this in #4. Maybe another 30-40 minutes added?	9/19/2019 1:54 PM
10	You must be available for all questions to be answered.	9/19/2019 11:27 AM

Q6 Would you recommend this program to others?

Answered: 75 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	97.33%	73
No	2.67%	2
TOTAL		75

Group Benefits Counseling Evaluation

Q7 Additional comments

Answered: 38 Skipped: 37

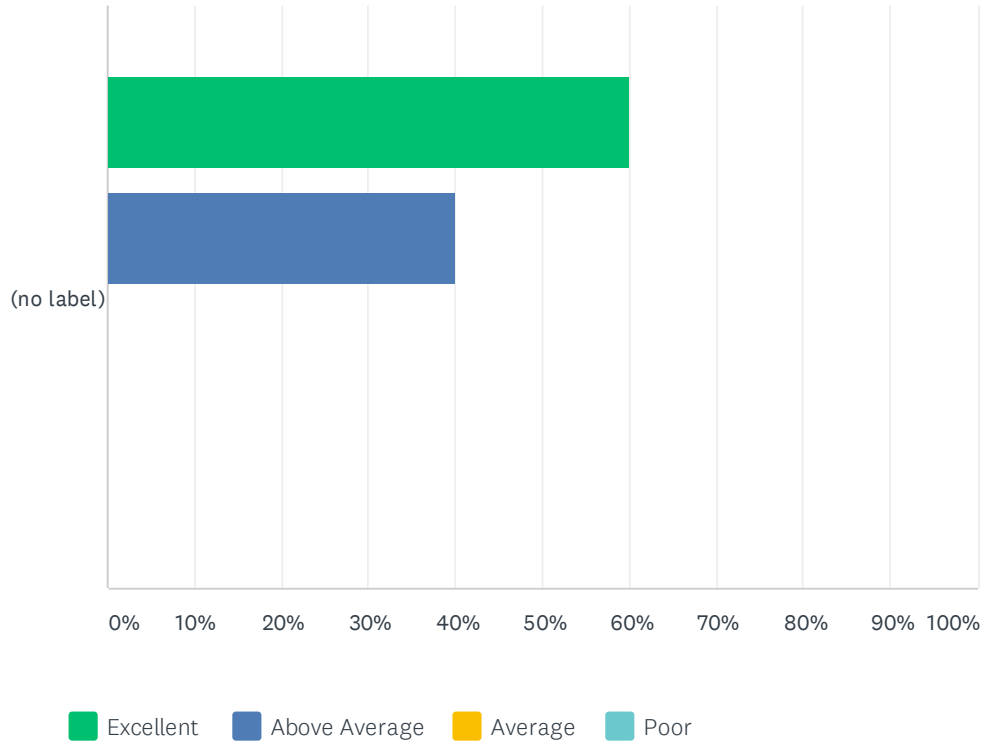
#	RESPONSES	DATE
1	I learned a lot. It was extremely beneficial.	10/17/2019 10:23 AM
2	None	10/16/2019 5:33 PM
3	need to be atleast 1 1/2 hour	10/15/2019 10:04 AM
4	The information I received could have been mailed out.	10/14/2019 4:36 PM
5	Thank you for doing the best you could under the circumstances. Thank you for meeting our needs!	10/14/2019 12:46 PM
6	Thank you for making the time on a stormy day! I hope you experienced safe travel going home.	10/14/2019 10:04 AM
7	They did a great job and braved the snowstorm to present. They were responsive to questions, and they did not appear rushed. Thanks!	10/14/2019 9:12 AM
8	Thanks for the time to help. I continue to have additional questions that I can hopefully ask at our individual meeting.	10/14/2019 8:53 AM
9	Well done! Thank you!	10/6/2019 2:06 PM
10	none	10/6/2019 7:51 AM
11	Thank you so much!	10/5/2019 8:30 PM
12	None	10/4/2019 7:06 PM
13	Thank you for coming to Grand Forks and providing this workshop.	10/4/2019 2:34 PM
14	Good presentation!	10/4/2019 11:54 AM
15	Thank you so much for the information. I have shared with fellow coworkers the importance of attending.	10/4/2019 11:21 AM
16	Thank you for your information	10/4/2019 10:59 AM
17	Even though it is irrelevant to me as I am very near retirement age, I think it would be very beneficial to offer some kind of session for the younger teachers that are just a few years into their career. I know I didn't really think about retirement until the last few years, and I was pleasantly surprised at what a great benefit TFFR provides for retired teachers!	10/4/2019 10:56 AM
18	Thank You!	10/4/2019 10:47 AM
19	Thanks Much!	10/4/2019 10:39 AM
20	One or the other should present. Or one do half of presentation then other person do other half.	10/4/2019 10:34 AM
21	I want to thank you for providing this information to us. It is good to know our options ahead of time, even when it may be years before we can retire.	10/4/2019 9:55 AM
22	Thank you!	10/4/2019 9:32 AM
23	Thank you for the opportunity to understand our options.	10/4/2019 9:13 AM
24	none	10/4/2019 9:13 AM
25	Thank you for coming to Dickinson	10/1/2019 8:30 PM
26	Thank you! Very useful!	9/26/2019 8:11 PM
27	This program is a MUST for any member planning their retirement.	9/26/2019 1:19 PM
28	Thanks for your time!	9/26/2019 11:46 AM
29	Thank you so much for your help prior to the event. It is truly appreciated as this process can be very daunting. :-)	9/26/2019 10:23 AM

Group Benefits Counseling Evaluation

30	None	9/19/2019 3:41 PM
31	none	9/19/2019 3:06 PM
32	Thank you for coming. It was very noticeable how well-versed and knowledgeable you were. It was just a lot to process in a short amount of time.	9/19/2019 1:54 PM
33	I also attended the summer session but did not get a chance to evaluate... I've tried to get into summer session before but it is always full .. as a teacher in a small school this would have been very valuable 5 to 10 years ago .. as we dont have resources (ppl in the know) as readily available to those in larger school .. please find a way to present this in a larger facility so more can attend ...I wouldnt need account information specific to me ..just access to the general knowledge shared and then really advertise for those 5 to 10 years from retirement	9/19/2019 1:26 PM
34	Thank you. I plan to retire next, not this year, and the information given will give me time and direction as to what I need to all accomplish in the next one and a half years.	9/19/2019 1:23 PM
35	Thank you!	9/19/2019 12:49 PM
36	Thank you for coming to Devils Lake to present. I like that I didn't have to travel to get this information :)	9/19/2019 12:30 PM
37	I would keep on going to it until I retire. I would keep on learning something new every time I would go! It took me a little while to get into my account. Keep having my wife go along with me. So two people have heard it!	9/19/2019 11:37 AM
38	Thank you.	9/19/2019 11:27 AM

Q1 Please rate the overall program

Answered: 10 Skipped: 0



	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
(no label)	60.00%	40.00%	0.00%	0.00%	10	3.60
	6	4	0	0		

Q2 What did you like best about the program?

Answered: 9 Skipped: 1

#	RESPONSES
1	The specific information we got in our personalized folders
2	Material was presented in an easy-to-understand way. Great job!
3	It was very informational and the individual printouts were very nice
4	The printouts!! Knowing exactly where I am.
5	I learned a lot of new information
6	the information and that we got to see our own investments as they were printed out for us
7	All the information was great and the individual print outs to follow with and see where we are at.
8	It was very informative
9	Having my own printout, and the explanation of all the different options for drawing my retirement.

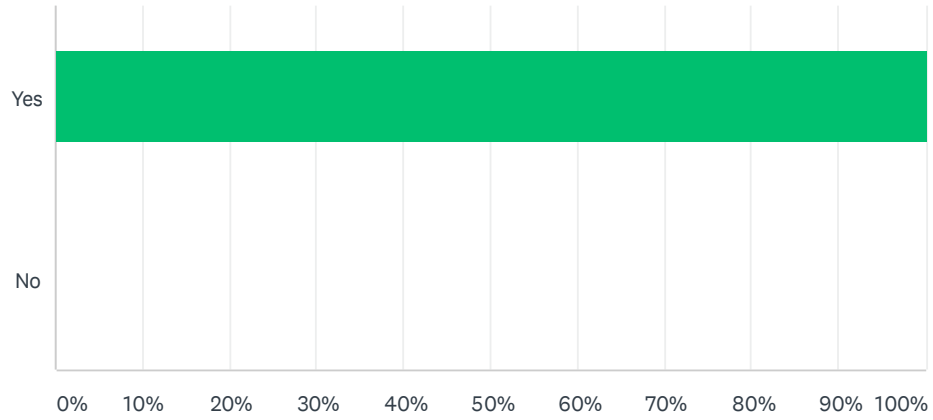
Q3 What did you like least about the program?

Answered: 9 Skipped: 1

#	RESPONSES	
1	I didn't have anything I would change.	
2	Nothing; I thought everything was relevant to the topic.	
3	nothing	
4	Retirement is so far away!	
5	Nothing	
6	nothing	
7	nothing	
8	I am a long way off from retirement	
9	NA. The whole presentation was valuable.	

Q4 Was the length of the program (90 minutes) appropriate?

Answered: 10 Skipped: 0

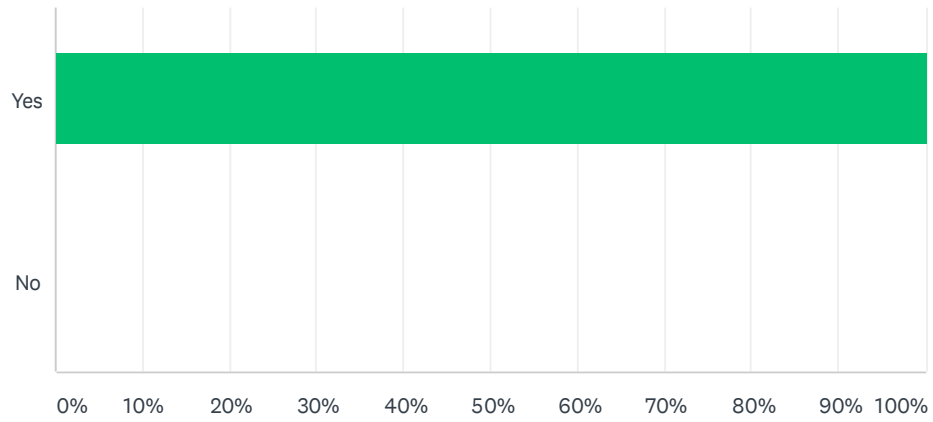


ANSWER CHOICES	RESPONSES	
Yes	100.00%	10
No	0.00%	0
TOTAL		10

#	IF NOT, HOW LONG SHOULD THE PROGRAM BE?
	There are no responses.

Q5 Was the time of the program convenient? (Part of In-Service Day)

Answered: 10 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	100.00%	10
No	0.00%	0
TOTAL		10

#	IF NOT, WHAT WOULD BE A BETTER TIME?
	There are no responses.

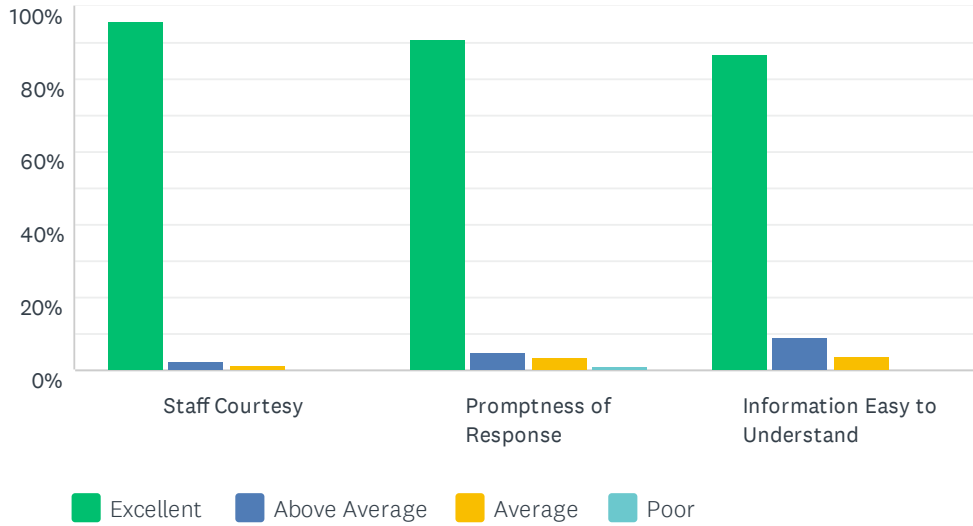
Q6 Do you have any suggestions for future programs?

Answered: 9 Skipped: 1

#	RESPONSES
1	No, it was very informative!
2	If it's not broke, don't fix it. Good the way it is!
3	No it was great! Keep up the good work
4	It was excellent and very easy to follow. Excellent presentation! Loved having it as part of an I service day.
5	No
6	Maybe a suggestion for an additional session for 2 types of groups: the ones who are close to retirement and the ones who are at least 15 years away from retirement
7	I really like how it was presented and would enjoy hearing the information every few years a refresh would be good.
8	No suggestions
9	No suggestions for changes.

Q1 We strive to deliver quality service to our customers. Please take a minute to provide us with your feedback.

Answered: 122 Skipped: 0



	EXCELLENT	ABOVE AVERAGE	AVERAGE	POOR	TOTAL	WEIGHTED AVERAGE
Staff Courtesy	95.87% 116	2.48% 3	1.65% 2	0.00% 0	121	3.94
Promptness of Response	90.91% 110	4.96% 6	3.31% 4	0.83% 1	121	3.86
Information Easy to Understand	86.89% 106	9.02% 11	4.10% 5	0.00% 0	122	3.83

Q2 Comments/Suggestions

Answered: 87 Skipped: 35

Customer Satisfaction Survey

#	RESPONSES
1	From our first workshop three years ago to the final piece of paperwork, our TFFR process was absolutely the best! Thank you!
2	I cannot say enough about the customer service we received. Questions were answered thoroughly with great patience! Thank you!
3	A big thank you!!
4	The counselor was so wonderful to work with. My husband went through the retirement process four years ago. The streamlining you did with forms is AWESOME!
5	It all went so much easier than expected! Thank you for everything!
6	Wonderful job! Everything was easy to follow.
7	Keep up the great work! The counselor was fabulous to work with. She makes everything so easy to understand. I wish all businesses were run this efficiently. The counselor is also great to work with.
8	Very pleased with the assistance throughout my retirement journey.
9	Excellent service
10	Thank you so much!!
11	It all depends on who we deal with, some are better than others.
12	Thanks for your good work!
13	Good job on everything. Question - is there a monthly statement for the retirement checks I can view?
14	Everyone was courteous and professional! I truly appreciate all the help processing my retirement benefits. Top job A+!
15	Thank you for making this very big transition not so scary!
16	Thank you! You've always been very helpful to me!
17	I have had a very good experience with TFFR! Thank you!
18	Process was well explained and went very smoothly. Correspondence was always prompt. No complaints!
19	All those I spoke to at the ND Retirement & Investment Office were so very kind and helpful. A special shout out to our counselor. Thanks for all you do.
20	Outstanding! I so appreciate the courtesy and professionalism consistently shown by you all. Thank you!
21	Very helpful and made everything easy to understand! Thank you!
22	Your staff is awesome - always there to answer questions; efficient at handling all of the paperwork.
23	The entire process was smooth and painless.
24	Thank you! The counselor was awesome!
25	The people I worked with were very helpful. The process was long and cumbersome, in my opinion.
26	Staff is very informed, knowledgeable and easy to work with.
27	It was 100% helpful.
28	Thank you for all your information and hard work.
29	The counselor was AWESOME!!! Absolutely NO suggestions - could not be more helpful!
30	Very nice to work with always so friendly and accommodating

Customer Satisfaction Survey

31	Everyone was wonderful to work with. Thank you
32	The staff has always been most helpful, professional, and courteous. Thank you all for helping me with the retirement process. Keep up the excellent work!
33	Wow, you have stream lined this process greatly! My husband retired from teaching five years ago and I helped him through the process and it is So MUCH better now! Thank you to the counselor! Awesome benefit counselor!
34	Thank you. You made this an easy and understandable process.
35	I can't say enough how wonderful the counselors were to work with!! They were so helpful. Also the retirement workshops were excellent.
36	I appreciate all the information I receive and that it is sent timely.
37	The staff have made this process very easy for me to understand and were very efficient in responding to my emails. Thank you!
38	Your staff is always willing to answer any and all questions that we have.
39	The counselors and employer services coordinator are excellent!
40	The membership specialist was very helpful & efficient. She did a great job!!
41	When I spoke with the representative at TFFR, she was very friendly and also very helpful by providing me with verbal explanations and information.
42	Thank you for catching some mistakes on my paperwork. GREAT JOB in helping me potentially avoid a delay. :)
43	thanks for the help!
44	I am so pleased with every interaction I have ever had with TFFR !
45	Great staff
46	Sometimes the phone lines are very busy, but we know you can't help that. It is quite confusing when you qualify for both NEPERS and TFFR.
47	Great service! Thank you!
48	Thank you to all who have helped answering questions as I enrolled in TFFR! Very courteous, knowledgeable and helpful.
49	Excellent service. We were very pleased.
50	Everyone was absolutely wonderful - very kind and helpful at all times! Thank you for explaining things more than once.
51	Your staff did their best trying to get us our benefits. Denise was especially helpful.
52	I've been a business manager over 25 years and have always had great support from the TFFR team. They are very pleasant to work with and on top of our needs.
53	Thank you for asking!
54	Thank you for being so welcoming and competent. Thanks for the quick reply re: my retirement docs.
55	I have always found TFFR staff to be excellent with regards to everything including staff courtesy, promptness, understanding and professionalism.
56	Thank you for your help!
57	Once paperwork was filed, application process took well over 3 months to finalize, not very efficient.
58	Very easy to understand the process - attending the 1 day seminar a couple of summers ago helped a lot - extremely courteous staff!
59	SO far so good - 1 month down!

Customer Satisfaction Survey

60	They even remember my case each time I call Thanks!
61	Thank you for all of your help! ND is a great place!
62	You made my transition to retirement so easy and stress free. Thank you!
63	I just retired and am getting started but so far everyone has been great with helping me get set up. Thank you!
64	The staff was very professional and efficient. All my questions were answered to great understanding.
65	I just think these surveys are a waste of money! Can't the bosses know how you are all doing without these expensive surveys?
66	The staff was helpful with my many phone calls. They were knowledgeable and understanding to my questions as I prepared for this process.
67	Thank you for taking the time at the office to walk me through all of my choices. Being a widow, I really appreciated having a second opinion.
68	The process did take quite a while. I know they warned us of that, but...
69	Great staff!
70	Everyone I've talked with has been helpful and got me the info I needed in a timely manner. Thanks so much!
71	Excellent information and responses are prompt.
72	The counselor does an excellent job - very personable and easy to work with.
73	Very helpful at every turn - very appreciated.
74	Appreciated the extra time to explain and clarify information when we came in to visit.
75	Great job
76	Easy process - thank you for your help.
77	staff was very helpful and prompt while dealing with me.
78	Everyone was very professional and helpful.
79	I have always had my questions answered promptly. Thank you!
80	As a dual member I had many questions. Our counselor was amazing!
81	Excellent service! Thank you!
82	It was a pleasure to work with the counselors. They answered all my questions in a timely and professional manner.
83	Thank you for all your help in processing my retirement.
84	They were all very helpful to me. I had lots of questions that I either called about or emailed. All of my questions were always answered, sometimes weekly.
85	I just went through the TFFR retirement process. The whole process was quite easy and efficient.
86	Our counselor was remarkable throughout! She was patient, courteous, and any other positive adjective I could think of!
87	You were terrific! Than you so much! I appreciate your kindness and excellent service!

Memorandum

To: TFFR Board

From: Matt Posch, Investment & Compliance Officer

Date: July 17, 2020

RE: Annual Affirmation of Code of Conduct Policy

The *TFFR Board Members' Code of Conduct and Ethics Policy*, which is attached to this memorandum, details the Code of Ethical Responsibility for the TFFR Board. Item #11 of this policy indicates that each Board Member is required to reaffirm their understanding of this policy annually and disclose any conflicts of interest. Therefore, please read and sign the statement below to comply with this requirement.

"I have read and understand TFFR Board Members' Code of Conduct and Ethics Policy. I have disclosed any conflicts of interest as required by this policy"

Name (printed) _____

Signature _____

Date _____

Detail of any conflicts of interest (if any):

R. Code of Conduct, Ethics, and Conflicts of Interest

Following is the Code of Conduct, Ethics, and Conflicts of Interest policy for the TFFR Board of Trustees:

1. 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.
2. Board members shall perform the duties of their offices impartially and diligently. Board members are expected to fulfill their responsibilities in accord with the intent of all applicable laws and to refrain from any form of dishonest or unethical conduct. Board members shall be unswayed by partisan interest, public sentiment, or fear of criticism.
3. Conflicts of interest and the appearance of impropriety shall be avoided by Board members. Board members shall not allow their family, social, professional, or other relationships to influence their judgment in discharging their responsibilities. Board members shall refrain from financial and business dealings that tend to reflect adversely on their impartiality or interfere with the proper performance of their duties. If a conflict of interest unavoidably arises, the Board member shall immediately disclose the conflict to the Board. The Board must vote on whether the member can vote. Conflicts of interest to be avoided include, but are not limited to: receiving consideration for advice given to a person concerning any matter 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 for which the Board member has acquired information unavailable to the general public, through participation on the Board. "Conflict of interest" means a situation in which a Board member has a direct and substantial personal or financial interest in a matter which also involves the member's fiduciary responsibility.
4. The Board shall 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.
5. Board members shall abide by NDCC 21-10-09, which reads: "No member, officer, agent, or employee of the state investment board shall profit in any manner from transactions on behalf of the funds. Any person violating any of the provisions of this section shall be guilty of a class A misdemeanor."
6. Board members shall perform their respective duties in a manner that satisfies their fiduciary responsibilities.
7. Political contributions are regulated under NDCC 16.1-08-03 and are not restricted under this policy.
8. 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.

9. Prohibited transactions. 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.
10. 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.
11. 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 7)*
12. 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.



MEMORANDUM

TO: TFFR Board
FROM: Jan Murtha
DATE: July 16, 2020
RE: Mission/Policy/Goals Review

At its April 25, 2019 meeting the Board approved proceeding with a comprehensive policy and governance review. The TFFR Policy Review Committee, chaired by Mr. Mickelson, met several times throughout fiscal year 2019-20. The TFFR Board approved a new Mission Statement at its meeting on September 26, 2019, and approved revised program policies at its meeting on June 25, 2020. As a result of the extensive work performed by the committee and discussions and actions taken by the Board over fiscal year 2019-20, no additional review is being presented to Board at this time.

Staff requests guidance from the Board, whether to revisit a program mission, policy, and goals review prior to July, 2021.

BOARD INFORMATION ONLY. No Board Action requested.

TFFR Interim Investment Report

For the Periods Ended March 31, 2020 and May 31, 2020

Preliminary Indicative Return Estimates as of June 30, 2020

July 15, 2020

Note: This document contains unaudited data which is deemed to be materially accurate, but is unaudited and subject to change.

Dave Hunter, Executive Director/CIO

Jan Murtha, Deputy Executive Director / Chief Retirement Officer

Darren Schulz, Deputy Chief Investment Officer

Connie Flanagan, Chief Financial Officer


Eric Chin, Chief Risk Officer

ND Retirement & Investment Office (RIO)


State Investment Board (SIB)

TFFR Investment Ends – March 31, 2020

SIB clients should receive net investment returns consistent with their written investment policies and market variables. This “End” is evaluated based on comparison of each client’s (a) actual net investment return, (b) standard deviation and (c) risk adjusted excess return, to the client’s policy benchmark over 5 years.




	Quarter Ended 3/31/2020	Current FYTD 3/31/2020	1 Yr Ended 3/31/2020	3 Yrs Ended 3/31/2020	5 Yrs Ended 3/31/2020	Risk 5 Yrs Ended 3/31/2020	Risk Adj Excess Return 5 Yrs Ended 3/31/2020
Total Fund Return - Net	-11.96%	-6.65%	-3.36%	3.77%	4.17%	9.1%	0.35%
Policy Benchmark Return	-12.06%	-7.09%	-3.93%	3.27%	3.73%	8.8%	
Total Relative Return	0.10%	0.44%	0.57%	0.50%	0.45%	103%	



Key: TFFR investments have exceeded \$2 billion the last 5-years and Excess Return have generally exceeded **0.40%** per annum. **TFFR’s use of active management has enhanced Net Investment Returns by \$40 million for the 5-years ended Dec. 31, 2019** (or \$2 billion x **0.40%** = \$8 million per year x 5 years = **\$40 million**). These returns were achieved while adhering to prescribed Risk limits (e.g. 103% versus a policy limit of 115%).

5-Yr. Returns Mar. 31, 2020	Asset Allocation	Benchmark Return	Allocation x Return
<i>Asset Class</i>	<i>a</i>	<i>b</i>	<i>a x b</i>
Equity	58%	3.3%	1.91%
Fixed Income	23%	3.6%	0.83%
Real Assets	18%	5.4%	0.97%
Cash	1%	1.2%	0.01%
Policy Benchmark Return (5-years)			3.73%



Current Policy Benchmark: 58% Equity (31% U.S., 21% Non-U.S., 6% Private); 23% Fixed Income (16% Investment Grade, 7% High Yield); 18% Real Assets (10% Real Estate; 6% Infrastructure; 2% Timber); and 1% Cash.

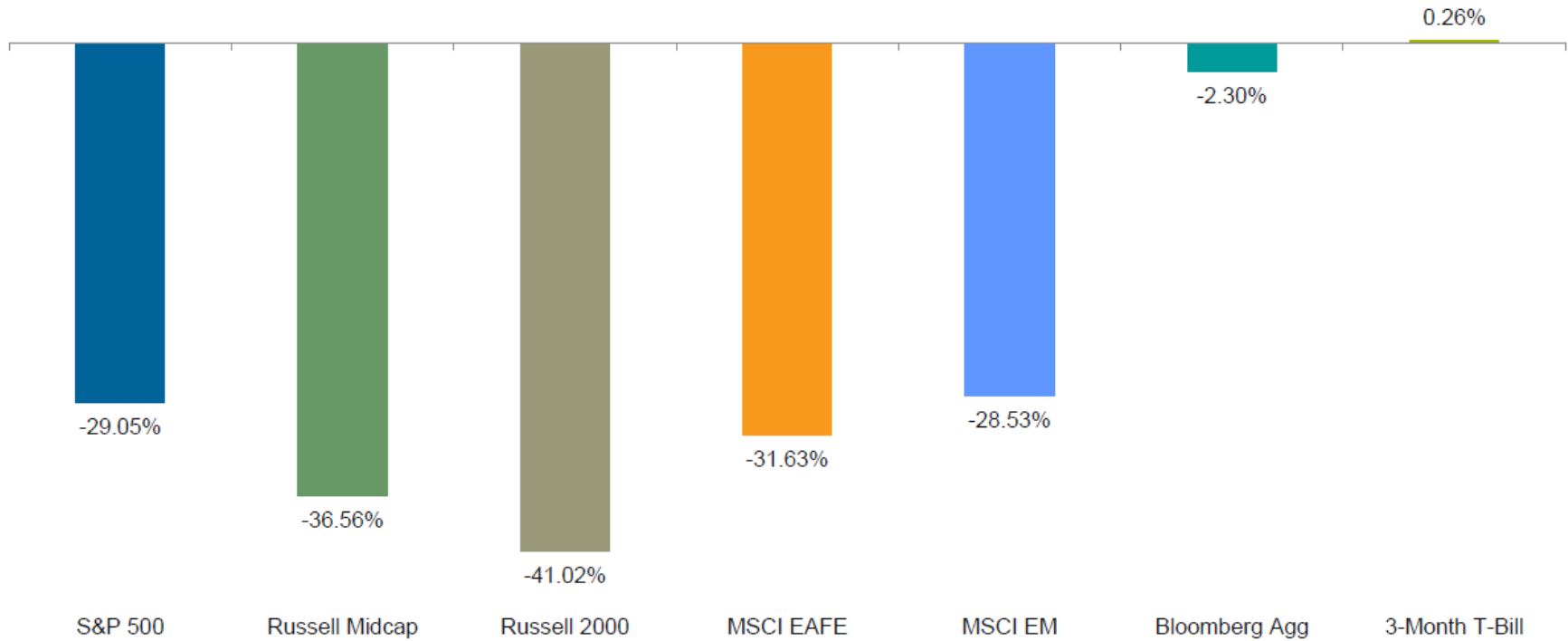
Note: Amounts are unaudited and subject to change.

U.S. and Global Equities Fell by Over 30% in One Month

(from February 19, 2020 to March 18, 2020)

Returns of Market Benchmarks

From S&P 500 Peak: February 19, 2020 Through March 18, 2020



Global Economic Update 2020

The big picture

Markets faced unprecedented disruption in Q1 as the COVID-19 virus caused global economies to grind to a halt

- Governments urged social distancing and temporarily shut down "non-essential businesses"
- Economic activity dropped precipitously and unemployment surged
- March unemployment rose to 4.4% from 3.5% in February, the largest one-month increase since January 1975
- The TSA reported a 95% year-over-year decline in airline passenger travel
- Oil prices fell 65% in the first quarter on supply and demand shocks

Governments stepped in quickly with immediate monetary response and fiscal stimulus

- Fed Chairman Powell: "We'll do whatever it takes."
- The Fed cut policy rates to the lower bound of 0% to 0.25% and expanded asset purchasing programs to bolster liquidity and stabilize the financial markets
- The CARES act provides over \$2 trillion in aid targeted at assisting small businesses and individuals

Broad economic impact

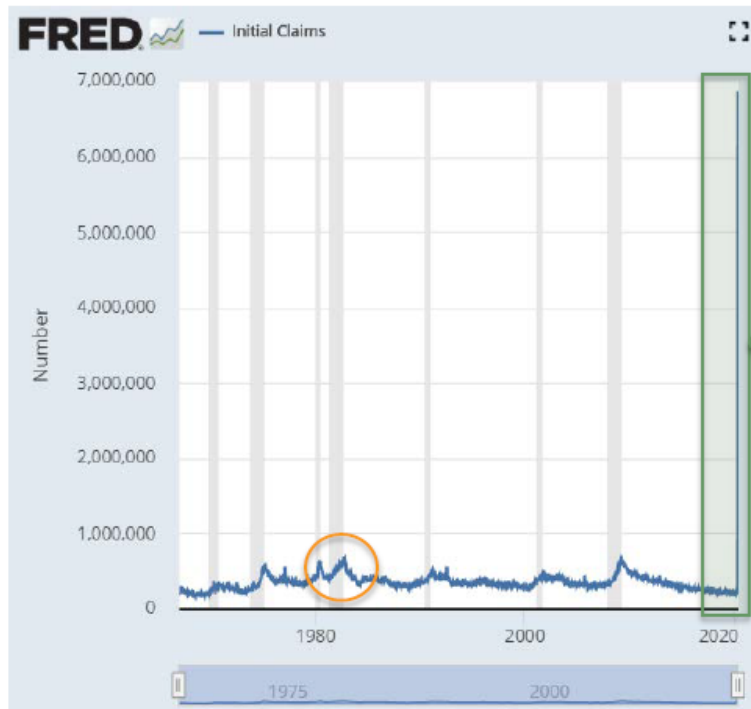
- Companies/Organizations: Stresses to revenue, earnings, economic viability, access to capital, recovery
- Individuals: Unemployment, income, wealth, retirement savings
- Governments: Declining tax revenues while service burden increases

A true recovery may require a vaccine

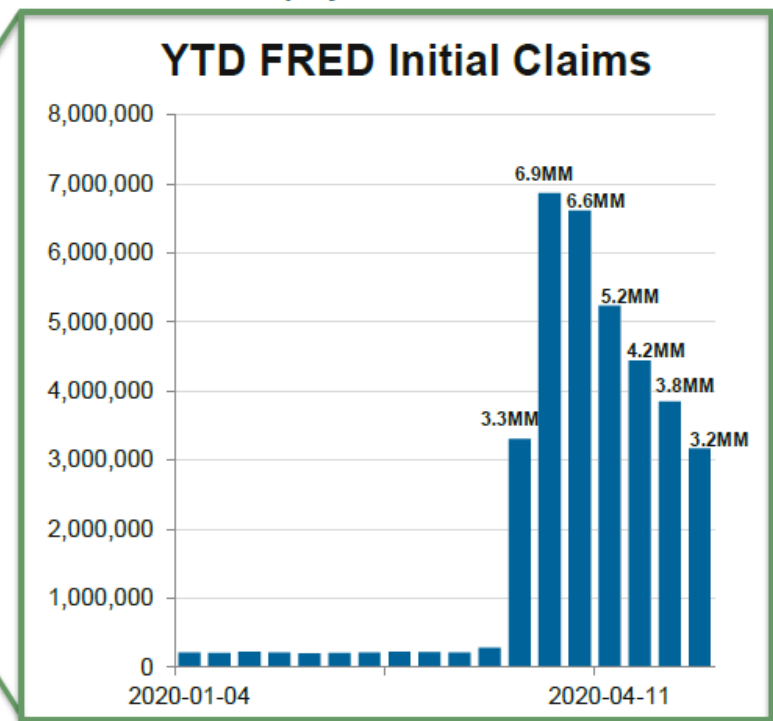
- Vaccine development timelines are highly variable
- Government support can only alleviate economic symptoms caused by the virus

Unemployment Is Skyrocketing as Businesses Shut Down

Historical Initial Unemployment Claims



Recent Initial Unemployment Claims

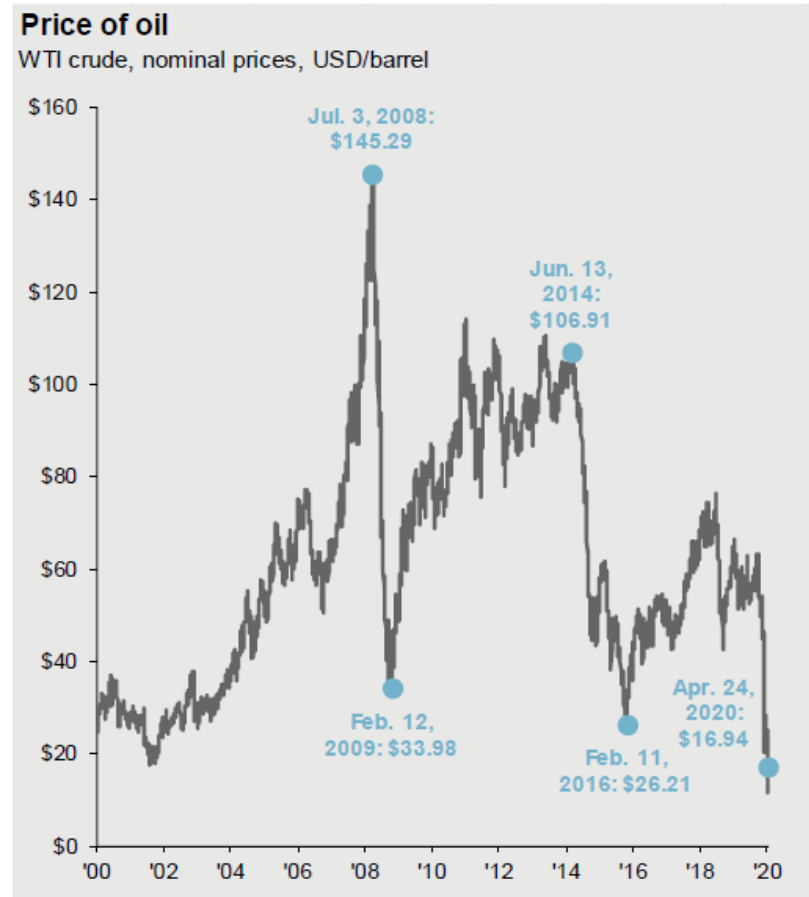
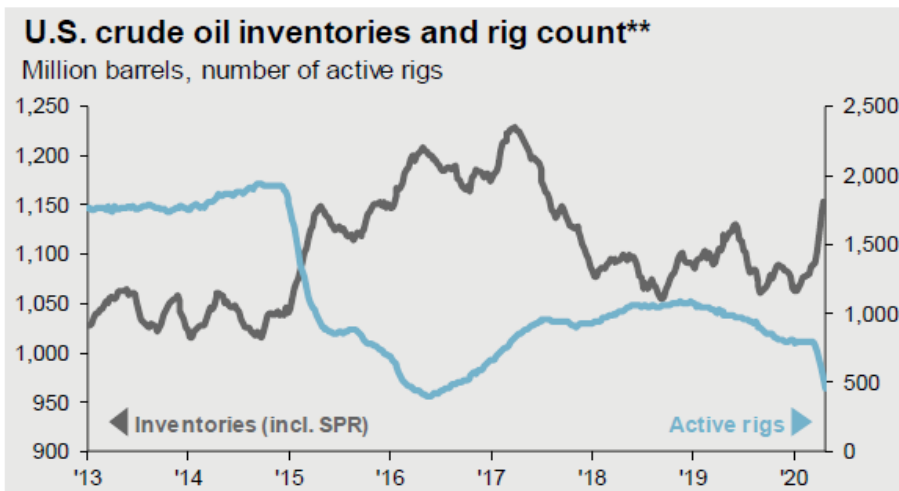


Source: St. Louis FRED

- Initial unemployment claims have skyrocketed:
 - As of May 2nd, the cumulative weekly claims from March 21st to present are 33.5MM, more than all the jobs added since the GFC
 - The previous record high initial weekly unemployment claims was 695,000 set in 1982
 - If one assumes that none of the weekly claimants has found work, that implies an unemployment rate of 21%
- The highest rate of U.S. unemployment was 24.9% in 1933, during the Great Depression. Unemployment remained above 14% from 1931 to 1940
 - Preliminary economist estimates for the month ending April are close to 16%
 - A stark difference from the half century low unemployment rate in February of 3.5%

Oil Prices Collapse

- The price of oil plummeted 65% in the first quarter
- Slowing demand as a result of COVID-19 was exacerbated by supply issues as Russia and Saudi Arabia failed to agree on production limits
- On April 20th, WTI crude futures prices for May delivery dropped below -\$37/bbl as technical factors collided with scarce storage capacity



Source: J.P. Morgan Asset Management; (left) EIA; (Right) FactSet; (Bottom left) Baker Hughes.

**U.S. crude oil inventories include the Strategic Petroleum Reserve (SPR). Active rig count includes both natural gas and oil rigs. WTI crude prices are continuous contract NYM prices in USD.

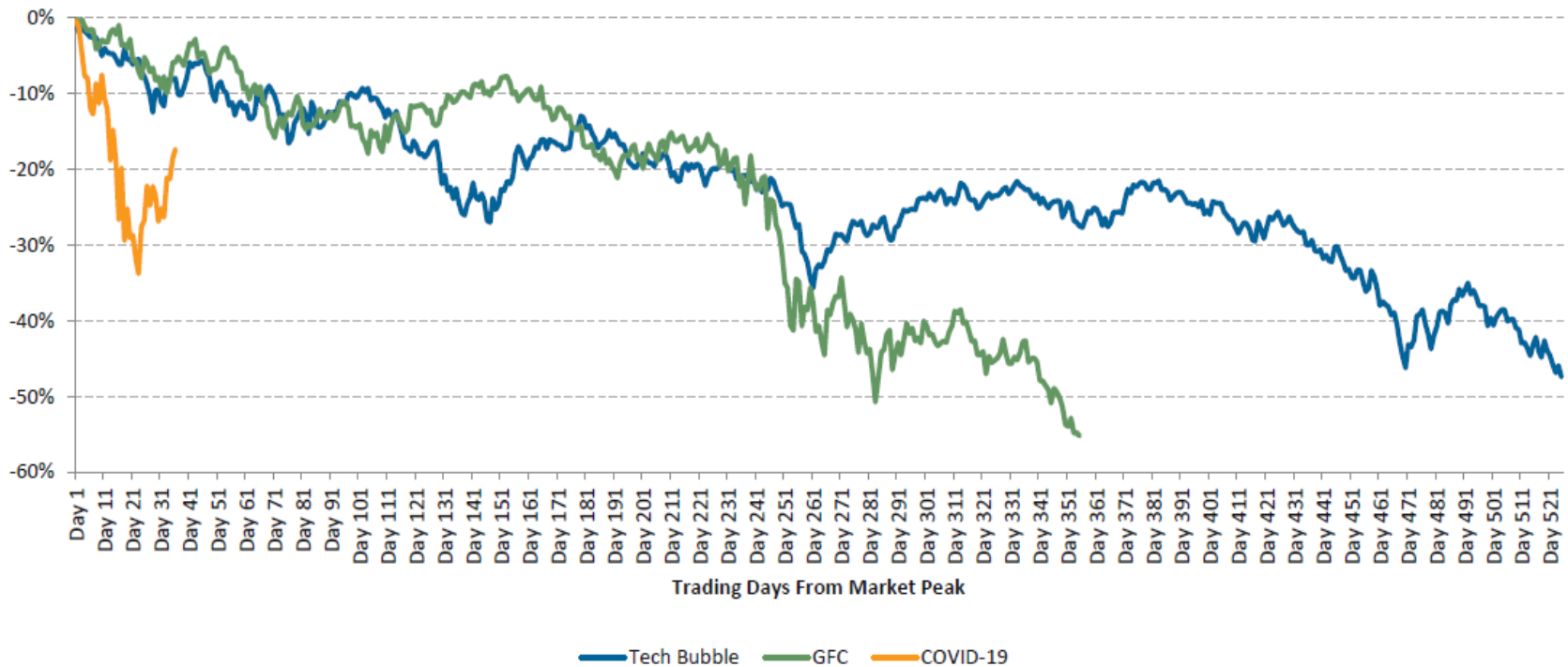
Guide to the Markets – U.S. Data are as of April 24, 2020.

A Rapid and Severe Drawdown

A “Global Hurricane” in the form of a pandemic.

S&P 500 Index Cumulative Returns

Market Peak-to-Trough for Last Two Corrections vs. Current Path of COVID-19 Correction Through 4/9/20



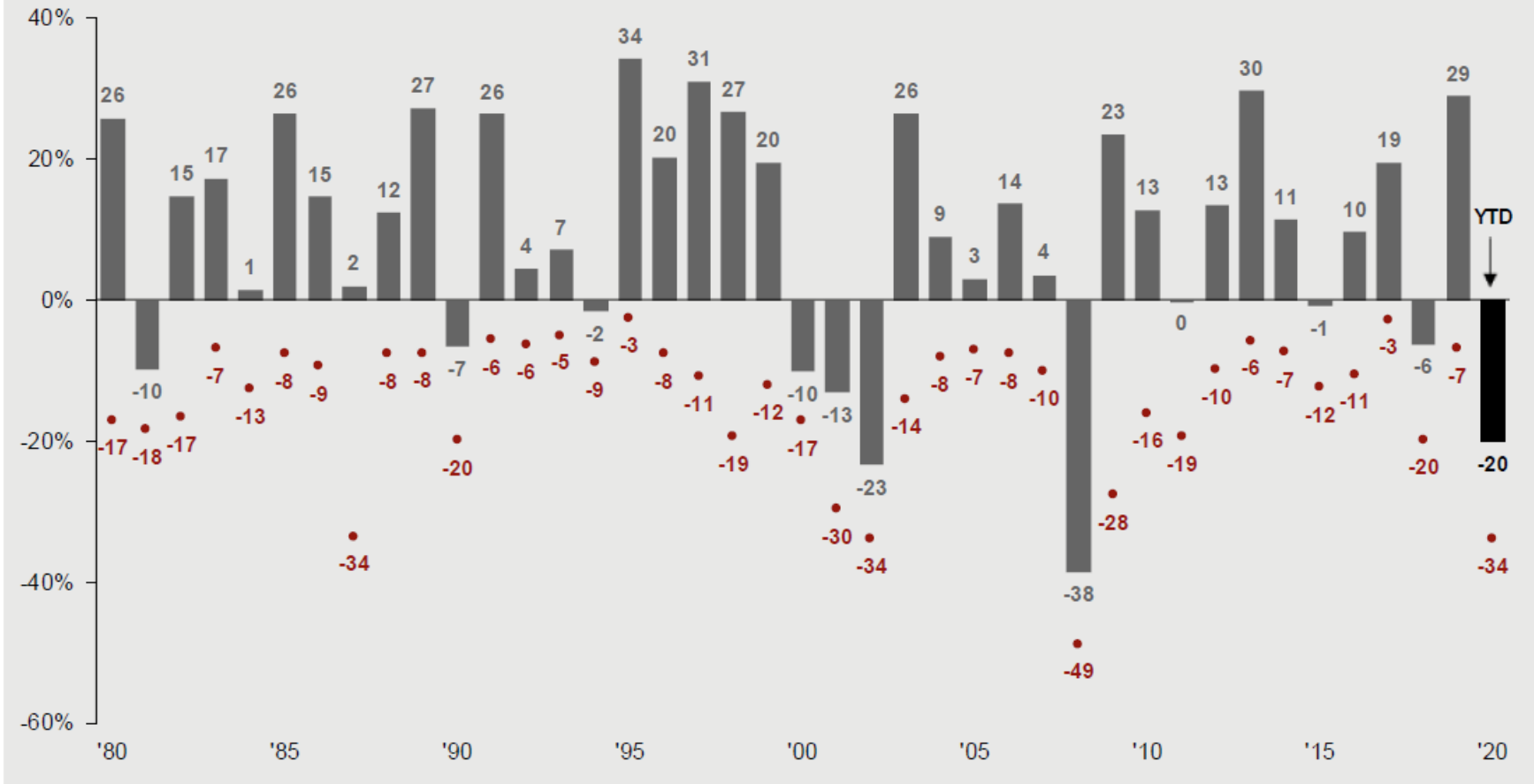
- The sharpest and fastest equity market decline ever: 16 trading days to reach bear market (-20%); -34% after just 23 days
- It took equities 130 days to hit bear market territory during the tech bubble and 191 days in the GFC

Equity Market Calendar Year Returns

The 34% drawdown experienced in the first quarter is among the worst in the past 40 years

S&P 500 intra-year declines vs. calendar year returns

Despite average intra-year drops of 13.8%, annual returns positive in 30 of 40 years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2019, over which time period the average annual return was 8.9%.

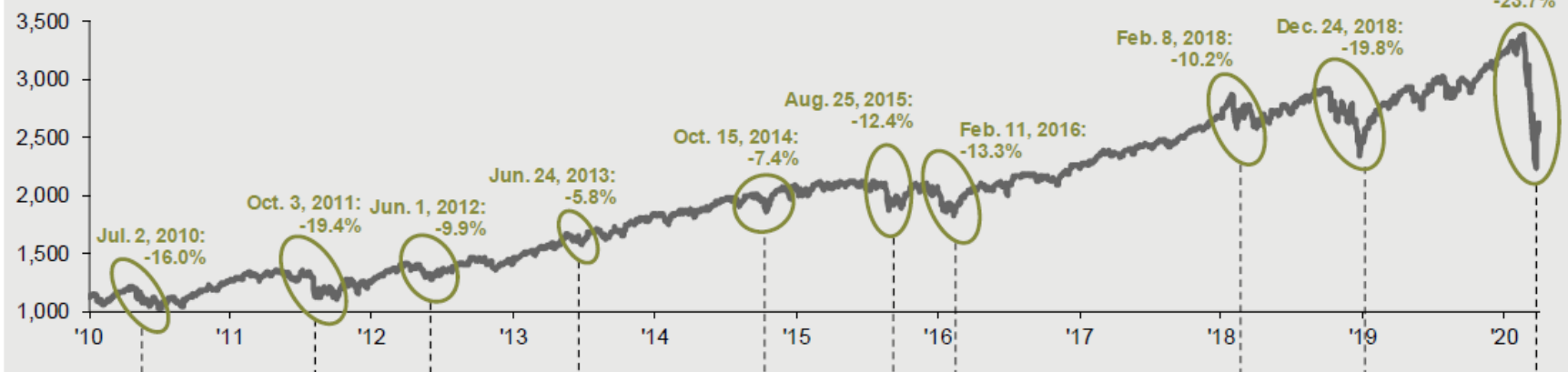
Guide to the Markets – U.S. Data are as of March 31, 2020.

Unprecedented Spike in Volatility

VIX reaches record high of 82.69

Major pullbacks since the Financial Crisis

S&P 500 Price index



Volatility

VIX Index



Source: CBOE, FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Drawdowns are calculated as the prior peak to the lowest point.

Guide to the Markets – U.S. Data are as of March 31, 2020.

Callan Periodic Table of Investment Returns

Trailing periods as of March 31, 2020

Key Point: Asset allocation is the primary driver of investment returns. Although **U.S. Fixed Income** was the top performing asset class in the last year, **U.S. Large Cap Equities** were the top performing sector over the last 3, 5 and 10 year periods ended March 31, 2020, which supports TFFR's long term asset allocation policy.

Monthly Returns				Annual Returns					Cumulative Returns			
Jan 2020	Feb 2020	Mar 2020	YTD 2020	2019	2018	2017	2016	2015	1-Year	3-Year	5-Year	10-Year
U.S. Fixed Income	U.S. Fixed Income	U.S. Fixed Income	U.S. Fixed Income	Large Cap Equity	U.S. Fixed Income	Emerging Market Equity	Small Cap Equity	Large Cap Equity	U.S. Fixed Income	Large Cap Equity	Large Cap Equity	Large Cap Equity
1.92%	1.80%	-0.59%	3.15%	31.49%	0.01%	37.28%	21.31%	1.38%	8.93%	5.10%	6.73%	10.53%
Real Estate	Global ex-U.S. Fixed Income	Global ex-U.S. Fixed Income	Global ex-U.S. Fixed Income	Small Cap Equity	High Yield	Dev ex-U.S. Equity	High Yield	U.S. Fixed Income	Global ex-U.S. Fixed Income	U.S. Fixed Income	U.S. Fixed Income	Small Cap Equity
0.84%	-0.20%	-3.22%	-2.68%	25.52%	-2.08%	24.21%	17.13%	0.55%	0.74%	4.82%	3.36%	6.90%
Global ex-U.S. Fixed Income	High Yield	High Yield	High Yield	Dev ex-U.S. Equity	Global ex-U.S. Fixed Income	Large Cap Equity	Large Cap Equity	Real Estate	High Yield	Global ex-U.S. Fixed Income	High Yield	High Yield
0.76%	-1.41%	-11.46%	-12.68%	22.49%	-2.15%	21.83%	11.96%	-0.79%	-6.94%	2.57%	2.78%	5.64%
High Yield	Emerging Market Equity	Large Cap Equity	Large Cap Equity	Real Estate	Large Cap Equity	Small Cap Equity	Emerging Market Equity	Dev ex-U.S. Equity	Large Cap Equity	High Yield	Global ex-U.S. Fixed Income	Real Estate
0.03%	-5.27%	-12.35%	-19.60%	21.91%	-4.38%	14.65%	11.19%	-3.04%	-6.98%	0.77%	2.04%	4.40%
Large Cap Equity	Large Cap Equity	Dev ex-U.S. Equity	Dev ex-U.S. Equity	Emerging Market Equity	Real Estate	Global ex-U.S. Fixed Income	Real Estate	Small Cap Equity	Dev ex-U.S. Equity	Emerging Market Equity	Small Cap Equity	U.S. Fixed Income
-0.04%	-8.23%	-14.12%	-23.26%	18.44%	-5.63%	10.51%	4.06%	-4.41%	-14.89%	-1.62%	-0.25%	3.88%
Dev ex-U.S. Equity	Real Estate	Emerging Market Equity	Emerging Market Equity	High Yield	Small Cap Equity	Real Estate	Dev ex-U.S. Equity	High Yield	Emerging Market Equity	Dev ex-U.S. Equity	Emerging Market Equity	Dev ex-U.S. Equity
-1.94%	-8.24%	-15.40%	-23.60%	14.32%	-11.01%	10.36%	2.75%	-4.47%	-17.69%	-2.07%	-0.36%	2.43%
Small Cap Equity	Small Cap Equity	Small Cap Equity	Real Estate	U.S. Fixed Income	Dev ex-U.S. Equity	High Yield	U.S. Fixed Income	Global ex-U.S. Fixed Income	Real Estate	Real Estate	Dev ex-U.S. Equity	Global ex-U.S. Fixed Income
-3.21%	-8.42%	-21.73%	-28.53%	8.72%	-14.09%	7.50%	2.65%	-6.02%	-23.97%	-3.85%	-0.76%	1.39%
Emerging Market Equity	Dev ex-U.S. Equity	Real Estate	Small Cap Equity	Global ex-U.S. Fixed Income	Emerging Market Equity	U.S. Fixed Income	Global ex-U.S. Fixed Income	Emerging Market Equity	Small Cap Equity	Small Cap Equity	Real Estate	Emerging Market Equity
-4.66%	-8.88%	-22.76%	-30.61%	5.09%	-14.57%	3.54%	1.49%	-14.92%	-23.99%	-4.64%	-2.06%	0.69%

Sources: ● Bloomberg Barclays Aggregate ● Bloomberg Barclays Corp High Yield ● Bloomberg Barclays Global Aggregate ex US
 ● FTSE EPRA Nareit Developed ● MSCI World ex USA ● MSCI Emerging Markets ● Russell 2000 ● S&P 500

Callan

U.S. Equity: COVID-19 Decimates U.S. Equity Returns

Cyclicals punished; Tech, Staples, and Health Care more resilient

- Energy fell as demand declined and OPEC and Russia refused to cut production, driving down oil prices globally
- Tech fared the best— “FAAMG” stocks averaged -7.9% led by Amazon (+5.5%) and Microsoft (+0.3%)

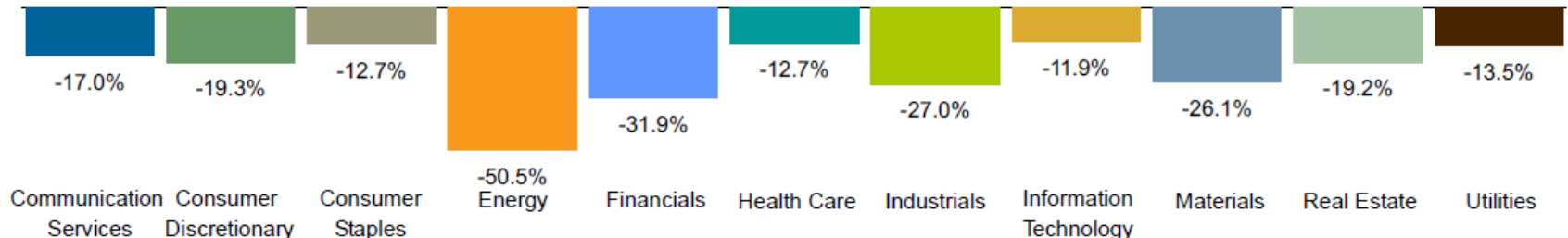
Large cap outpaces small cap for quarter

- Russell 2000 (-30.6%) experienced worst quarter on record
- Perceived safety of larger companies combined with more acute exposure to COVID-19 impact (restaurants, hotels, airlines) drove sell-off
- Russell 2000 Value exposure to Energy (especially E&P companies) and Financials (banks) drove results

Growth outpaces value across market capitalizations

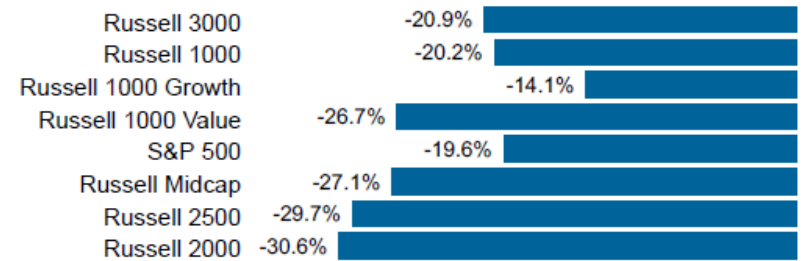
- Spread between Russell 1000 Growth (-14.1%) and Russell 2000 Value (-35.7%) one of widest on record

Economic Sector Quarterly Performance (S&P 500)

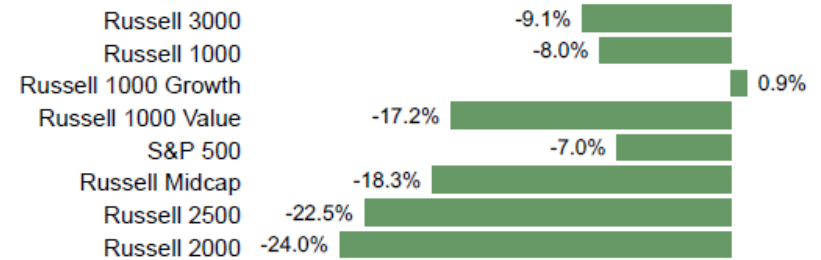


Sources: FTSE Russell, S&P Dow Jones Indices

U.S. Equity: Quarterly Returns



U.S. Equity: One-Year Returns



Global ex-U.S. Equity Performance

Worst sell-off since 2008

- Global economic activity came to a halt with shelter-in-place mandate worldwide
- Decisive actions to contain the outbreak and stimulate the economy allowed China to outperform every developed and developing country

Cyclical sectors imploded

- Energy, Financial, and travel-related industries were derailed by the pandemic and oil price war
- Factor performance favored risk aversion

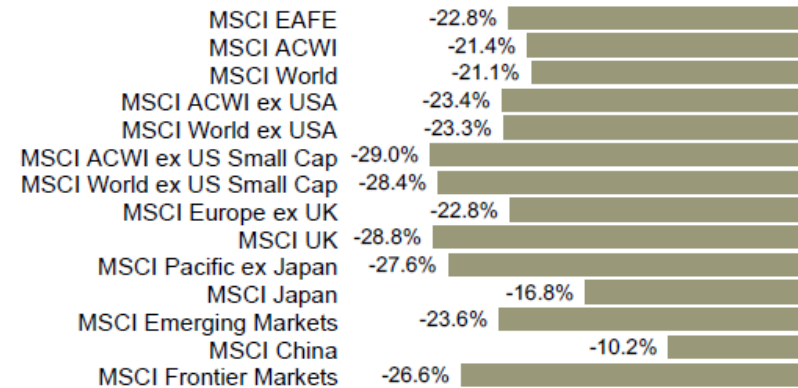
U.S. dollar vs. other currencies

- Safe-haven currencies such as the U.S. Dollar, Swiss Franc, and Yen were bid up as market volatility peaked and outperformed other major currencies

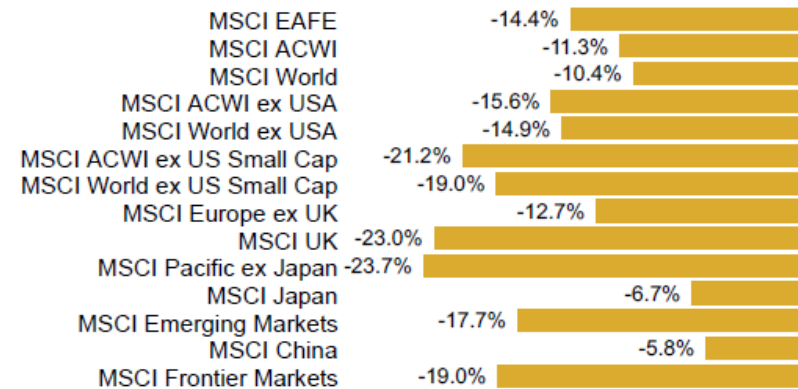
Growth vs. value

- Growth continued to outperform value within markets and capitalizations, supported by Health Care, Consumer Staples, and Information Technology

Global Equity: Quarterly Returns



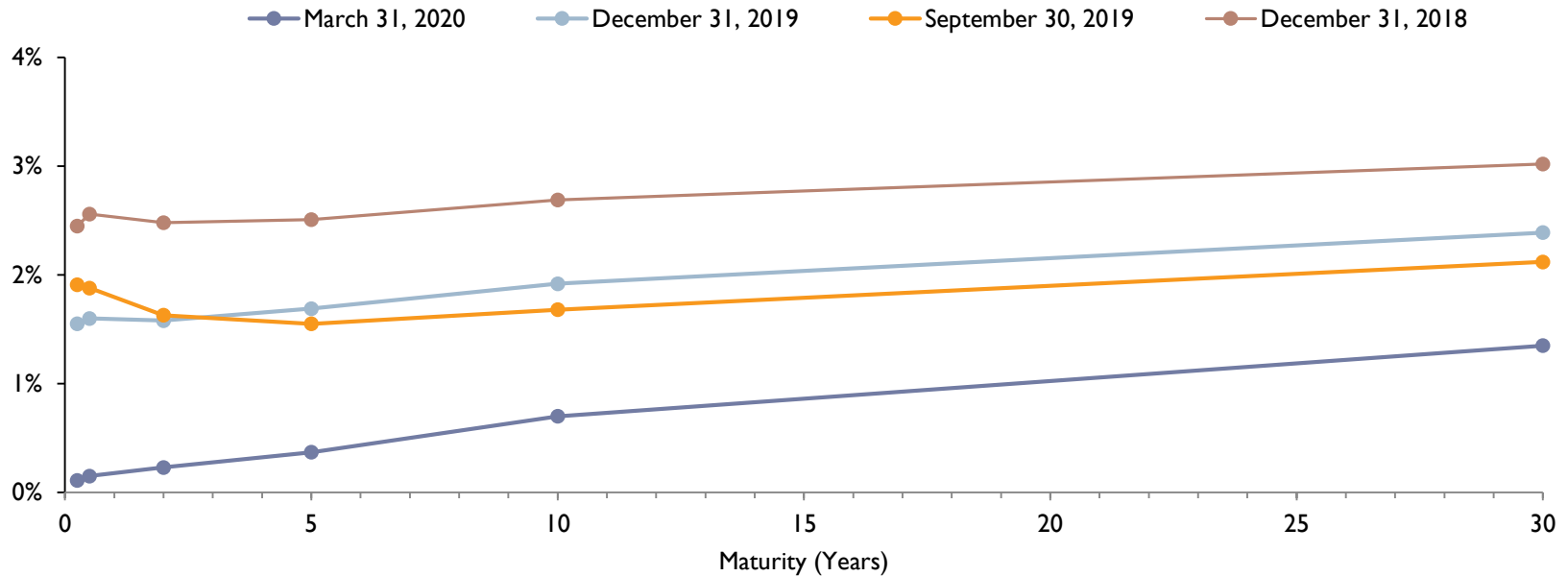
Global Equity: Annual Returns



U.S. Treasury Yield Curves

U.S. Treasury Yield Curves

Key Point: Although interest rates were at relatively low levels in recent years following the Great Recession of 2008, the impact of the global pandemic on public health, economy and capital markets triggered unprecedented government intervention to drive interest rates to even lower levels as shown in the greyish-blue line below.



	1 Mo	2 Mo	3 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
12/31/2019	1.48	1.51	1.55	1.6	1.59	1.58	1.62	1.69	1.83	1.92	2.25	2.39
03/31/2020	0.05	0.12	0.11	0.15	0.17	0.23	0.29	0.37	0.55	0.70	1.15	1.35
Difference	(1.43)	(1.39)	(1.44)	(1.45)	(1.42)	(1.35)	(-1.33)	(-1.32)	(-1.28)	(-1.22)	(-1.10)	(-1.04)



U.S. Fixed Income Performance

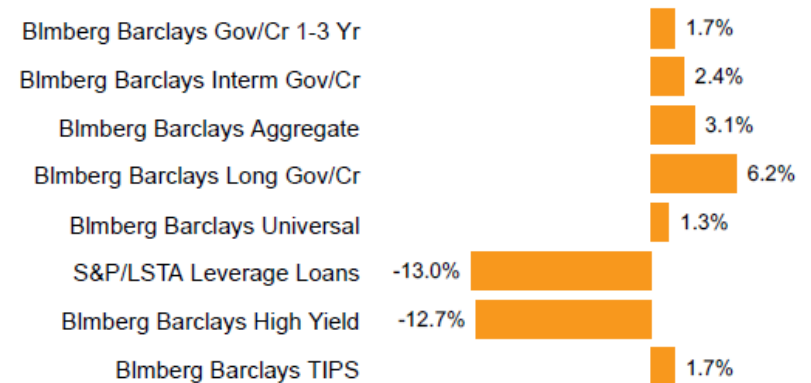
Treasuries rallied as investors sought safety

- The 10-year U.S. Treasury yield reached a low in March of 0.31% before closing the quarter at 0.70%, down sharply from 2019 year-end level of 1.92%
- The Treasury yield curve steepened as the Fed cut rates to 0% - 0.25%
- TIPS underperformed as inflation expectations sank. The 10-year breakeven spread ended the quarter at 87 bps, down sharply from 177 bps at year-end

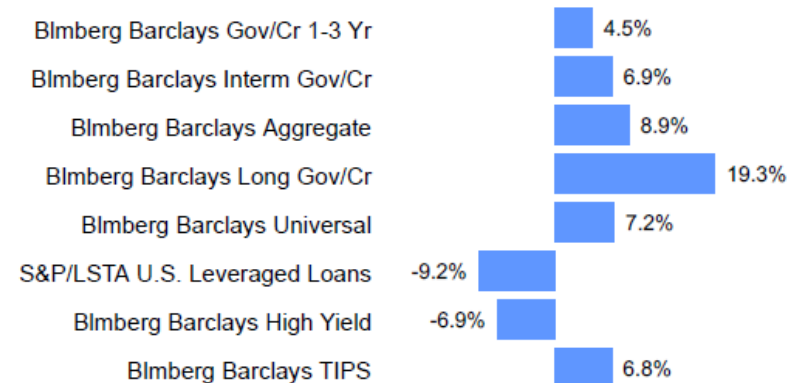
Investors spurned credit risk

- Investment grade and high yield bond funds experienced record outflows as investors flocked to cash
- IG corporate spreads widened by 149 bps to 272 bps
 - *Several well-known issuers were downgraded to below investment grade, including Occidental Petroleum and Ford*
- The quality bias: BBB-rated credit (-7.4%) substantially underperformed single A or higher (+0.50%)
- CCC-rated high yield (-20.6%) lagged BB-rated corporates (-10.2%)
- Energy (-38.9%) was the lowest performing high yield sector following the collapse in oil prices

U.S. Fixed Income: Quarterly Returns



U.S. Fixed Income: Annual Returns



Sources: Bloomberg Barclays, S&P Dow Jones Indices

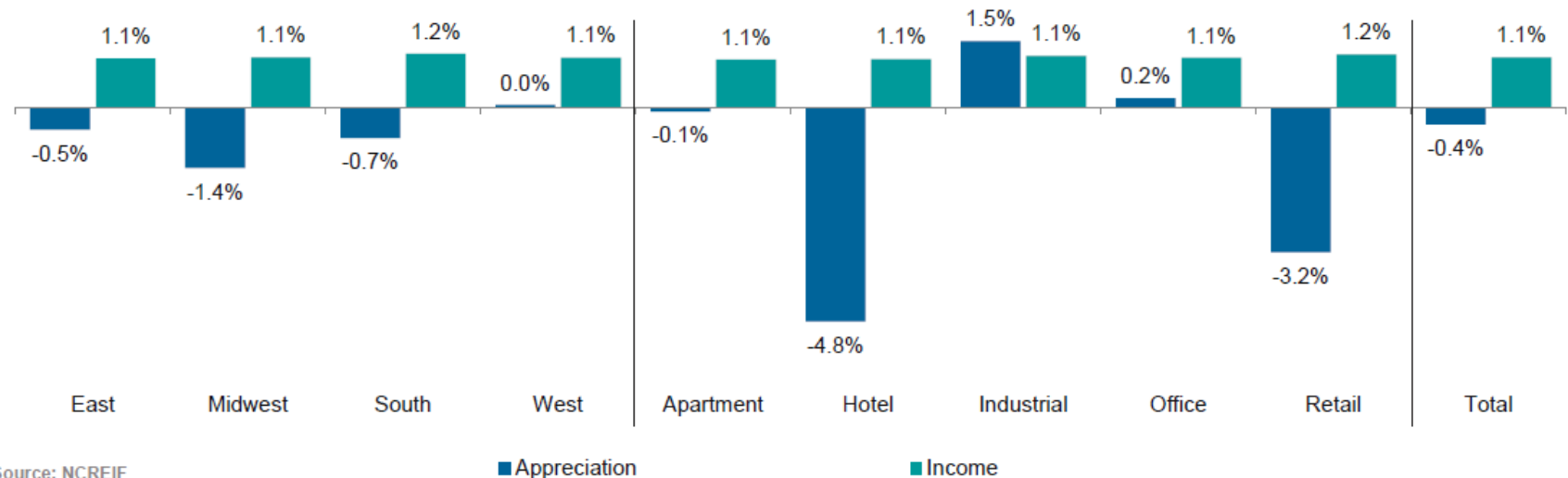
U.S. Private Real Estate Market Trends

Results

- Initial impact of pandemic reflected in Q1 results
- Positive return due to income
- Industrial real estate performed well
- Retail depreciation accelerated this quarter
- Negative returns expected for the second quarter and beyond.

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
NCREIF ODCE	1.0%	4.9%	6.8%	8.5%	11.5%
Appreciation	0.0%	0.7%	2.5%	3.9%	6.3%
Income	1.0%	4.2%	4.2%	4.4%	4.9%
NCREIF Property Index	0.7%	5.3%	6.4%	7.7%	10.2%
Appreciation	-0.4%	0.7%	1.8%	2.9%	5.7%
Income	1.1%	4.5%	4.6%	4.7%	4.6%

NCREIF Property Index Returns by Region and Property Type



Source: NCREIF

Implied Recession Probabilities by Market

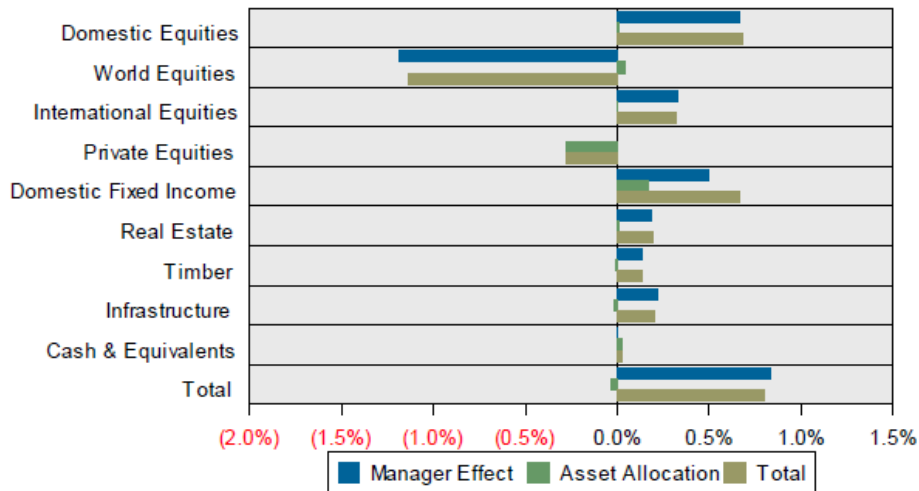


Sources Natixis PRCG, FactSet, Bloomberg. Recession probability for the S&P 500 and Industrial Metals represents drawdown to average peak-to-trough drawdown during recessions. IG and HY probabilities reflect current option-adjusted spread as compared to recessionary and non-recessionary averages. US Treasuries' probability reflects current change in 5-year yield as compared to average change in a recession.

TFFR Performance and Attribution

As of March 31, 2020

One Year Relative Attribution Effects



Returns for 1 Year Ended 03/31/2020

Return Type	Return (%)
Gross	-3.13%
Net of fees	-3.36%
Target	-3.95%
Net added	0.59%



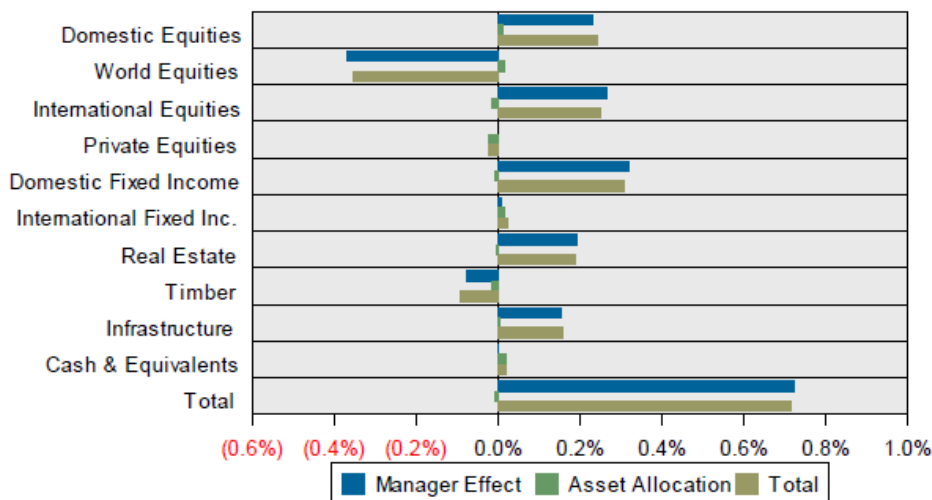
One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equities	22%	21%	(8.77%)	(11.80%)	0.67%	0.01%	0.68%
World Equities	16%	16%	(17.59%)	(10.39%)	(1.18%)	0.04%	(1.14%)
International Equities	15%	15%	(13.61%)	(15.39%)	0.32%	(0.00%)	0.32%
Private Equities	4%	6%	11.44%	11.44%	0.00%	(0.27%)	(0.27%)
Domestic Fixed Income	23%	23%	6.15%	4.02%	0.49%	0.17%	0.66%
Real Estate	11%	10%	7.22%	5.28%	0.18%	0.01%	0.20%
Timber	2%	2%	8.03%	1.30%	0.14%	(0.01%)	0.13%
Infrastructure	5%	6%	8.13%	3.33%	0.22%	(0.02%)	0.20%
Cash & Equivalents	1%	1%	1.96%	2.25%	(0.00%)	0.03%	0.02%
Total			(3.13%)	(3.93%)	+ 0.84%	+ (0.04%)	0.80%

TFFR Performance and Attribution

As of March 31, 2020

Five Year Annualized Relative Attribution Effects



Returns for 5 Year Ended 03/31/2020

Return Type	Return (%)
Gross	4.44%
Net of fees	4.17%
Target	3.72%
Net added	0.45%



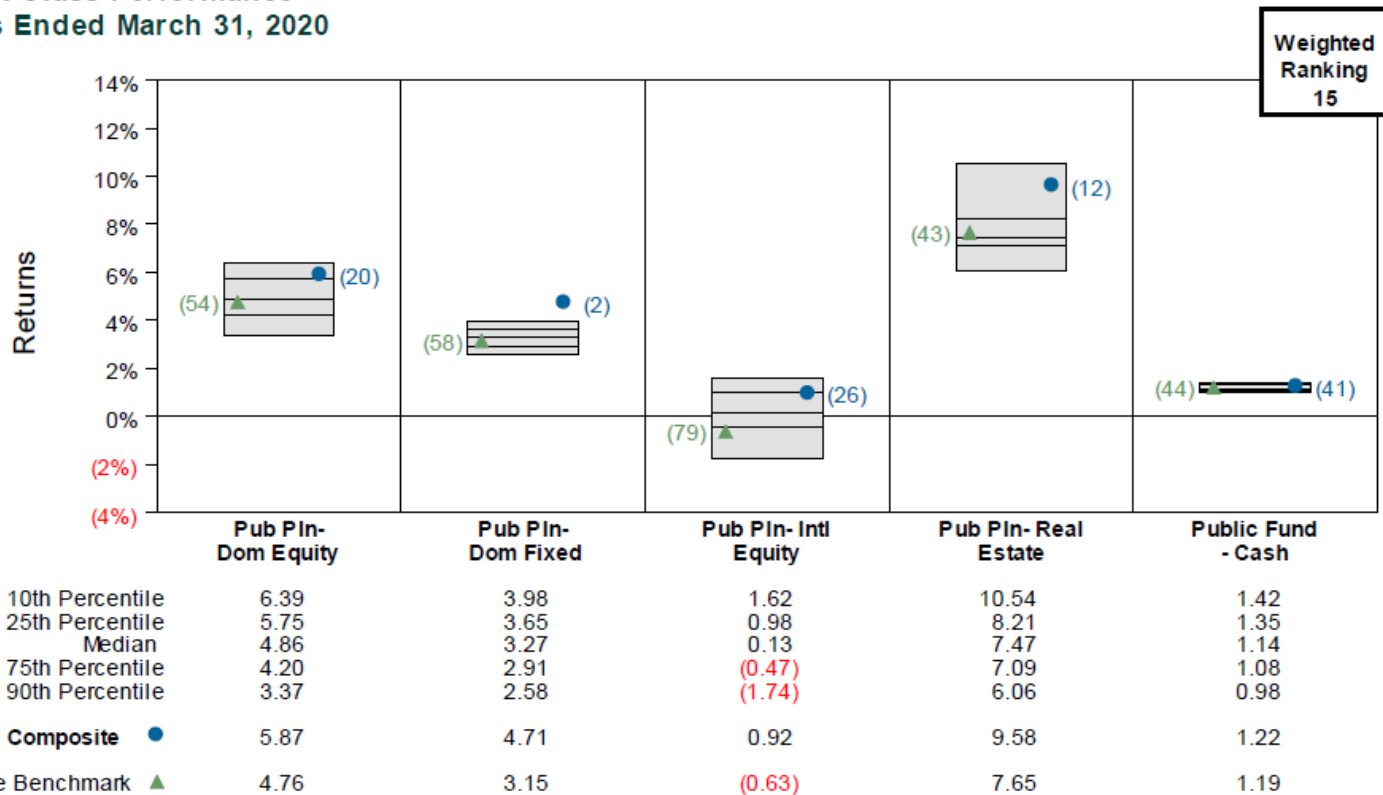
Five Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equities	23%	21%	5.91%	4.80%	0.23%	0.01%	0.24%
World Equities	16%	16%	0.79%	3.25%	(0.37%)	0.02%	(0.36%)
International Equities	15%	15%	0.95%	(0.66%)	0.27%	(0.02%)	0.25%
Private Equities	4%	6%	3.61%	3.61%	0.00%	(0.02%)	(0.02%)
Domestic Fixed Income	20%	20%	4.63%	3.05%	0.32%	(0.01%)	0.31%
International Fixed Inc.	3%	3%	-	-	0.01%	0.02%	0.02%
Real Estate	10%	10%	9.60%	7.65%	0.19%	(0.00%)	0.19%
Timber	3%	3%	0.42%	2.80%	(0.08%)	(0.02%)	(0.09%)
Infrastructure	5%	5%	5.80%	2.49%	0.15%	0.00%	0.16%
Cash & Equivalents	1%	1%	1.24%	1.19%	0.00%	0.02%	0.02%
Total			4.44%	3.72%	+ 0.72%	+ (0.01%)	0.72%

Asset Class Composite Results

Consolidated Pension Trust Asset Class Results vs. Other Public Pension Funds

Total Asset Class Performance
Five Years Ended March 31, 2020

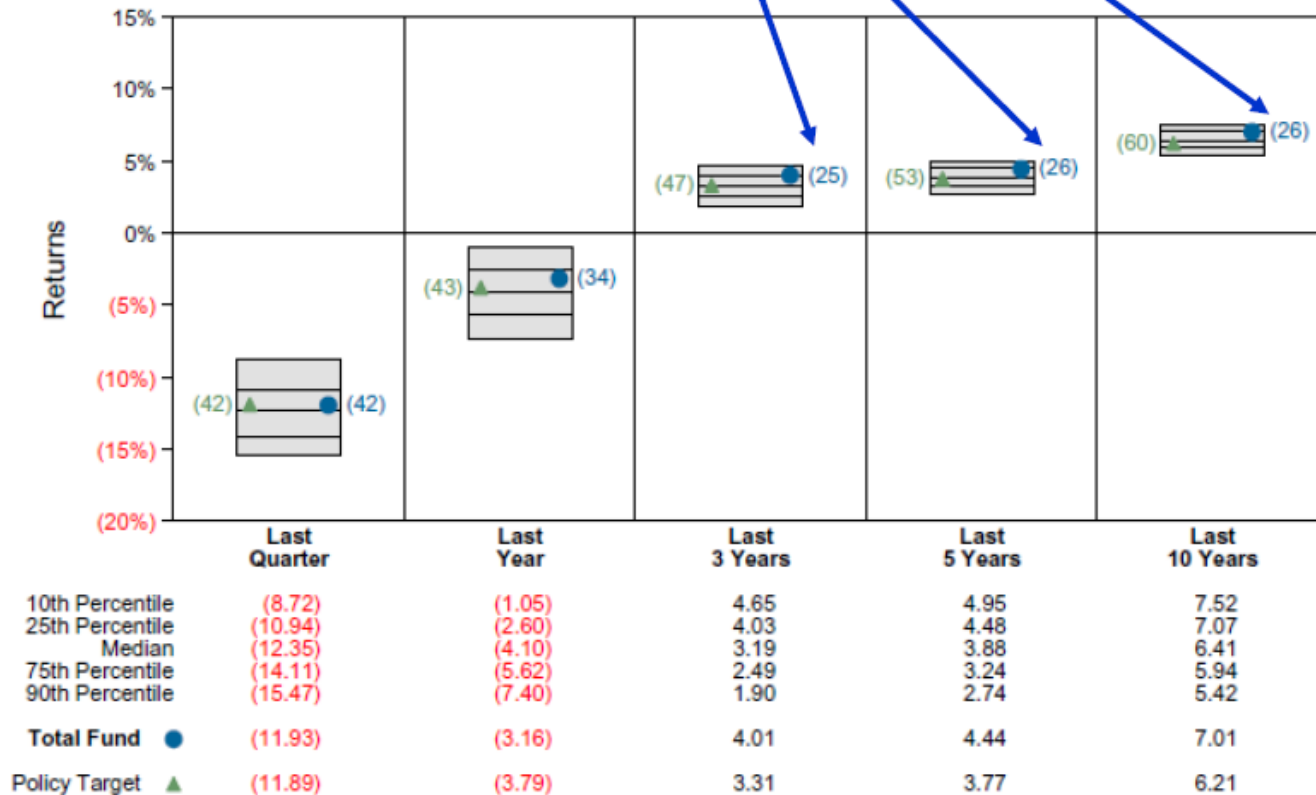


- All asset classes outperformed their respective benchmarks over the trailing five years.
- Domestic equity, fixed income, and real estate all ranked in the top quartile. International equity and cash both performed above median.

Callan – SIB Pension Trust Fund Ranking

The **Callan** charts show the ranking of the **Total Fund** (SIB Pension Trust) performance relative to that of the Callan Public Fund Sponsor Database for periods ended March 31, 2020. **The SIB Pension Trust was ranked in the 25th or 26th percentile for the 3, 5, and 10-years ended March 31, 2020.**

Callan Public Fund Sponsor Database



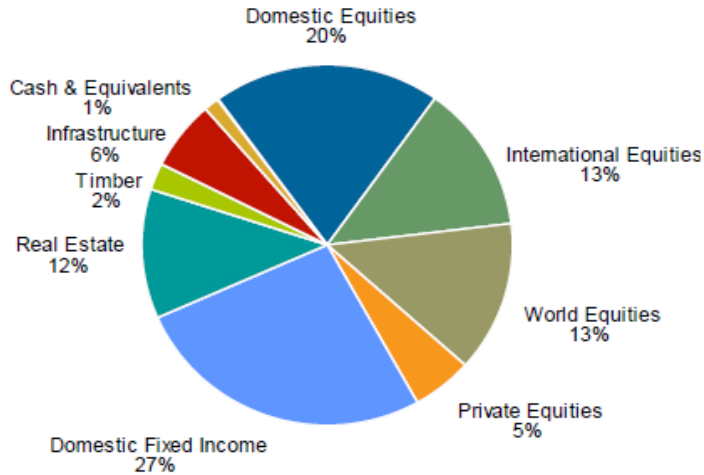
Note: All amounts are deemed to be materially accurate, but are unaudited and subject to change.

TFFR Allocation

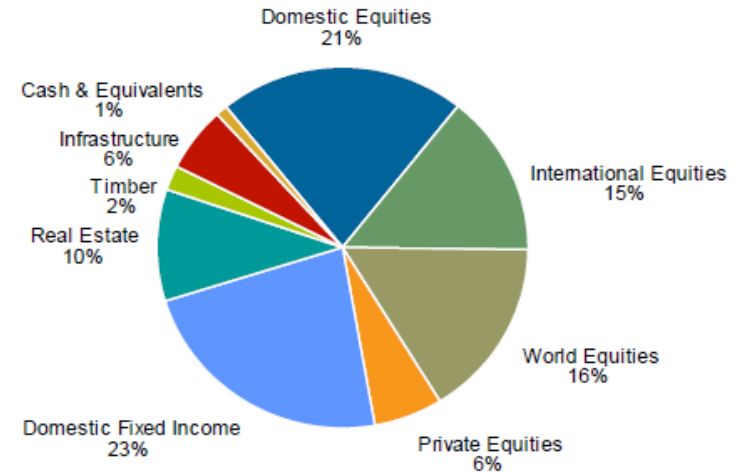
As of March 31, 2020

TFFR's Actual Asset Allocations were within 3.5% of Target as of March 31, 2020, but at the lower bounds of their ranges for **Equities**. As a result, the SIB approved an **Equity Overlay** strategy to rebalance the portfolio to target levels during the second quarter as highlighted on the following slide.

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equities	469,664	19.9%	21.5%	(1.6%)	(36,569)
International Equities	310,218	13.2%	14.5%	(1.4%)	(32,714)
World Equities	317,895	13.5%	16.0%	(2.5%)	(59,512)
Private Equities	124,891	5.3%	6.0%	(0.7%)	(16,637)
Domestic Fixed Income	626,107	26.5%	23.0%	3.5%	83,585
Real Estate	273,833	11.6%	10.0%	1.6%	37,954
Timber	57,506	2.4%	2.2%	0.2%	5,474
Infrastructure	147,247	6.2%	5.8%	0.4%	10,576
Cash & Equivalents	31,431	1.3%	1.0%	0.3%	7,843
Total	2,358,793	100.0%	100.0%		

The S&P 500 has experienced significant market rebounds following the last seven major market downturns since Black Monday in 1987

Focus on the Long Term

Market rebounds can be swift and powerful

History shows that financial markets tend to go up over time. Only by staying invested can investors participate in the full breadth of the ensuing recovery.

12-month performance following major declines

S&P 500 biggest declines	Black Monday 8/25/87- 12/4/87	Gulf War 7/16/90- 10/11/90	Asia Crisis 7/17/98- 9/31/98	Tech Bubble 3/27/00- 10/9/02	Financial Crisis 10/9/07 -3/9/09	US Credit Downgrade 3/10/11- 10/3/11	Trade War 10/3/18- 12/24/18
% decline	-33.5%	-19.9%	-19.3%	-49.0%	-56.8%	-19.0%	-19.6%
Next 12 months	+21.4%	+29.1%	+37.9%	+33.7%	+68.6%	+32.0%	+37.1%

Source: BlackRock; March 12, 2020

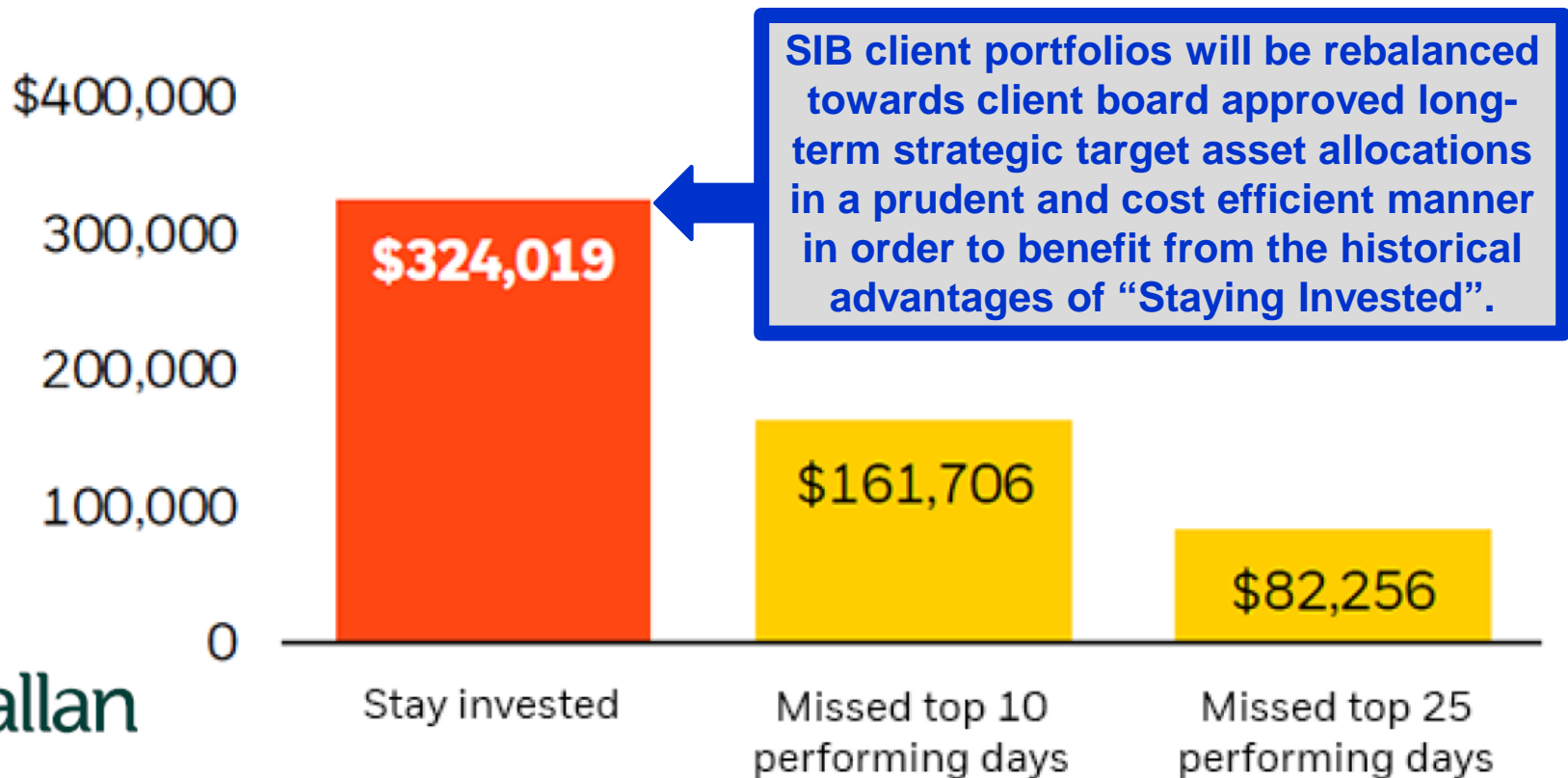
Source: Morningstar as of 2/28/20. Returns are principal only not including dividends. U.S. stocks represented by the S&P 500 Index. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You can't invest directly in an index.

The Impact of “Missing the Top Ten Days” the last 20-years is over 50% Action: RIO will rebalance our SIB client portfolios to “Stay Invested”

Focus on the Long Term

Timing market cycles is nearly impossible to do with any consistency

Hypothetical return of \$100,000 invested in the S&P 500 Index over a 20-year period (March 2000 to March 2020), versus the return if the 10 and 25 top-performing days were missed.



Portfolio Overlay and Rebalancing Update

As of June 19, 2020

PENSION POOL

	Physical	Overlay	Actual	Target	Over or Under	
					\$	%
Public Equity	\$ 3,103	\$ 168	\$ 3,271	\$ 3,112	\$ 159	2.6%
Fixed Income/Cash	\$ 1,564	\$ (168)	\$ 1,396	\$ 1,440	\$ (44)	-0.7%
Private Equity	\$ 276	\$ -	\$ 276	\$ 395	\$ (119)	-2.0%
Private Real Assets	\$ 1,135	\$ -	\$ 1,135	\$ 1,131	\$ 4	0.1%
As of June 19, 2020	\$ 6,078	\$ -	\$ 6,078	\$ 6,078	\$ -	0%
Inception to Date Gain on Pension Equity Overlay Strategy				\$ 18		

The Pension Pool was valued at approximately \$6 billion as of June 19, 2020. **Public Equity was overweight 2.6% and Fixed Income/Cash was underweight 0.7% of Target.** Private Equity was underweight 2.0% and Private Real Estate was nearly on Target at June 19, 2020.

LEGACY FUND

	Physical	Overlay	Actual	Target	Over or Under	
					\$	%
Public Equity	\$ 3,366	\$ 234	\$ 3,600	\$ 3,520	\$ 80	1.1%
Fixed Income/Cash	\$ 2,664	\$ (234)	\$ 2,430	\$ 2,464	\$ (34)	-0.5%
Private Real Assets	\$ 1,009	\$ -	\$ 1,009	\$ 1,055	\$ (46)	-0.7%
As of June 19, 2020	\$ 7,039	\$ -	\$ 7,039	\$ 7,039	\$ -	0%
Inception to Date Gain on Legacy Equity Overlay Strategy				\$ 31		

The Legacy Fund was valued at approximately \$7 billion as of June 19, 2020. **Public Equity was overweight 1.1% and Fixed Income/Cash was underweight 0.5%.** Private Real Assets were underweight 0.7% at June 19, 2020.

INSURANCE POOL

	Physical	Overlay	Actual	Target	Over or Under	
					\$	%
Public Equity	\$ 477	\$ 50	\$ 527	\$ 506	\$ 21	0.7%
Fixed Income/Cash	\$ 2,160	\$ (50)	\$ 2,110	\$ 2,121	\$ (11)	-0.4%
Private Real Assets	\$ 358	\$ -	\$ 358	\$ 368	\$ (10)	-0.3%
As of June 19, 2020	\$ 2,995	\$ -	\$ 2,995	\$ 2,995	\$ -	0%
Inception to Date Gain Insurance Equity Overlay Strategy				\$ 6		

The Insurance Pool was valued at nearly \$3 billion as of June 19, 2020. **Public Equity was overweight 0.7% and Fixed Income/Cash was underweight 0.4% of Target at June 19, 2020.** Private Real Assets were underweight 0.3%.

State Investment Board – Five Largest Clients

Interim FYTD Estimated Returns – June 30, 2020

Interim estimated returns for the SIB's five largest clients are summarized below on a **Fiscal Year To Date (FYTD)** basis from July 1, 2019 through June 30, 2020:

	TFFR	PERS	Legacy	WSI	Budget Stabilization
Net Returns for 1-Year Ended 12/31/2019	18.0%	18.0%	18.1%	13.6%	4.7%
Net Returns for Quarter Ended 9/30/2019	0.4%	0.4%	1.0%	1.7%	0.9%
Net Returns for Quarter Ended 12/31/2019	5.6%	5.7%	5.2%	2.6%	0.8%
Net Returns for Quarter Ended 3/31/2020	-12.0%	-12.1%	-12.7%	-6.1%	-3.6%
Net Return for Month Ended April 30, 2020	5.7%	5.8%	6.4%	4.1%	1.6%
Net Return for Month Ended May 31, 2020	2.9%	2.8%	3.4%	2.2%	1.3%
Total Fund Actual through 31-May	1.5%	1.5%	2.0%	4.3%	0.9%
<i>Est. MTD through</i> 6/30/2020	1.7%	1.7%	1.7%	1.1%	0.6%
Estimated FYTD Return 6/30/2020	3.3%	3.2%	3.7%	5.4%	1.5%

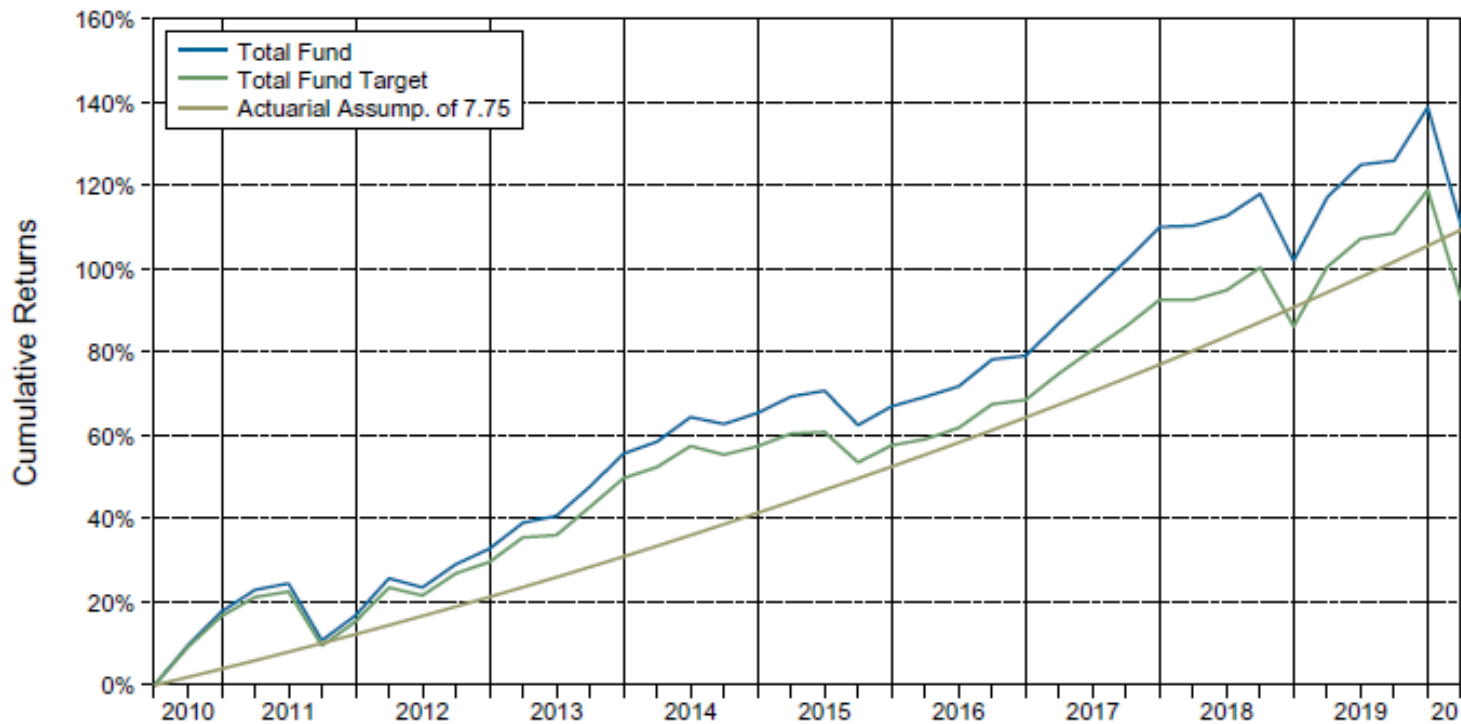
- Investment volatility hit an all-time high in 2020 as the longest bull market in history (11+ years) was immediately followed by one of the fastest bear market corrections on record (less than one month). **This record level of volatility resulted in U.S. and global equities increasing by 30% in 2019 prior to falling 20% in the first quarter of 2020.**
- As shown above, TFFR, PERS and Legacy returns gained 18% in 2019 before **losing 12% in Q1 of 2020** as their diversified portfolios served to dampen roughly 40% of the equity market volatility (or experience roughly 60% of the equity market gains/losses). The impact of the COVID-19 pandemic on public health, global economy, capital markets and consumer spending was unprecedented.
- TFFR returns materially improved in April and May due to a strong equity market recovery with FYTD net investment returns of approximately +1.5% as of May 31, 2020.
- Based on preliminary market data which is unaudited and subject to material change, **TFFR net investment returns are roughly estimated to approximate +3.3% on a fiscal year to date basis as of June 30, 2020.**

Estimated Fiscal Year To Date Returns as of June 30, 2020, are rough indicative estimates based on underlying benchmark data (not actual results) and all amounts are preliminary, unaudited and subject to material change.

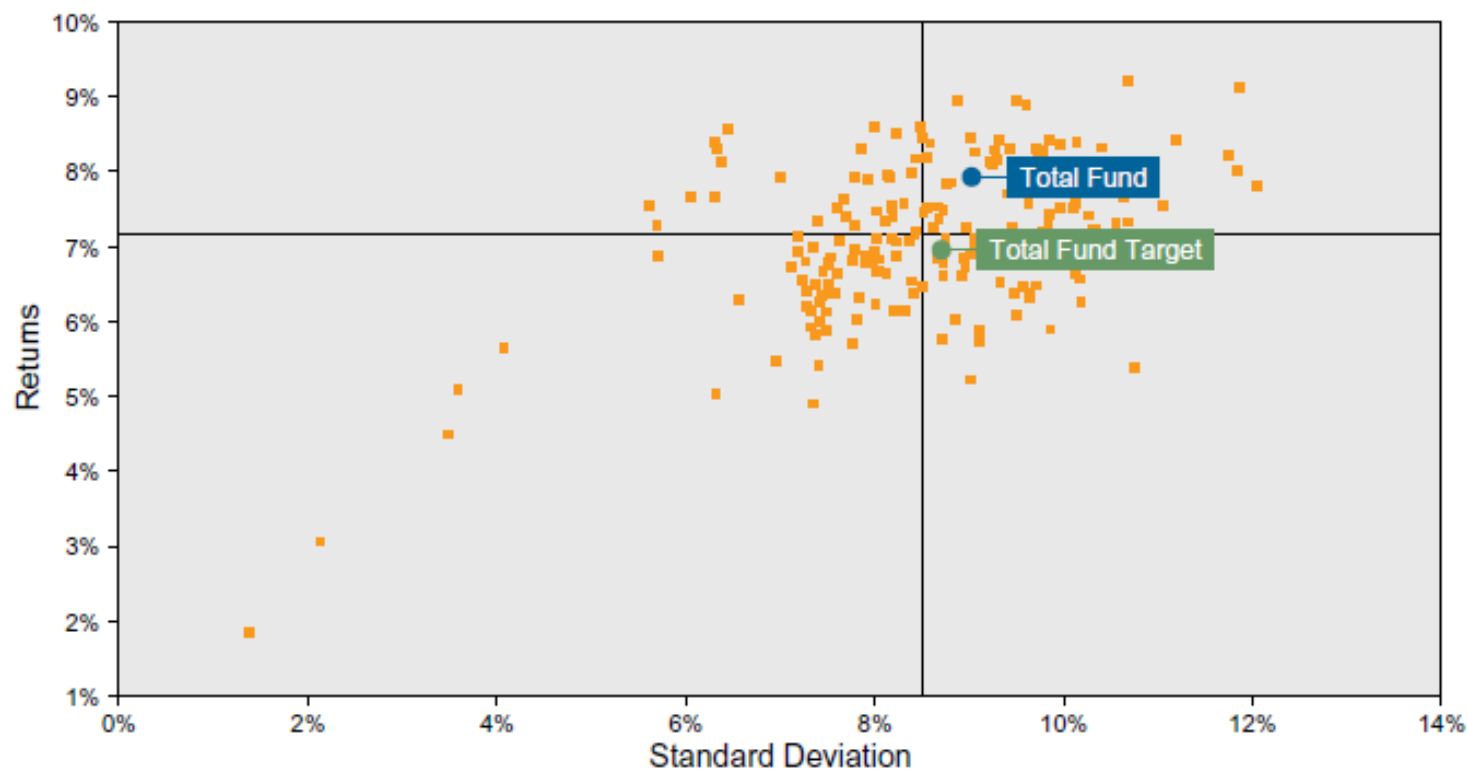
Cumulative Performance Relative to Target

The first chart below illustrates the cumulative performance of the Total Fund relative to the cumulative performance of the Fund's Target Asset Mix. The Target Mix is assumed to be rebalanced each quarter with no transaction costs. The second chart below shows the return and the risk of the Total Fund and the Target Mix, contrasted with the returns and risks of the funds in the Callan Public Fund Sponsor Database.

Cumulative Returns Actual vs Target



Nine and Three-Quarter Year Annualized Risk vs Return

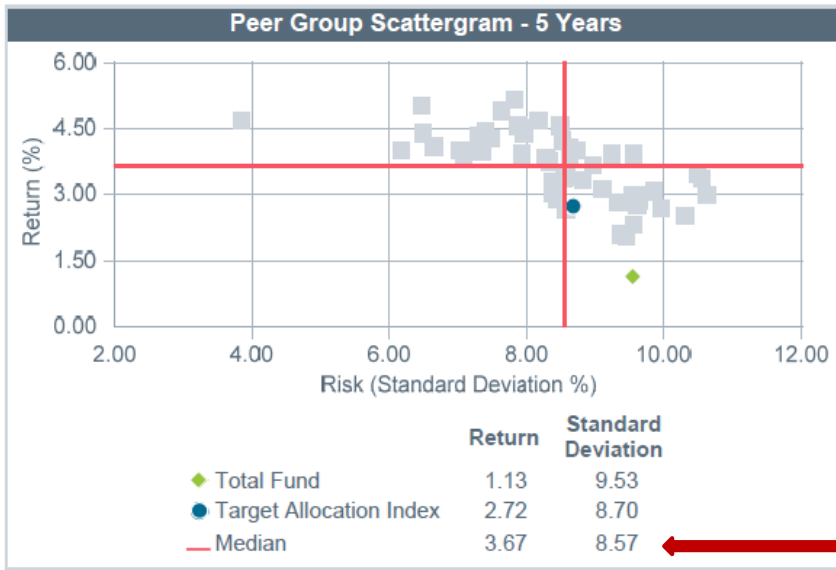


Squares represent membership of the Callan Public Fund Sponsor Database

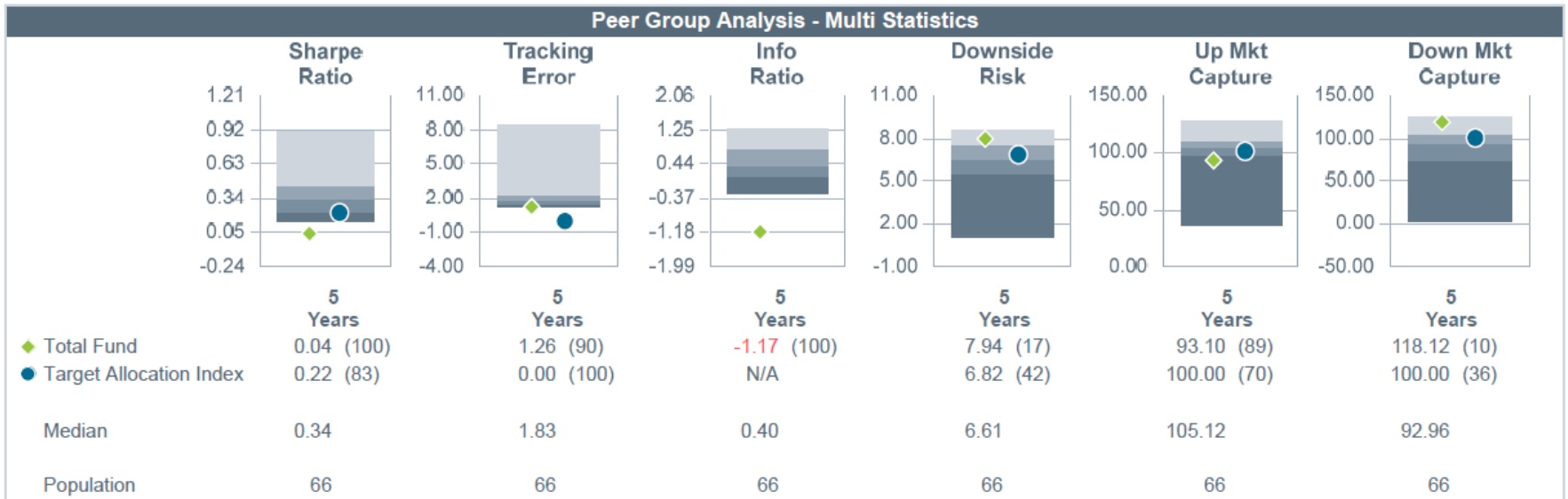
* Current Quarter Target = 16.6% Russell 1000 Index, 16.0% Blmbg Aggregate, 16.0% MSCI World, 11.8% MSCI World ex US, 10.0% NCREIF Total Index, 7.0% Blmbg:HY Corp 2% Iss Cap, 6.0% NDTFFR-Private Equity, 4.8% Russell 2000 Index, 2.9% NCREIF NFI-ODCE Eq Wt Net, 2.9% CPI All Urban Cons lagged 3 months, 2.8% MSCI EM, 2.2% NCREIF Timberland Index and 1.0% 3-month Treasury Bill.

Total Fund vs. All Public Plans > \$1B-Total Fund

As of March 31, 2020



NOTE: The “Total Fund” on this slide does not represent TFFR, but is shown for comparative purposes in order to highlight the importance of asset allocation policy and investment implementation. In comparison to slide 2, TFFR’s net investment return of 4.17% for the 5-years ended March 31, 2020, exceeds the **Median Return of 3.67%** for “All Public Plans > \$1 billion” by roughly 0.50%, albeit with a higher level of risk, as represented by the **Median Standard Deviation of 8.57%** (versus 9.11% for TFFR).



Performance shown is net of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.



RETIREMENT AND INVESTMENT OFFICE
Internal Audit
2019-2020 2nd Quarter Audit Activities Report
October 1, 2019 – December 31, 2019

The audit objective of Internal Audit is twofold: first, to provide comprehensive, practical audit coverage of the Retirement and Investment Office (RIO) programs; second, to assist RIO management and the State Investment Board (SIB) by conducting special reviews or audits.

Audit coverage is based on the July 1, 2019 through June 30, 2020 work plan approved by the SIB Audit Committee. The audit activities undertaken are consistent with the Internal Audit charter and goals, and the goals of RIO. To the extent possible, our audits are being carried out in accordance with the International Standards for the Professional Practice of Internal Auditing. Audit effort is being directed to the needs of RIO and the concerns of management and the SIB Audit Committee.

Investment and Agency Audit Activities

• **Executive Limitation Audit**

On an annual basis, Internal Audit reviews the Executive Director/CIO's level of compliance with SIB Governance Manual Executive Limitation Policies A- 1 through A-11. The Executive Limitations Audit was started in December 2019.

The audit will be completed and report issued in February 2020.

• **External Audit Support**

Internal Audit provided support to our external audit partners, CliftonLarsonAllen (CLA), during the GASB 68 Census Data Audits. CLA GASB 68 Census Data Audit work concluded in October. Internal Audit worked with the external audit partners on reconciling GASB 68 census testing data.

• **Administrative Expense Audit**

A review of RIO's policies pertaining to travel and expenses which will be compared to OMB policy and state purchasing requirements. A sample of travel vouchers from both board members and staff will be reviewed, including in-state, out-of-state, and international travel to ensure compliance with policy and regulations. A sample of invoices (ex. rent, cleaning, etc.) will also be selected. These invoices will be reviewed to ensure proper approvals were obtained, verify invoice with expense voucher, review contract, and review that payment was issued and cleared.

The audit report will be issued January 2020.

Retirement Program Audit Activities

• **TFFR Employer Salary Reviews**

Internal Audit examines employer reporting to the Teachers' Fund for Retirement (TFFR) to determine whether retirement salaries and contributions reported for members of TFFR for accuracy with the definition of salary as it appears in the TFFR Employer Guide. Other reporting procedures reviewed during the audit process are calculation of service hours and eligibility for TFFR membership. A written report is issued after each review is completed to Retirement Services.

Status of TFFR Employer Audits as of September 30, 2019:

- Three (3) employer audits had been completed.
- One (1) employer audit was in progress.

- **Salary Verification Audit**

On an annual basis Internal Audit verifies retirement salaries and contributions reported to TFFR for the prior fiscal year for 65 randomly selected member accounts from 60 different employers. The sample has been selected, notifications for information have been requested and information has been returned by the employers. The reconciliation of salaries is scheduled to start during the third quarter.

This audit is currently in progress.

- **File Maintenance**

A review of changes made to TFFR member account data by Retirement and Investment Office employees is reviewed on an annual basis. Internal Audit reviews system generated (CPAS) audit tables to ensure transactions initiated by staff are expected and appropriate given an individual's role within the organization. Member accounts are also reviewed to ensure contact and demographic information has been updated correctly per Member Action Forms on file. Other procedures reviewed are change of addresses and the posting of beneficiary deaths that are not in pay status.

The audit fieldwork has been completed and a report will be issued February 2020.

- **Benefit Payment Audit**

A review of deaths, long outstanding checks, and long term annuitants was completed to determine that established policies and procedures were being followed by the staff of Retirement Services.

This audit will be completed in February 2020.

- **Data Analytics**

Internal Audit and RIO's Information Technology Division has been working with North Dakota Information Technology Department (NDIT) to develop data analytics to help streamline the TFFR Employer Salary, Service Hours, Eligibility Review process. RIO's IT staff has been working on testing the data analytics and meeting with NDIT to get the data analytics implemented.

Administrative Activities

The Supervisor of Internal Audit attended the monthly RIO staff meetings, monthly RIO manager's meetings, divisional meetings, three SIB meetings, and one TFFR meeting. The Internal Audit staff member attended the monthly RIO staff meetings, divisional meetings, two TFFR meetings. Internal Audit staff also continues to educate RIO staff on internal audit as needed.

Professional Development/CE/General Education

The Supervisor Internal Audit is pursuing a Master's in Business Administration with a concentration in Public Administration and completed the following courses: Leadership in the Public Sector, Public Finance and Budgeting, and Managerial Finance. The Supervisor of Internal Audit also attended the Association of Public Pension Fund Auditors conference at the end of October. Topics covered were implementation of a new pension software, future risks, data analytics, risk management, private equity expenses, risk and assurance mapping, risk assessments, and ethics.

RETIREMENT AND INVESTMENT OFFICE
Internal Audit
2019-2020 3rd Quarter Audit Activities Report
January 1, 2020 – March 31, 2020

The audit objective of Internal Audit is twofold: first, to provide comprehensive, practical audit coverage of the Retirement and Investment Office (RIO) programs; second, to assist RIO management and the State Investment Board (SIB) by conducting special reviews or audits.

Audit coverage is based on the July 1, 2019 through June 30, 2020 work plan approved by the SIB Audit Committee. The audit activities undertaken are consistent with the Internal Audit charter and goals, and the goals of RIO. To the extent possible, our audits are being carried out in accordance with the International Standards for the Professional Practice of Internal Auditing. Audit effort is being directed to the needs of RIO and the concerns of management and the SIB Audit Committee.

Investment and Agency Audit Activities

• **Executive Limitation Audit**

On an annual basis, Internal Audit reviews the Executive Director/CIO's level of compliance with SIB Governance Manual Executive Limitation Policies A- 1 through A-11. The Executive Limitations Audit was started in December 2019.

The audit was issued February 27, 2020.

• **Executive Review Committee**

In February 2019, the Executive Review Committee requested Internal Audits assistant in administering a board self-evaluation. Internal Audit administered the evaluation, collected the responses, and reported to the State Investment Board on March 27, 2020.

The Executive Review Committee also annually evaluates the Executive Director/CIO of the North Dakota Retirement and Investment Office, Mr. David Hunter. Internal Audit's assistance was required to facilitate a survey to the current SIB members and a survey to RIO staff. The survey to RIO staff was completed in March 2020 and the SIB survey was administered in March/April 2020. Internal Audit compiled the results and reported to the Executive Review Committee.

• **Administrative Expense Audit**

A review of RIO's policies pertaining to travel and expenses which will be compared to OMB policy and state purchasing requirements. A sample of travel vouchers from both board members and staff will be reviewed, including in-state, out-of-state, and international travel to ensure compliance with policy and regulations. A sample of invoices (ex. rent, cleaning, etc.) will also be selected. These invoices will be reviewed to ensure proper approvals were obtained, verify invoice with expense voucher, review contract, and review that payment was issued and cleared.

The audit report was issued January 30, 2020.

• **Cash Management and Rebalancing Audit**

A review of procedures for cash management and rebalancing of investment allocations. A sample of rebalancing of asset allocations, wire transactions, and bank fees will be selected and confirmed. Also, a sample of client requests will also be reviewed for timeliness and accuracy. Lastly, a review of staff access and authorization will be reviewed and confirmed.

This audit was started in March 2020; however, do to COVID-19 it was temporarily put on hold. Since then the SIB has hired Parametric to help with rebalancing the portfolio. Due to the changes internal audit staff is working with fiscal management staff to understand the changes and re-scope the audit.

This audit is currently in progress.

- **Internal Control Assessment**

The internal control assessment was started in March 2020; however, do to COVID-19 it was temporarily put on hold. Also, discussions with management staff, it was decided to first complete the Internal Control Guidelines put forth by the ND Office of Management and Budget.

This assessment is currently in progress.

Retirement Program Audit Activities

- **TFFR Employer Salary Reviews**

Internal Audit examines employer reporting to the Teachers' Fund for Retirement (TFFR) to determine whether retirement salaries and contributions reported for members of TFFR for accuracy with the definition of salary as it appears in the TFFR Employer Guide. Other reporting procedures reviewed during the audit process are calculation of service hours and eligibility for TFFR membership. A written report is issued after each review is completed to Retirement Services.

Status of TFFR Employer Audits as of September 30, 2019:

- Three (3) employer audits had been completed.
- One (1) employer audit was in progress.

- **Salary Verification Audit**

On an annual basis Internal Audit verifies retirement salaries and contributions reported to TFFR for the prior fiscal year for 65 randomly selected member accounts from 60 different employers. The sample has been selected, notifications for information have been requested and information has been returned by the employers. The reconciliation of salaries is scheduled to start during the third quarter.

This audit is currently in progress.

- **File Maintenance**

A review of changes made to TFFR member account data by Retirement and Investment Office employees is reviewed on an annual basis. Internal Audit reviews system generated (CPAS) audit tables to ensure transactions initiated by staff are expected and appropriate given an individual's role within the organization. Member accounts are also reviewed to ensure contact and demographic information has been updated correctly per Member Action Forms on file. Other procedures reviewed are change of addresses and the posting of beneficiary deaths that are not in pay status.

This report was issued January 31, 2020.

- **Benefit Payment Audit**

A review of deaths, long outstanding checks, and long term annuitants was completed to determine that established policies and procedures were being followed by the staff of Retirement Services.

This audit was issued April 20, 2020.

- **Task List Project**

Internal Audit is working with Retirement Services, Administrative Services, and Information Systems Services on tracking retirement program activities. Due to retirements and different activities happening, Internal Audit has been spending more time with this project. The tracking of tasks will go through June 30, 2020. This will give a full year of activities.

- **Data Analytics**

Internal Audit and RIO's Information Technology Division has been working with North Dakota Information Technology Department (NDIT) to develop data analytics to help streamline the TFFR Employer Salary, Service Hours, Eligibility Review process. Internal Audit is currently working through the first employer audit comparing the employer master payroll file comparison with the ESPB database.

Administrative Activities

The Supervisor of Internal Audit attended the monthly RIO staff meetings, monthly RIO manager's meetings, divisional meetings, three SIB meetings, and one TFFR meeting. The Internal Audit staff member attended the monthly RIO staff meetings, divisional meetings, one TFFR meeting. Internal Audit staff also continues to educate RIO staff on internal audit as needed.

Professional Development/CE/General Education

The Supervisor Internal Audit is pursuing a Master's in Business Administration and a Master's in Public Administration and completed the following courses: Managerial Accounting, Managerial Finance, and Executive Economic Analysis. In February 2020 completed all course work for her Master's in Public Administration.

Internal Audit – North Dakota Retirement and Investment Office

TFFR File Maintenance Audit

April – June 2019- Fourth Quarter

Audit Report

January 31, 2020

Background

On an annual basis, the Internal Audit Division of the Retirement and Investment Office (RIO) reviews system generated (CPAS) audit tables to ensure transactions initiated by staff are expected and appropriate given a staff member's role within the organization. Member accounts are also reviewed to ensure contact and demographic information has been updated correctly for Member Action Forms (MAF), Obituary searches, and Change of Address Forms on file.

Results Summary

Internal Audit (IA) determined that audit table transactions which occurred in the fourth quarter of fiscal year 2018/2019 for all user IDs were expected and appropriate based on the organizational role held by the staff member who initiated the transaction.

For Phase II in the review of table reports, there was one procedural error noted (See Phase II – pg. 3) for Information Services and two findings noted for Retirement Services (See Phase II- pg. 3,4). Month-end reports of lump sum payments and installment purchases of service credit were accurate. All report listings were found on staff audit table reports.

In Phase III, IA reviewed the procedures for processing information on Change of Address forms, Member Action Forms (MAF's), and posting deaths of beneficiary's that do not affect pay status. There was one procedural change recommended for entering information from the MAF (See Phase III starting on pg.6).

Scope

Audit information is obtained throughout the quarter under review. System generated audit table reports are run quarterly by IA staff. Staff roles and responsibilities and departmental procedures are verified annually with Division management. System generated reports of lump sum payments and installment purchases of service credit are provided monthly by the Information Systems Division which also provides a listing of system User IDs, security roles, and any changes to either on a yearly basis. Information Systems Division also provides a change log which details transactions completed and who requested each transaction. Member Action Forms (MAF) are collected in the first quarter of each fiscal year with the assistance of the Office Assistant. Procedures for change of addresses, entering MAF's, and changes of demographic information are reviewed.

TFFR Activities during the Fourth Quarter

During the fourth quarter, Retirement Services (RS) had the following processes in motion: started to close out the employer accounting for the 2018/19 year-end; deleting ineligible accounts with no value at year-end (reported in error by the employer), merging of accounts (employer reported with wrong SSN), annual recertification of disabilities, information for new member action forms for the current fiscal year - summer school; processing presumptive retirements, demographic checks for CPAS at year-end; Status 60 members and other regular activities like processing purchases, refunds, QDRO's, dual members, retirees who return to covered employment, and deaths.

The procedures for the File Maintenance Audit were as follows:

Phase I:

- Reviewed CPAS Transaction responsibilities for Administrative Services, Fiscal Accounting, Information Systems, and Retirement Services
- Reviewed IT Security Rolls from Administrative Services, Fiscal Accounting, Information Systems, and Retirement Services

Phase II:

- Reviewed CPAS Table reports for all staff with TFFR transactions/responsibilities
- Reviewed monthly Lump Sum Payment Register - were all refund payments found on the table reports
- Reviewed monthly Reports for Installment Purchase payments - were all purchase payments listed on the table reports

Phase III:

- Reviewed procedures for obtaining/entering information from the MAF
- Reviewed a sample of six members for data entry accuracy from MAF
- Reviewed policy/procedures for address changes
- Reviewed a sample of six members who had address changes
- Reviewed policy/procedures for posting deaths of beneficiaries that do not affect pay status
- Reviewed a sample of six deaths posted that do not affect pay status

Observations, Conclusions and Recommendations

Observations, Conclusions and Recommendations Phase I

CPAS generated audit table transactions initiated by staff, each of whom is assigned a unique user ID. The transactions are related to the day to day business operations of the Teachers' Fund for Retirement (TFFR). For the quarter under review, IA staff reviewed transactions for appropriateness based on the organizational role of the staff member assigned to each user ID. Any transactions which do not appear to be usual and customary are further investigated.

For the fourth quarter of 2018/2019, the months of April, May, and June were reviewed. There was potential of increased risks of error due to staff turnover in Retirement Services during this timeframe. The staff member that processed deaths retired in April. A new staff member was hired the end of May. Instead of the one staff member processing deaths, the responsibility was divided among three staff members. IA wanted to determine that procedures were followed by the three staff members when benefit suspensions were requested and set-up of beneficiary accounts were processed with Fiscal Accounting Services and Information Systems Services. IA determined that audit table transactions which occurred from April through June of 2019 for all user IDs were appropriately based on the organizational role held by the staff member who initiated the transactions.

There were five staff members that appropriately did not have transactions on their table reports. They were the Supervisor of IA, Internal Auditor, Deputy Executive Director, Supervisor of Administrative Services, and the TFFR Administrative Assistant.

The CPAS table reports with transactions reviewed for the fourth quarter were as follows - Phase II:

Administrative Services (AS) – the Office Assistant (OA) – New to the audit due to added trigger for change of addresses

Fiscal Accounting Services (FAS) – the Chief Financial Officer (CFO), the Investment Accountant (IA), the Compliance Officer (CO)

Information Systems Services (IT) – the Supervisor and the Data Processing Coordinator

Retirement Services(RS) – three Retirement Program Specialist (RPS), the Membership Specialist (MS), Employer Services Coordinator (ESC), and the Retirement Program Manager (RPM)

IA reviewed the table reports for AS and FAS. All transactions were appropriate and related to their day to day business operations.

The following **procedural error** was found for Information Systems Services. All transactions found on their table reports were appropriate and related to their day to day business operations. All transactions found on their table reports were listed on the 2019 Change Documentation log for the fourth quarter **except** for the deletion of accounts with zero value at year-end. These are member accounts reported to TFFR by the employer in error with zero value. Procedure is to delete these accounts at year-end. The deletions were listed on a worksheet found in the J Drive:

Recommendation by IA for procedure error

IT Staff only makes changes to member accounts when authorized staff directs the change. For their protection, it is important to list all requests made by RIO staff to change/delete member accounts on their Log. If questions are asked by Internal and External Auditors, a ready explanation is available. An example of the explanation could be – Per RPM, I deleted accounts and refer to the spreadsheet in the J Drive.

IT response:

I have reviewed the File Maintenance Audit. As for the recommendation of logging all transactions and the deletions not being tracked, that was just an oversight and the entries did not get logged. I know IA visited with IT staff about this when you were looking at those deletions and corrections were made to Change Log for this oversight. IT updated our processes/procedures to help eliminate this oversight in the future as we agree all transactions need to be recorded but know that sometimes oversights happen.

IA reviewed the table reports for **Retirement Services** Staff: the ESC, the MS, the RPM, and the three RPS. All transactions reviewed were appropriate in the day to day operations for TFFR except for the following findings.

Findings for RS:

Finding 1:

IA found that one of the last transactions processed on table report of the RPS who retired had none of the required documents on file for two of the four accounts affected by a death.

Per the table reports, the transaction had been processed by the retiring RPS. Per procedures, the folder of information was then passed to the MS who entered beneficiary information into the member's account. The folder with the documents would have then been placed in a central area only accessible to staff to be scanned by the OA.

When IA tried to compare the required documents from FileNet to the member's CPAS account, no documents were in two of the four FileNet accounts processed for suspension of payment for a death and set-up for three beneficiary payments. The documents found in the deceased member's and one of the beneficiary's accounts were copies provided by a beneficiary upon request by RS's staff.

After the discovery of the missing documents, RS's investigated and found that there were missing documents for another death (beneficiary deceased on Joint and Survivor accounts that popped up with no remaining cash account). In order to ensure this would not occur again, procedures were changed. For all documents that need

to be scanned to member accounts, there is a direct hand-off of documents from RS's to AS's. Files are not placed in a centralized basket.

Recommendation by IA for missing documents:

Since procedures have already been changed, RS's needs to draft a memorandum stating the error that occurred and scan it to the affected accounts. RS's should also continue to request copies for documents that have not been recovered.

RS's response:

A memorandum explaining the situation was drafted and placed in the two member accounts affected by the error. For the one death with three beneficiaries, two of the beneficiaries in payment status returned copies of requested documents and they have been scanned to FileNet. RS's is still trying to obtain the missing documents for the third beneficiary's FileNet account. For the pop-up, a copy of the beneficiary's obituary will be placed in the file as proof of death.

Finding 2:

One of the above beneficiary's returned copies of their retirement set-up forms. The routing number on the replacement Direct Deposit Authorization Form (DDA) was different from the routing number found on CPAS from the original set-up based on the lost form.

Recommendation by IA routing number

For the second beneficiary that returned copies of the missing documents, IA found that the bank routing number on CPAS was different from the Bank Routing number on the DDA found in FileNet. IA recommended that RS investigate to see which bank routing number is correct and note the reason for the difference in routing number on DDA form in FileNet.

RS's Response: The RPM called the Bank and talked with a representative. The initial routing number on the lost DDA was the North Dakota routing number and the number on CPAS was the Minnesota routing number the beneficiary included on the replacement DDA. The Bank representative stated that both routing numbers were valid and funds sent would correctly deposit to the member's individual bank account. Payment instructions in CPAS were updated to reflect the routing number change and the explanation was added to the DDA.

Observations, Conclusions and Recommendations Phase II

The NDRIIO Lump Sum Payment Register lists all refunds, rollovers, and PLSOs paid to members or beneficiaries each month. The TFFR Installment Purchase of Credit report lists the current status each month for all installment purchases of service credit in progress. IA verified that the entries on these two system generated reports corresponded to a transaction on the appropriate audit table based on the organizational role held by the staff member who initiated the transaction.

IA obtained the copies of the three NDRIIO Lump Sum Payment Register reports for the fourth quarter from FileNet. The three reports listed forty-eight refunds, partial lump sum option payments, and rollovers. All transactions listed on the monthly reports could be found on the table reports of appropriate RS's staff. Refund checks are processed five working days before the end of the month unless payroll falls on a Friday. Disbursement of the refund occurs on the first of the next month.

IA obtained the copies of the three Installment Purchase of Credit reports from IT for the fourth quarter. At the start of the timeframe, eleven members were purchasing service credit on installment. One member paid off their service credit purchase, so at the end of the fourth quarter there were ten members still purchasing service credit. On the table reports, there were sixteen installment payments appropriately posted by Fiscal Accounting during the quarter.

IA determined that information found the NDRIO Lump Sum Payment Registers and the Installment Purchase of Credit reports was found on the table reports of appropriate staff. IA does not review a sample of refunds or purchases in this audit. Further investigation occurred in the Purchase and Refund Audit completed April 19, 2019.

Observations, Conclusions and Recommendations Phase III

IA reviewed the procedures for processing information on Change of Address forms, Member Action Forms (MAF's), and posting deaths of beneficiary's that do not affect pay status.

Procedures for processing Change of Address forms

In the File Maintenance Audit dated May of 2018, new procedures for address changes were recommended by IA to scan the Change of Address forms to FileNet. The procedure at the time of the recommendation was to keep a paper copy of the form and purge the paper copy in six months. The recommendation by IA was instituted by AS and RS. Records retention for the form on FileNet is seventy-five years.

IT and RS also decided to track the address changes in the CPAS audit tables. Starting on March 20, 2019, CPAS starting tracking address changes in the table reports to determine who was making them. The OA enters most of the address change forms. She scans all of the forms to FileNet. The Employer will sometimes email the Change of Address forms to the Membership Specialist (MS) who then will change the address. Then, the MS will sign-off the Change of Address form and forward to the OA to scan to FileNet.

There were 181 address change transactions on OA's table report for the fourth quarter. I verified that six members with address changes had address change forms on FileNet or their name was listed on Post Office Notification of changes. Five of the six members reviewed had forms found on FileNet. The sixth member reviewed was a Post Office change. The OA produced the document from the daily files.

Procedures for processing Member Action forms (MAF)

MAF's are submitted to TFFR by members who are updating their status with the pension fund. For example, a member may be enrolling in TFFR, returning to covered employment after a period of inactivity, or changing/adding a participating employer. The employer must submit the MAF within thirty days of employment. A fine is assessed if the deadline is not met. The majority of MAF are received during the months of July through October. The OA forwards the MAF to the MS who holds all forms in a secured file drawer in her office until processed.

The RPM stated that information from the MAF cannot be entered into CPAS until the member is reported from a payroll report received from the employer for the fiscal year. For most members, the first payroll reported is the month of September. The employer must report the September salary and contributions by October 15th. The employer reporting posting of payroll in CPAS populates the name, SSN, DOB, gender, address, and triggers the MAF Needed Task for the MS. The MS then verifies the uploaded information with the MAF and completes any missing information such as the full name, maiden name, marital status, zip codes, and phone numbers. Information later entered into CPAS from the MAF are the email addresses and spouse information. The deadline for posting the rest of the information on the MAF is June 30th. Once all of the information is entered into CPAS, the OA scans the form to FileNet.

The MS also verifies that the member is licensed with the Education Standards and Practices Board. If the member checks past PERS membership, the MS verifies the dual status and request a PERS account copy if needed. Once dual membership is confirmed, the dual member flag in CPAS will change to Yes.

There were 856 MAF's sent to TFFR in 2018/19. Of the 856 MAF, welcome letters were sent to 305 first time TFFR members. All of the information from the forms was entered to CPAS by January 11, 2019.

For IA's sample pool, the OA collected 25 to 30 forms during the first quarter of the fiscal year. IA then randomly selected six MAF's for further review. After reviewing the accounts, the six members' information from the MAF was entered into CPAS correctly.

Recommendation for entering MAF information into CPAS:

Since the majority of the MAF's are received during the first quarter and payments from the employer are received by October 15th, IA recommends that all data from the MAF be entered into CPAS and scanned to FileNet by March 31st. It is important to have information entered into the system as soon as practical and scanned to FileNet in order to minimize the loss of or misplaced documents.

RS's response: RS has agreed to change the deadline for the remaining information found on the MAF to be entered into CPAS and scanned to FileNet by March 31st.

Posting deaths on Demographic page of CPAS

A few years ago, RS started posting deaths of beneficiaries on the demographics pages of CPAS. These deaths did not change the pay status of the benefit payment. The death was only posted for informational purposes. The death was posted without contacting the member and without proof of death. In a past File Maintenance Audit, IA recommended that RS's institute procedures for posting these deaths.

IA verified that the procedures were followed. IA selected a sample of six members from the CPAS table reports of the MS to review. For the accounts reviewed, IA found that RS's was following the procedures. The letter sent to the member requesting a new beneficiary form and a copy of the obituary in FileNet was found for all accounts reviewed.

cc:

- Dave Hunter, Executive Director/Chief Investment Officer
- Fay Kopp, Deputy Executive Director, Chief Retirement Officer
- Bonnie Heit - Administrative Services Supervisor
- Connie Flanagan – Chief Financial Officer
- Rich Nagel – Information Systems Supervisor
- Shelly Schumacher – Retirement Services Program Manager



MEMBER ACTION (001)

NORTH DAKOTA RETIREMENT AND INVESTMENT OFFICE
TEACHERS' FUND FOR RETIREMENT DIVISION
SFN 50981 (11-2019)

Please see reverse side for important information on death benefits, naming a beneficiary, and purchasing refunded service credit.

In compliance with the Federal Privacy Act of 1974, the disclosure of the individual's social security number on this form is mandatory pursuant to 26 U.S.C. § 3402. The individual's social security number is used for tax reporting and as an identification number. Penalty for not including the social security number may cause the form to not be processed.

Name (First, Middle, Last)		Social Security Number		Gender	Birth Date
Mailing Address (Street or Box)			City	State	ZIP Code
Married <input type="checkbox"/>	Single <input type="checkbox"/>	Maiden Name	Name of Spouse (First, Middle, Last)		Gender
School District /Employer	Work Telephone Number	Home Telephone Number	E-mail Address		
1. I have a current ND teaching license. <input type="checkbox"/> Yes <input type="checkbox"/> No (Substitute teacher license not acceptable)					
2. I have a contract or other written employment agreement with the employer named above. <input type="checkbox"/> Yes <input type="checkbox"/> No					
3. I am (Check only one):					
<input type="checkbox"/> New, first time TFFR member. Complete #4 and a TFFR Designation of Beneficiary Form					
<input type="checkbox"/> Active TFFR member changing or adding an employer.					
<input type="checkbox"/> Inactive TFFR member returning to covered employment.					
<input type="checkbox"/> Refunded TFFR member returning to covered employment. Complete #4					
<input type="checkbox"/> On a leave of absence for school year(s) _____.					
<input type="checkbox"/> Returning from a leave of absence effective _____.					
<input type="checkbox"/> Retired TFFR member returning to covered employment under Exception B-Benefit Suspension and Recalculation.					
Under all options, please complete a separate TFFR Designation of Beneficiary form, SFN 10341, to name or update your designated beneficiary.					
4. I have previous ND employment covered by the Public Employees Retirement System (PERS).					
<input type="checkbox"/> Yes <input type="checkbox"/> No Where _____ When_____					
I have previous ND employment covered by the Highway Patrol Retirement System (HPRS).					
<input type="checkbox"/> Yes <input type="checkbox"/> No Where _____ When_____					

Member's Signature

I certify the above information is an accurate description of my employment status and TFFR plan participation. I have also read and understand the information on the reverse side.

Signature of Member
Date

Return to:
ND Retirement and Investment Office
3442 East Century Avenue
PO Box 7100
Bismarck ND 58507-7100
www.nd.gov/rio

Telephone: 701-328-9885
Toll free: 800-952-2970
Fax: 701-328-9897

TFFR Membership

New and returning TFFR members are required to complete and sign a Member Action Form to properly enroll in the TFFR plan. Active, inactive, and retired members who had service prior to July 1, 2008 are Tier 1 members. New members and returning refunded members employed on or after July 1, 2008 are Tier 2 members. Tier 1 members who were within 10 years of retirement eligibility as of June 30, 2013 are Tier 1 grandfathered members. The following highlights the different benefit structure for each tier:

	Tier 1 Grandfathered	Tier 1 Non-grandfathered	Tier 2 Non-grandfathered
Early Unreduced Retirement Vesting	Rule of 85 3 Year	Age 60 & Rule of 90 3 Year	Age 60 & Rule of 90 5 Year
Final Average Salary	High 3	High 3	High 5
Reduced Retirement Factor	6%	8%	8%

Previous Teaching or State Experience covered by TFFR, PERS, or HPRS

Active TFFR members are eligible to repay TFFR refunded service credit for use toward retirement eligibility and benefits. You may also qualify as a dual member if you have service credit in TFFR and PERS or HPRS. Contact the Administrative Office for additional information.

Naming a Beneficiary – Complete separate form SFN 10341

TFFR members should designate a beneficiary(ies) in writing for the purpose of directing payment of a claim due to a member's death.

If you are married,* you must name your spouse as beneficiary or provide written spousal approval to name an alternate beneficiary. If you are not married, or if you have written spousal consent, you can name any person (up to 10), organization, church, or charity as beneficiary of your retirement account. However, if more than one beneficiary is named, they are not eligible to receive a monthly annuity for life. Also, if more than one person is named as beneficiary, they will share equally in the survivor benefit unless specific percentages are designated. If specific percentages are designated, they must equal 100 percent.

If you do not designate a beneficiary, death benefits (if any) will be paid to your surviving spouse; if none, to your estate.

*Same gender marriages are recognized as legal marriages in all states. Married same gender couples receive all the legal rights and benefits afforded to married opposite gender couples.

Naming a contingent beneficiary(ies) is **optional**. A contingent beneficiary should be designated if you do not wish survivor benefits to be paid in the order provided by state law (surviving spouse, estate). Benefits will be paid to your contingent beneficiary only if your primary beneficiary is deceased.

Your beneficiary designation is subject to the governing statutes and rules and regulations established by the Board of Trustees of the ND Teachers' Fund for Retirement. The acceptance of this designation does not establish that a survivor benefit will be payable. Whether or not a benefit is payable and the amount thereof will be determined at the time of death under laws and regulations then applicable.

Death Benefits

If a member's death occurs prior to retirement, the beneficiary/survivor of a non-vested member will be eligible for a refund of account value (member contributions plus interest). Survivors of vested members will be eligible for: 1) refund of account value; or 2) monthly reduced annuity for life under 100% Joint and Survivor option (not available if more than one beneficiary is named). (See Tier 1 and Tier 2 member vesting descriptions.)

If a member's death occurs after retirement, the death benefit your beneficiary/survivor receives (if any) is based on the plan you select at retirement.

**Additional membership and death benefit information can be found in the TFFR Handbook on our website--
www.nd.gov/rio/tffr.**

If you have any questions, please contact the Administrative Office.

TFFR File Maintenance

AUDIT FOR THE 4TH QUARTER
2018/19 – APRIL, MAY, JUNE



Audit Scope/Purpose

- On an annual basis, the Internal Audit Division (IA) reviews system generated CPAS audit tables to ensure transactions initiated by staff are expected and appropriate given a staff member's role within RIO.
- Member accounts are also reviewed to ensure contact and demographic information has been updated correctly for Member Action Forms, Obituary Searches, and Change of Address Forms
- Selected the 4th quarter to review due to potential risks – staff turnover and changes to procedures

4th Quarter Activities

Member Activities:

Presumptive retirements, premium updates for July 1, member action forms for summer school, Status 60 members, purchases, refunds, QDRO's, disabilities- annual recertification, dual members, retiree's who return to covered employment, and deaths

Employer Activities:

Start of end of year 2018/19 close-out for employers, deleting ineligible accounts, merging of accounts, salary/service hours reasonability

Monthly, Quarterly, End of year Activities:

Demographic checks for year-end (getting ready for actuarial valuation), database comparisons to ND Vital Statistics and LifeStatus 360 (data analytics search for deaths)

Phase I of Audit

- Reviewed CPAS Transaction responsibilities for Administrative Services, Fiscal Accounting Services, Information System Services, and Retirement Services staff
- Reviewed IT Security roles for Administrative Services, Fiscal Accounting Services, Information System Services, and Retirement Services
- **Audit Results:** Internal Audit determined that audit table transactions which occurred from April through June of 2019 for all user IDs were appropriately based on the organizational role held by the staff member who initiated the transactions.

Phase II of the Audit

- 1) Reviewed CPAS table reports for all staff with TFFR transactions/responsibilities
- 2) Reviewed monthly Lump Sum Payment Registers– were all refund payments found on the table reports
- 3) Reviewed monthly Reports for Installment Purchase payments – were all payment listed on the table

Phase II – Review CPAS table reports

- CPAS Table reports: list changes/ adjustments made by RIO staff to member accounts
- Examples of audit triggers – changes to salary, service, address, beneficiaries, SSN, employer demographics, benefit suspensions, survivor set-up, canceling checks, deleting accounts, merging accounts, etc

- Staff members with table reports –

Administrative Services - Office Assistant

Fiscal Accounting Services – Chief Financial Officer, Investment Accountant, Compliance Officer

Information Systems Services – Supervisor of IT and the Data Processing Coordinator

Retirement Services - three Retirement Program Specialist, Membership Specialist, Employer Service Coordinator, and the Retirement Program Manager

Audit Results of Phase II Table Reports

- For Administrative Services and Fiscal Accounting Services, all transactions were appropriate and related to their day to day activities.
- For Information Systems Services, there was one procedural error – page 4 of report
- For Retirement Services, there were two findings – pages 4 and 5 of report

Information Systems Services –page 3

- All transactions on the table reports were appropriate and related to their day to day operations
- Changes to member accounts were requested by appropriate RIO staff members
- IT maintained a Documentation Change Log – denotes change to member account and staff member that requested the change

Procedural error: end of the year deletion of accounts were not listed on the Documentation Change Log.

IT Response: IT updated our processes/procedures to help eliminate this oversight in the future as we agree all transactions need to be recorded but know that sometime oversights happen.

Retirement Service – Findings

Table reports – page 3 and 4

Finding 1:

Two deaths did not have the required documents on File: Death/set-up three beneficiaries for pay status and a pop-up to a single benefit. Corrective action instituted: Retirement Services changed procedures and tried to obtain copies of documents from new survivor set-ups.

IA recommendation: A memorandum explaining the lack of documentation be placed in the member's accounts in FileNet and continue to request copies of missing documents.

RS's response: A memorandum explaining the situation was drafted and placed in the two member accounts affected by the error. For the one death with three beneficiaries, two of the beneficiaries in payment status returned copies of requested documents and they have been scanned to FileNet. For the pop-up , a copy of the beneficiary's obituary will be place in the file as proof of death.

Retirement Services – Findings

Table reports

Finding 2:

One of the beneficiary set-ups, returned copies of their forms. The Bank Routing number on the Direct Deposit Authorization form (DDA) was different than the Bank Routing number on CPAS.

IA recommendation:

IA recommended that RS's investigate to see which bank routing number is correct and note the reason for the difference on the DDA form in FileNet.

RS's response:

RS's called the Bank and talked with a representative. The initial routing number on the lost DDA was the ND routing number and the number on CPAS was the Minnesota number the beneficiary included on the replacement DDA. The Bank representative stated that both routing numbers were valid and funds sent would correctly deposit to the member's individual bank account. Payment instructions in CPAS were updated to reflect the routing number change and the explanation was added to the DDA in FileNet.

Audit Results of Phase II- CPAS generated Monthly reports

Lump Sum Payment Register: April, May, and June 2019

Three monthly reports that listed 48 refunds, partial lump sum payments, and rollovers.

IA verified that the refunds corresponded to a transaction on the appropriate CPAS table report based on organizational role held by the member who initiated the transactions.

Installment Purchase of Credit Reports: April, May and June 2019

Three monthly reports that listed members purchasing service credit on installment.

Eleven members purchasing service in April and May. Ten members purchasing service in June. There were 16 payments posted by Fiscal Accounting Services during the quarter. All postings corresponded to a transactions on the appropriate table report held by the staff member who initiated the transactions.

Phase III – Reviewed Procedures for three processes

Change of Addresses: Office Assistant

- New audit trigger
- 181 name changes on the table report
- Reviewed a sample of six members:
 1. Change of Address Forms were found on five members FileNet account
The sixth member's address was due to Post Office Change. IA reviewed document from the Post Office.
 2. All addresses were input correctly.

Phase III – Reviewed Procedures

Second Process

Member Action Forms: 856 forms for 2018/19 – 305 members were sent welcome letters

- MAF's are received by the OA and forwarded to the MS who stores them in a locked drawer in the office.
- Employer posting of monthly salary populates fields for name, SSN, DOB, gender, address, and triggers the a task for the MS
- MS verifies information and may add fill name, maiden name, marital status, zip code and phone numbers – then sets the MAF aside
- MS returns to the MAF at a later date and enters email information and spouse information. The last of the information should be entered by June 30.
- Verifies license and dual status

IA selected a sample of six MAF to review:

Information on CPAS was the same as the MAF on FileNet

Phase III – Reviewed Procedures

Second process - MAF

IA recommendation: IA recommends that all data from the MAF's be entered and scanned into FileNet by March 31st. It is important to have information entered into the system as soon as practical and scanned to FileNet to minimize the loss of/or misplaced documents.

RS's response: RS has agreed to change the deadline for the remaining information found on the MAF to be entered into CPAS and scanned to FileNet by Mar. 31st.

Phase III – Reviewed Procedures

Posting deaths on Demographic page

This procedure occurs with Retirees who retired with a single option and have no account value and their beneficiary dies.

- Selected a sample of six members from the MS's table report
- Verified that the beneficiary's obituary or death certificate is found on FileNet
- Verified that a letter and beneficiary form was sent to the retiree to update their beneficiary

IA found that RS's was following established procedures.

Results Summary

To Close:

Phase I – No findings or recommendations

Phase II – Procedural error found on page 3

Phase II - Two findings found on pages 3 and 4

Phase III – Recommendation to MAF change in procedures found on page 6

Any questions?

MEMORANDUM

TO: TFFR Board
FROM: Richard Nagel
DATE: July 13, 2020
SUBJ: Annual Technology Report

1. Member Online Portal

The Member Online Portal went live on January 31, 2018. As of July 1st, about 5,100 members have successfully logged in (3,400 actives and 1,500 retirees). RIO continues to communicate with the members to assist with any issues or questions they may have. RIO staff continues to strategize and market the application to encourage members to sign in.

2. Pension Administration Software (PAS)

Over the past year, we implemented some upgrades to the current PAS system. We are now able to display 1099R Forms, Retiree Annual Statements and Benefit Change Notices to the Member Online portal. We continue to receive feedback from members wishing to make changes to their personal information as well as having more interactive functionality regarding retirement, refunds, purchases, benefit estimator and other functionality which will require an updated PAS.

3. IT Security

Security is always a main priority for RIO and NDIT. We strive to ensure all the data is secured and protected by ensuring we have latest security updates. We also communicate with employees to stress the importance of security and what users can do to help protect the agency, as well as themselves, from malicious attacks – especially now with users working remotely.

4. Hardware/Software Upgrades

Due to the COVID-19 pandemic, IT was able to transition most of RIO's staff to work remotely from home. IT has migrated RIO to utilize Microsoft Office 365 which includes Teams and other helpful tools to enhance security and team collaboration. IT also assisted with upgrading other software such as Oracle, Tamale, Adobe and Windows updates. IT also finished up the Data Analytics for member/employer data reconciliation and we have applied this functionality to a couple of audit reports.

5. RIO Website

IT has been working on replacing our current website to utilize the new State Website Platform. This replacement will provide a more user-friendly experience along with more security, features and functionality. We are working on the final stages and we hope to go live this quarter.

Around the Office and Future IT Initiatives:

1. Continue to work with NDIT, and other entities, to upgrade/replace or current PAS.
2. IT is working on solutions to enhance and further utilize software for virtual meetings.
3. Working with NDIT on the CARES Act to address equipment needs for telework.
4. Retirement Services and IT are preparing to close out fiscal year 2020 soon.
5. Records retention and purge (CPAS database and FileNet).

MEMORANDUM

TO: TFFR Board

FROM: Denise Weeks and Richard Nagel

DATE: July 14, 2020

SUBJECT: Retirement Education/Member Outreach Update

TFFR provides Group Benefit Counseling sessions, which are generally scheduled at 6-8 sites, and Retirement Education Workshops (REW) held at 2 sites each year. These programs have been and continue to be very popular programs for TFFR. As a result of the COVID-19 pandemic, Retirement Services cancelled these face-to-face programs and are exploring options to provide these two programs virtually. Retirement 101 seminars and group presentations are offered upon request. As of now, we have not had requests for these programs for the 2020-21 fiscal year.

Staff members also attend and present at many member and employer conventions, workshops, and meetings to provide TFFR retirement program information. Annually, nearly 1,000 teachers, administrators, and business managers participate in these outreach programs and educational sessions. Currently, Retirement Services is working with IT staff to determine the best way to present these materials to members and employers in an efficient manner through the use of virtual and digital formats.

Confidential materials will be sent to board members through a secure link.



NDTFFR Board Reading July 2020

The theme of this month's readings is Governance during crisis. The current global pandemic is a crisis to be sure, but governance through times of crisis is not unique to this pandemic. The selected readings provide perspective on governance issues relevant to public pension plans, but also contain short articles providing perspective on private sector, nonprofit and government governance as well. While the perspectives vary, the concerns and advice are fairly consistent across sectors.

1. **Public Pension Governance: *Governing in a Time of Crisis: Public Pension Fund Trustees and COVID-19***, Mosaic Governance Advisors, LLC, (May 26, 2020), in collaboration with NCTR. (Enclosed)
2. Public Pension – Fiscal Concerns: “Public Pensions and the Covid-19 Fiscal Dilemma”, Miller, *Governing* (July 7, 2020):
<https://www.governing.com/finance/Public-Pensions-and-the-COVID-19-Fiscal-Dilemma.html>
3. Corporate Governance: “Covid-19 and Corporate Governance: Key Issues for Public Company Directors.”, Kucera et al., Harvard Law School Forum on Corporate Governance (April 29, 2020):
<https://corpgov.law.harvard.edu/2020/04/29/covid-19-and-corporate-governance-key-issues-for-public-company-directors/>
4. Nonprofit Governance: Propel Nonprofits:
<https://www.propelnonprofits.org/resources/governing-in-a-time-of-crisis-10-action-items-for-boards/>
5. Government Governance: “Governing in the Time of Coronavirus” Daniel and Chin, Boston Consulting Group (BCG March 26, 2020):
<https://www.bcg.com/publications/2020/governing-through-coronavirus.aspx>

Governing in a Time of Crisis

Public Pension Fund Trustees and COVID-19

May 26, 2020



INTRODUCTION

The COVID-19 pandemic has swept the globe into a public health and economic crisis at a pace and magnitude never seen before by leaders of our modern era. Public pension funds around the world are in the throes of responding to a multitude of immediate issues: shocks to investment portfolios, ensuring the health and safety of their workforces, continuing business operations, and timely conducting board business. At the same time, they are bracing themselves for the reality of a prolonged period of disruption.

The National Council on Teacher Retirement (NCTR) and associate member Mosaic Governance Advisors, LLC (Mosaic) are pleased to present *Governing in a Time of Crisis: Public Pension Fund Trustees and COVID-19*, the results of a joint research effort to understand how public pension fund trustees are faring with the early stages of this unprecedented upheaval. This report presents the key findings of a global pulse survey¹ of public pension fund trustees in April and May 2020. It offers valuable insights into the strengths, challenges, and opportunities facing public pension fund boards in the U.S. and internationally.

How have trustees and their boards responded within the first two months of the crisis? What changes occurred to support their initial areas of focus? What do they view as their boards' imperatives going forward?

We present a snapshot of trustees' early views on these questions and more in two parts within this report. Part I addresses trustees' perceptions about responding in the early stages of the crisis. Part II provides trustees' views of how their public pension funds might best journey into the next stages of the crisis. Based on our interpretation and analysis of the survey results, we conclude by offering matters for trustees and their boards to think about and discuss in the coming months.

On behalf of NCTR and Mosaic, we extend our sincere gratitude to the trustees who responded to our survey. We wish for your continued health and safety during these challenging times.

Part I. Response in the Early Stages of the Crisis

Trustees were invited to share their experiences and perspectives on the crisis within two key areas: how their boards are governing and how, as trustees, they are staying engaged and informed. We analyzed their responses for patterns and insights into issues. The following presents a snapshot of boards as they stood within the first two months of the crisis.

HOW BOARDS ARE GOVERNING

The long-standing norm of conducting in-person pension fund board meetings was thrust into the electronic realm shortly after the pandemic unfolded. The transition to a "remote boardroom" was swift. The majority of U.S. trustees (92%) reported their

funds were able to conduct their board meetings remotely (i.e., via telephone or videoconference).² In contrast, all of the international trustees reported that they had conducted their board meetings remotely.

How funds made the transition varied. Many transitioned without adjustments to their regularly scheduled board and committee meetings. Others reported needing adjustments, including 15% of U.S. respondents noting that board and/or committee meetings were less frequent or postponed, or had their meeting time shortened or changed in some way. Only 2% of the U.S. respondents noted an increase in board and committee meetings during the period.

¹ Survey reflects 69 trustee (director) responses from the U.S., Canada, the Netherlands, and New Zealand. U.S. survey administered by NCTR and Mosaic from April 14-29, 2020, and international survey administered by Mosaic from April 15-May 15, 2020.

² An additional 3% of respondents (all U.S. trustees) noted that although they had not yet held their regularly scheduled board or committee meeting at the time they responded to the survey, their funds were planning to do so using an electronic format.

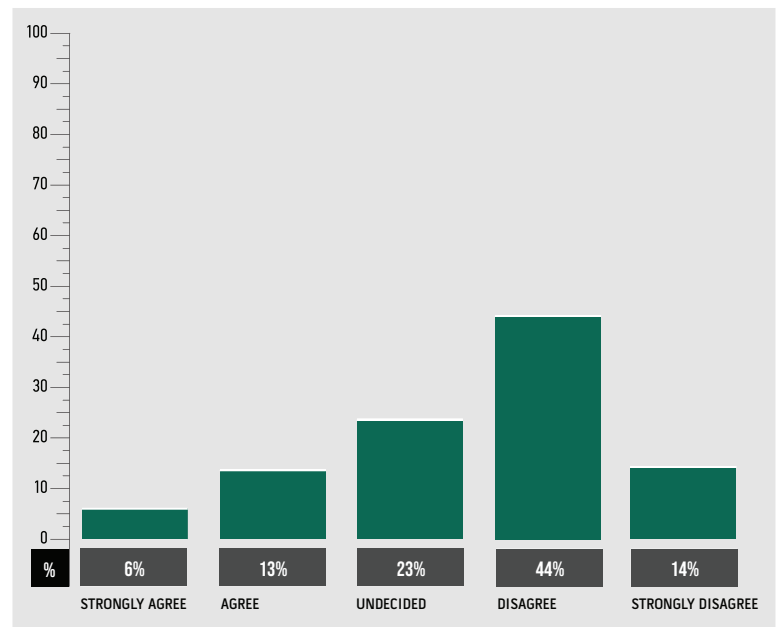
Some U.S. funds that made adjustments reported experiencing technical challenges and limitations, including applicable open meetings laws, that dictated their paths forward. Ensuring meeting accessibility to the public and properly securing electronic forums for closed sessions were also cited as being problematic to successful remote board meetings.

The response from U.S. trustees stood in contrast to international respondents, of which none had reduced or postponed meetings and 67% had increased meeting frequency. Some commented that they did so in order to support their leadership teams and put their boards in a position to be able to act and react to risks and opportunities as they emerged. Indeed, they believed that more frequent meetings were contributing to their ability to fulfill their oversight role. The flexibility to adjust the timing of board meetings is imperative at all times, but particularly in a crisis situation as the world is in now.

Board and committee agendas also experienced change during this time in a variety of ways. Some U.S. respondents reported maintaining their regular agendas with no change, or supplementing the regular agenda with COVID-19 specific updates. Another segment of all trustees (42%) reported having a board and committee agenda that focused on immediate significant risks such as matters related to business continuity, investment markets, and regulatory changes. Nearly half (49%) of respondents noted that their board agenda also accommodated the consideration of longer-term emerging risks affecting their funds.

In light of these changes, over half (58%) of respondents labeled their fund’s transition to the remote boardroom as having had no perceived impact on board effectiveness. As depicted in Figure 1, they either disagreed or strongly disagreed with our survey statement. Another 19%, however, believed that their board’s effectiveness was being impeded due to the crisis, citing the challenges in decision-making posed by a lack of traditional board meeting norms such as in-person interaction. Nearly a quarter of respondents (23%) believed it was still too soon to tell if or how their board’s effectiveness has been impacted.

Figure 1. My board’s effectiveness is being impeded during this crisis.



“I believe we have adapted well to the new reality in the short term, but my fear is that in the long-term the lack of personal interaction will become problematic. There is an awful lot that can be perceived from others’ body language especially during discussions prior to board action. We may see a tendency for the board to move from making what I will call ‘practical’ decisions toward decisions that are more ‘ideological’ in nature. As we lose our personal connections to members of the board and to staff, there may be a real and tangible move toward board members’ taking more polarizing positions on contentious issues instead of seeking to find the balance that will suit everyone’s needs.” — U.S. Trustee

To understand how trustees might be thinking about these issues over the longer-term, particularly as boards make more consequential decisions in a remote setting, we asked how board culture was being addressed.

A significant minority (40%) of all respondents reported some efforts to maintain their board culture during this time. Activities took the form of group check-ins at the start of board meetings, and outside of the boardroom, making an effort to connect individually or having virtual gatherings with their board colleagues via video conference. Their efforts were noted as being conducted for purely social purposes to maintain the interpersonal connections that contribute to a productive, effective board culture. Some international respondents cited that the benefit of more frequent meetings has kept board members in closer contact and contributed to their ability to maintain board culture.

Approximately two-thirds (67%) of respondents noted that their board had not focused on board culture during this time, with some U.S. respondents citing open meetings laws as a primary detractor.

HOW TRUSTEES ARE STAYING ENGAGED AND INFORMED

We asked trustees for their views on their board's level of preparedness to address a crisis such as that presented by the COVID-19 pandemic. The results reflected a lack of consensus.

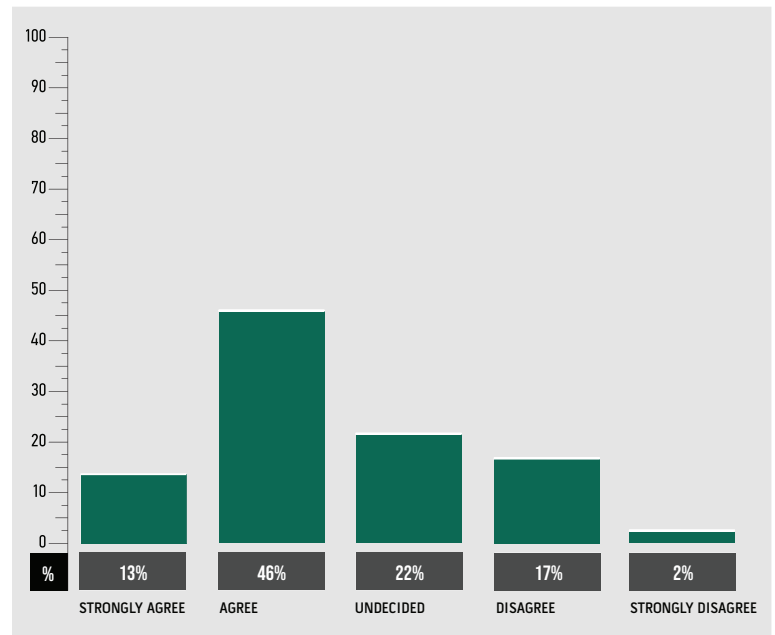
As illustrated in Figure 2, although the majority of respondents (59%) either strongly agreed or agreed that their board was prepared to address the crisis, many respondents (41%) were either undecided (22%) or felt unprepared in some way (19%).

“We weren't expecting (this pandemic) to happen - but knew it would at some time. . .we have used the lessons learned from the great financial crisis for portfolio management, but also we have had business continuity processes in place to work effectively from home.”

— **International Trustee**

Some trustees commented that it is impossible to be fully prepared for a crisis of this scope and magnitude. Others held a divergent view. They cited a belief that their board's focused attention and commitment to overseeing and implementing governance processes such as emergency preparedness and business continuity planning was now paying off.

Figure 2. My board was prepared to address a crisis such as the COVID-19 pandemic.



Regardless of their perceived level of preparedness, nearly all respondents (91%) believed their board is responding well to the crisis. Trustees reported having confidence that they know the role of the board during a crisis, and what individual board members should be doing in support of it.

Some trustees commented that the role of the board may change as the crisis is prolonged and/or moves into its next stages. They noted the need to maintain flexibility, “learn on the fly,” and “work our way through events.” Others saw a role for boards to be involved in evaluating the efficacy of staff’s implementation of the emergency response and business continuity plans.

We also asked trustees how their board’s leadership was functioning. The majority (63%) of U.S. trustees and about a half (44%) of international trustees reported no change in their board leader’s role during this time. However, 42% of all respondents cited having actual knowledge of, or a presumption, that board leaders have been in more frequent communications with the executive director. In the U.S., a minority (18%) of board leaders have been communicating more frequently with the board as a whole as compared to 44% of international board leaders. One U.S. respondent shared that their board chair has been providing updates to the board, along with reinforcing expectations around the role of the board versus that of staff.

It is typical in times of crisis to see increased frequency and coordination in communications among organizational leaders. It is therefore not surprising that the majority of executive directors communicated with their boards either as circumstances warranted (U.S.: 75%, internationally: 78%) and/or weekly (U.S.: 44%, internationally: 22%). Nearly all trustees reported having a high degree of

satisfaction with the frequency (90%) and quality (93%) of the communications they are receiving. More frequent communications from chief investment officers were also reported, especially during the height of volatility.

Through their commentary, some trustees expressed their high degree of confidence in and appreciation of staff’s transparency as the crisis unfolded. Suggested areas of possible improvement to board communications included a desire to have talking points for trustees, and adjustments to the frequency with which updates were provided by their executive director.

When asked about the topics for which they would like to receive more communication from their executive directors, both U.S. and international trustees ranked information about the impact to the investment portfolio as most important (Figure 3).

Having more information about the impact to plan sustainability and how the fund is communicating to and servicing the membership were also highly valued by U.S. trustees, while international trustees preferred their boards receive more information about how the fund has ensured business continuity and the impact of the crisis on the fund’s workforce.

Given the importance of having clear lines of communications and expectations during the crisis, these topics will be important areas of follow up for executive directors as the crisis persists.

Figure 3. Ranking of Topics Where More Communication to the Board is Needed (Ranked in Order of Importance)

U.S.	International	
1	1	The impact to the investment portfolio
2	5	The impact to plan sustainability
3	4	How the fund is communicating to and servicing the membership
4	2	How the fund has ensured business continuity in light of the pandemic
5	3	The impact of the crisis on the fund’s workforce
6	7	The impact of emerging legislative and regulatory developments arising from the crisis
7	6	The impact on the funds major strategic projects

Finally, we asked trustees to share their views on how communications and engagement were being managed with the members, employers, and stakeholders during this time, given their strong correlation with organizational reputation. A majority (88%) of U.S. trustees reported satisfaction with those efforts with 7% not satisfied and 5% undecided. In contrast with international respondents, 78% were satisfied, none were dissatisfied, but nearly a quarter (22%) were undecided. Having confidence that member, employer, and stakeholder needs and concerns are understood and are being properly addressed during a crisis is a position of strength for U.S. boards. We believe that these results may reflect the closer relationship that U.S. trustees have with their members due to board composition.³

Part II. The Road Ahead

To understand trustees' views as to how their funds might best journey into the next stages of the crisis, we asked them to identify perceived strengths and challenges. A summary of their views follows.

STRENGTHS

Notwithstanding trustees' desire to see more information on the impacts of the pandemic to fund investments and operations, the overall perception is that communication has been a significant strength thus far. Maintaining asset allocations in accordance with investment policies and being well-positioned for downside risk was also valued, along with processing benefits and contributions without disruption, and continuing to serve members. Trustees viewed their funds' transition to business continuity as successful, along with the appropriate degree of attention to ensuring a safe and informed staff. Confidence in board and staff leadership during these challenging times was also highly valued.

CHALLENGES

Trustees perceived the main areas of challenges or risks as maintaining "a cool head" and a prudent process in the face of a rapidly changing external environment and volatile markets, keeping an eye on longer-term organizational objectives, and solving for the constraints posed by the remote meeting format. The impact of longer-term physical distancing may necessitate changes as boards attempt to balance the boardroom dynamics of collegiality and healthy tension while conducting business remotely.

With unprecedented impact to state and local revenues and budgets becoming a reality, some U.S. trustees saw a period of legislative turbulence brewing. Preparing for an appropriate legislative presence was flagged as a future challenge for U.S. funds to be thinking about now. This sentiment was not reflected among international peers.

IMPORTANT ACTIVITIES FOR BOARD AND STAFF TO UNDERTAKE

We asked trustees to rank from a list we provided the activities they anticipate becoming important moving forward. What do they envision as their priority areas post-pandemic?

As depicted in Figure 4 (next page), there was consensus among U.S. trustees that the two most important activities post-pandemic will be to evaluate the impact to funding and long-term sustainability of their funds and engage in a post-crisis review. Thereafter, trustees differed in their views of what they would prioritize next. Some plan to evaluate their own board's and their executives' performance in response to the pandemic, expand and enhance risk management practices, and enhance board training on crisis management and business continuity.

³Boards of U.S. public pension funds typically include a mix of trustees that are: elected by the fund's members, appointed by the governor, legislature or other public officeholder, and those who serve ex-officio, such as state treasurers, controllers, and public school superintendents. In contrast, the boards of international pension funds from the countries surveyed typically have a higher number of trustees with professional investing experience and fewer trustees, if any, from the member body or public office.

International respondents were aligned with U.S. trustees in the importance of evaluating the impact on funding and long-term sustainability of their funds but ranked this second after conducting a post-crisis review. Third on the list was to engage in a board self-evaluation and evaluation of their senior management’s performance during the crisis followed by revising the fund’s strategic plan and incorporating ESG into risk management practices.

CONCLUSIONS

Trustees may have never had a more challenging set of circumstances within which to operate than those presented by the COVID-19 pandemic. The pace and magnitude of the crisis have significantly impacted their internal and external operating environments. Yet, trustees have confidence in their boards’ and managements’ responses to date.

As the world moves into the next stages of the crisis, boards will encounter new and different challenges.

Sufficient resolution to the public health crisis, workforce recovery, and economic recovery, while interlinked, each have their own set of complications and impacts. The potential for multiple waves of infection means that the typical manner in which organizations move through stages of crisis may look very different. The unprecedented and profound scale of this crisis, as well as the prolonged uncertainty it has brought with it, is the significant risk that threatens to cloud prudent decision-making.

Although boards leveraged their organization’s strengths to navigate the early stages of the crisis, will those same strengths be sufficient to sustain confidence in the next stages and beyond? What competencies must boards develop to not only manage, but thrive, moving forward? Within the answers to these questions lies the true imperatives of today’s public pension fund boards as they contemplate their leadership in the next stages of the crisis.

Figure 4. Important Activities for Board and Staff to Undertake Post-Pandemic (Ranked in Order of Importance)

U.S. International

1	2	Evaluate impacts to the plan’s funding and long-term sustainability
2	1	Engage in a post-crisis review to understand lessons learned
3	3	Assess board and executive performance through board self-evaluation and executive evaluations
4	7	Expand and enhance risk management practices
5	6	Enhance board training and education on the fund’s crisis management and business continuity plans
6	8	Revise asset allocation
7	4	Revise the fund’s strategic plan
8	10	Evaluate or make changes to the board’s governance structure or processes
9	12	Undertake a review of board policies
10	9	Review existing contracts with asset managers
11	5	Incorporate ESG into risk management practices
12	11	Review delegation models

Matters for Board Discussion

Since perceived governance effectiveness is a lagging indicator, boards should be proactive in thinking about and discussing how to preserve their effectiveness during a period of prolonged crisis. We offer the following discussion starters for trustees, their boards, and staffs to use to dive deeper into the issues presented through this report. We hope you find them useful to navigate the challenges and opportunities ahead safely.

1. What do we believe our collective strengths have been in responding to the crisis to date? In what areas could we have done better?
2. Is the frequency with which our board is meeting sufficient right now so that we can effectively monitor and react to new crisis-related information and risks?
3. Do we understand the comprehensive risks to our members, workforce, and business, and are we well-positioned to oversee them going forward?
4. What activities do we believe are important to undertake in the next stages of the crisis? What are the priorities? How should those be reflected in our annual work plan and agendas?
5. As we transitioned to the remote boardroom, did we have the flexibility (e.g., in our applicable laws and infrastructure) needed to act and react during this time? In what ways, if any, was the board impeded? What actions are needed to better navigate this going forward?
6. How do we maximize our effectiveness within the remote boardroom, particularly when we need to address forward-looking or deeply reflective items, that in the past, have required meaningful discussion and personal interaction?
7. What mechanisms should we consider putting in place to monitor board effectiveness on a timely basis?
8. At a time when everyone is meeting and working remotely, how are we ensuring that we maintain our board's culture while also maintaining a positive influence over organizational culture?

CONTACTS



NCTR
Robyn Wheeler
Assistant Executive Director

RWheeler@NCTR.org
www.nctr.org

About NCTR

The National Council on Teacher Retirement (NCTR) is constituted as an independent association dedicated to safeguarding the integrity of public retirement systems in the United States and its territories to which teachers belong and to promoting the rights and benefits of all present and future members of the systems. NCTR began in 1924, affiliated with the National Education Association in 1937, and became an independent association in 1971. NCTR is constituted as a nonprofit tax-exempt entity under Section 501(c)(6) of the Internal Revenue Code. NCTR's membership includes 63 state, territorial, and local pension systems. These systems serve more than 19 million active and retired teachers, non-teaching personnel, and other public employees, and have combined assets of more than \$2 trillion in their trust funds.



Mosaic Governance Advisors, LLC
Amy McDuffee
Founder and CEO

Amy.McDuffee@MosaicGovernance.com
www.MosaicGovernance.com

About Mosaic Governance Advisors, LLC

Mosaic Governance Advisors, LLC is an independent firm with an international presence that provides consulting services for an array of challenges and opportunities in public pension fund governance. Mosaic partners with the boards and executives of pension funds including public retirement systems, state investment boards, multi-employer pension plans, and other pension organizations to strengthen governance effectiveness in ways that are impactful and sustainable.

