

ND TFFR Board Retreat
Thursday, June 22, 2023, 1:00 p.m.
WSI Board Room (In Person)
1600 E Century Ave, Bismarck, ND
[Click here to join the meeting](#)

AGENDA

I. CALL TO ORDER AND ACCEPTANCE OF AGENDA

- A. Pledge of Allegiance
- B. Executive Summary

II. TFFR Plan Design (90 minutes)

- A. Active Member Survey Results – Ms. Hamrick, Segal
- B. Outreach & Communication Goals – Ms. Mudder
- C. Future Board Education Topics – Ms. Murtha

(Break)

III. Pioneer Project Status (30 minutes)

- A. Vendor Status Report – Mr. Sridharan and Mr. Deshler, Sagitec
- B. Staff Status Report – Mr. Roberts
- C. Employer Outreach Plan – Ms. Mudder

IV. 2023 Legislative Session Follow-up (60 minutes)

- A. Administrative Rule Process Overview – Ms. Murtha
- B. Internal Process Changes – Mr. Roberts, Ms. Weeks
- C. Bill Impact Review & Discussion – Dr. Lech, Ms. Murtha

V. OTHER BUSINESS

- A. Resolution for Mel Olson
- B. Next Meeting:
 - 1. TFFR Board Meeting – July 20, 2023, at 1:00pm

VI. ADJOURNMENT

An informal reception for Mr. Olson will be held following the meeting.

EXECUTIVE SUMMARY

TFFR Board Retreat
June 21, 2023 – 1:00pm CT

- I. **Agenda:** The June Board retreat will be **in person at the WSI board room**, a link will be provided so that Board members and the public may join via video conference. The board member video link is included in the email with the Board materials.
- II. **TFFR Plan Design (Information/Discussion Only):** Ms. Hamrick from Segal will be helpful for member education on plan design. Ms. Mudder will lead the Board in a discussion regarding setting and achieving measurable goals for member education on plan design. Ms. Murtha will lead the Board in a discussion regarding continuing board education on plan design options.
- III. **Pioneer Project Status (Information/Discussion Only):** Representatives from Sagitec will be available to provide an update on the project and address any questions or concerns of the Board. Mr. Roberts will provide a project management update from staff's perspective. Ms. Mudder will discuss the education plan for employers to prepare them for the roll-out of the new system.
- IV. **Legislative Session Follow-Up (Information/Discussion Only):** Ms. Murtha will provide the Board will relevant information on the administrative rules promulgation process subsequent to the 2023 Legislative session. Mr. Roberts and Ms. Weeks will present on internal business process changes at RIO to implement 2023 legislative session changes. Dr. Lech and Ms. Murtha will lead the Board in a discussion regarding additional topics the Board should be aware of impacting public sector retirement plans in North Dakota.

Adjournment.

An informal reception in honor of Mr. Olson will follow the board meeting.

Focus Group Results

**State of North Dakota
Teachers Fund For Retirement**

June 22, 2023

Contents

- Participation
- Results
 - Understanding of Pension
 - Defined Benefit or Defined Contribution Plan
 - Thinking about Finances and Retirement
 - Communication
- Key Take-aways

Participation

Focus Group Sessions

Approximately 240 people participated in the following:

- **Live session**
Tuesday, May 9, 4-5 pm, CT
- **Flex session**
May 10 – May 31

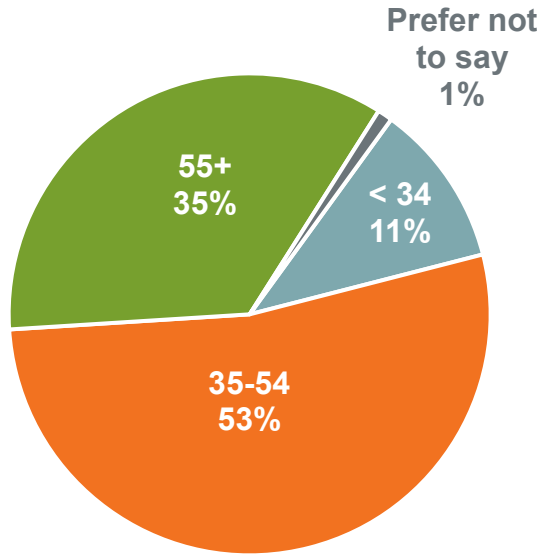
Despite significant promotion, the response rate was low suggesting:

- Disengagement with the topic of retirement
- Low name recognition of RIO and/or TFFR
- Could be due to stated length of the session (~30 minutes)

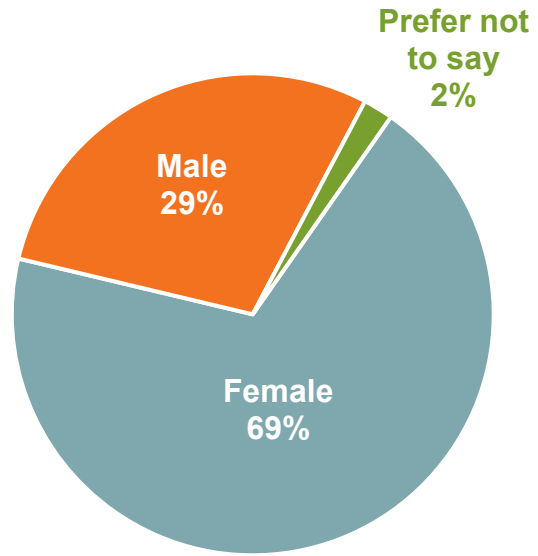
*Five separate emails were sent to ~9,300 active members. They had a slightly lower than average open rate for messages sent by government agencies. Two additional messages were sent to school business managers and an article was provided for ND United's weekly newsletter.

Demographics

Age

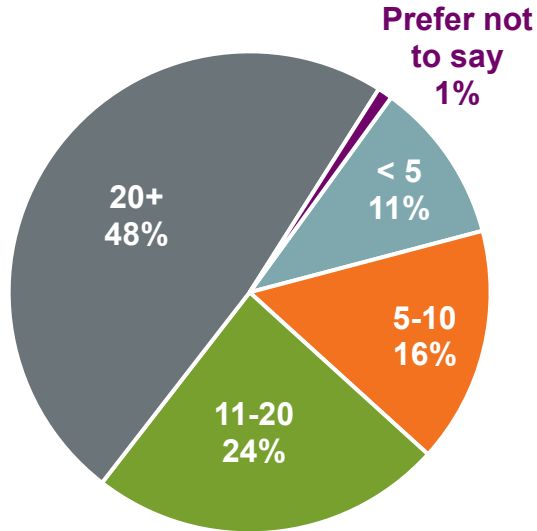


Gender

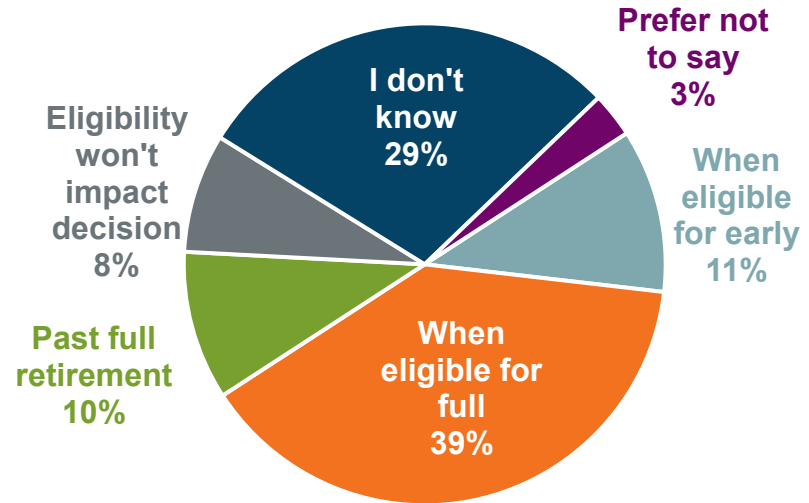


Demographics (continued)

Years of Service in ND

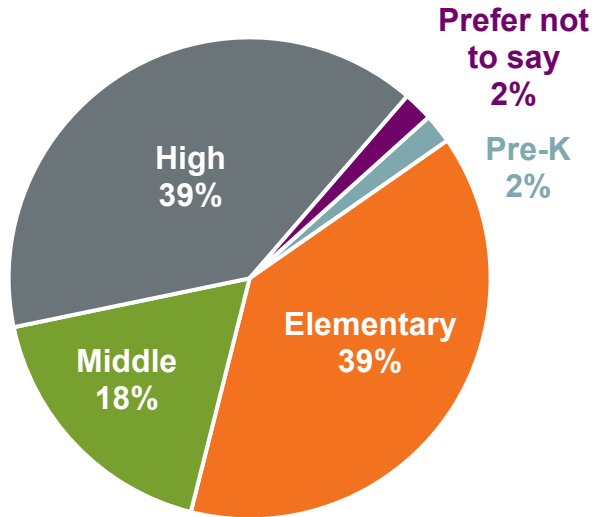


Plans for Retirement Date

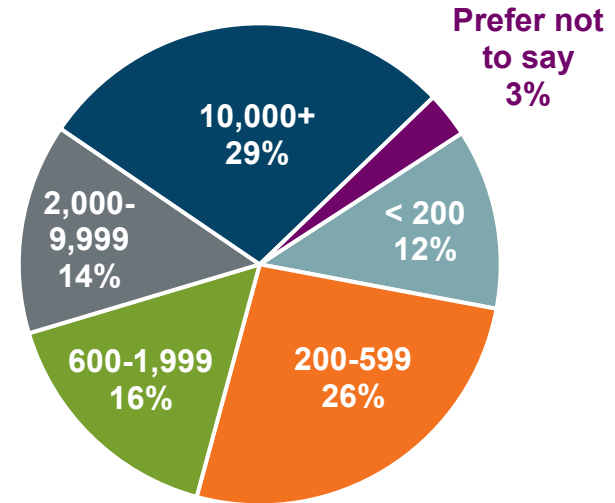


Demographics (continued)

Primary Teaching Environment



District Size



How did you like using this platform to share information with us?

- It was a new experience
- I enjoyed this platform. Easy to use.
- It was alright
- I didn't
- It was interesting and informative
- Awesome and effective and engaging
- Undecided - it was very easy to use, but there are benefits to hearing the information from someone
- I am neutral to the platform. I like it and don't like it at the same time. I like the confidentiality of it, but don't like that I am not getting answers to my questions or any direct information.
- Great! Easier and more user friendly than sitting through a video "session".
- LOVED IT! Very quick and efficient I feel points were easily understood and accepted and passed on

Results: Understanding of Pension

How well do you understand your ND-TFFR benefits?

Responses are inversely related to age:

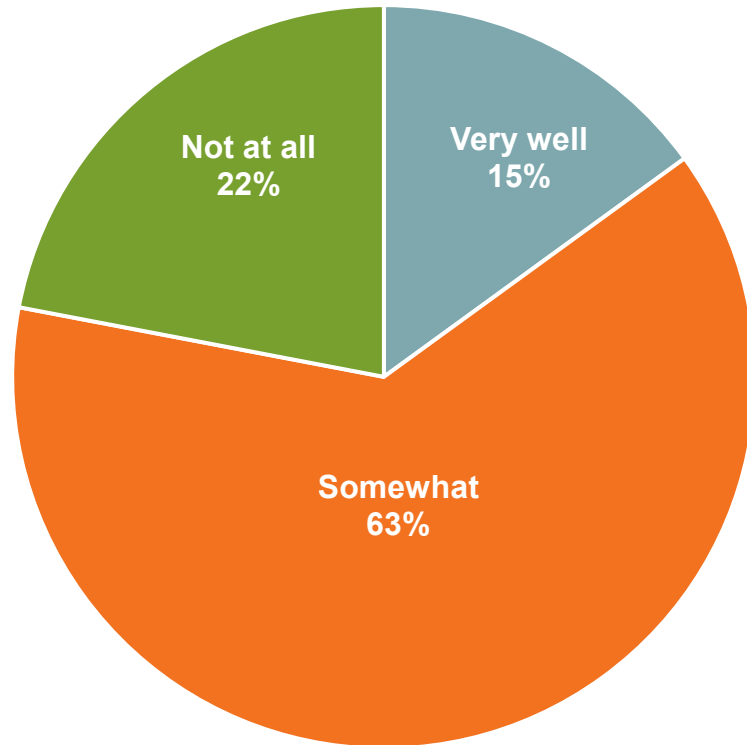
- 48% of those < 34 say not at all.
- Only 15% of those 55+ say not at all.

Looking at years of service, we see:

- Those with 20+ years of service are least likely to say not at all (12%).
- Those with 5-10 years of service are most likely to say not at all (39%).

Gender also impacts the response. 28% of males say very well.

Finally, those who plan to work past their full retirement eligibility are most likely to say very well (32%).



Describe in your own words what benefits you receive from TFFR.

"I have benefited from the presentation to explain benefits. My district pays half and I pay the other half. I know I can retire but I still am not fully understanding the benefits of teaching longer for TFFR."

"At the present time I do not receive any benefits from TFFR. I will receive a monthly paycheck from them when I retire."

"We get a defined benefit retirement.. this is part of the reason I left industry and came back to teaching."

"Unsure of what the benefits are."

"Defined benefits after retirement, set amount, there are a few options for payout based on my choices."

"Benefits I would receive at the time of retirement is a percentage of the amount from invested over a period of time upon retirement. Depending upon when I decide to retire, may determine how much will be paid out over time period (years)."

"I don't know what I will receive."

Tell us in your own words what a pension is.

“Income that I receive during retirement for as long as I live.”

“A guaranteed amount of money from retirement until death.”

“Fiscal security upon retirement.”

“A regular payment one receives from a retirement fund.”

“A calculated payment after retirement based on a formula for the duration of one's life.”

“A pension is an amount of money that you receive upon retirement, based upon the amount you paid in over the course of your working years.”

“Money put aside to use in retirement.”

“Pension is a sum of money paid to employee for years of services.”

“It is like a retirement savings account that pays you interest on the principle for the life of the beneficiary. It is based on the amount of \$\$ in the account and the highest salary obtained.”

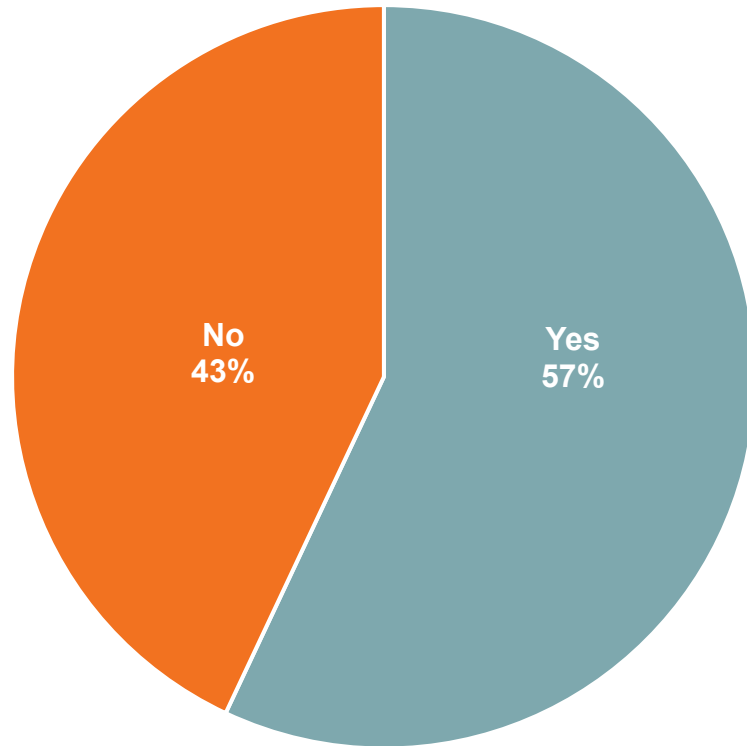
“A monthly check similar to social security, that you are paid once you retire.”

“A pot of money managed for a group of people who pay in. Its opposite is an individually managed retirement account like a 401k or 403b.”

Do you know how many years you must work before you're vested in the TFFR pension?

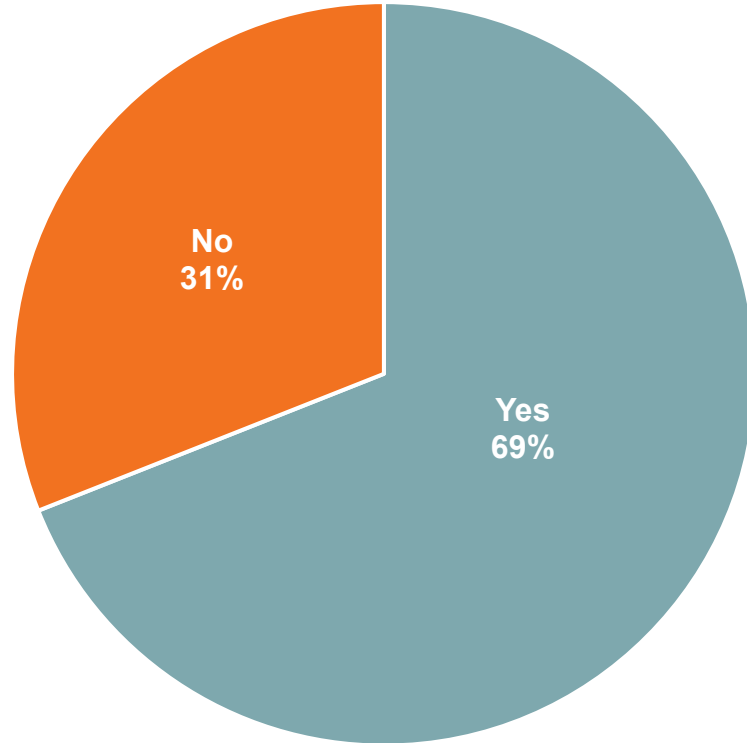
Results continue to be consistent with how the segments answered the question about general understanding. The following groups are more likely to say yes:

- Men
- More years of service
- Older
- Plan to work past their full retirement eligibility



Do you know how much your employer contributes to your TFFR pension account?

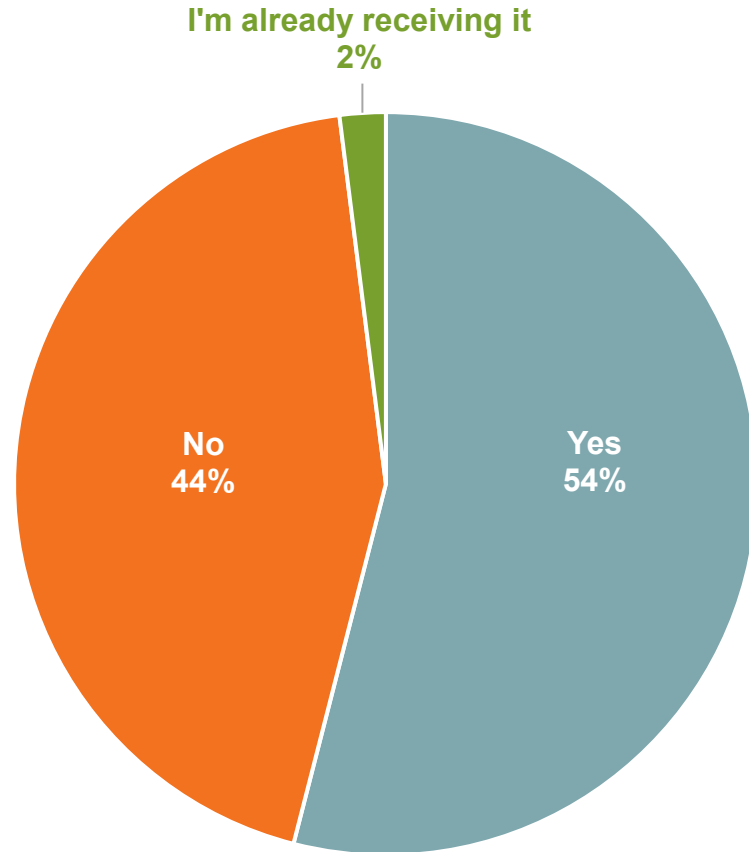
Demographics aren't affecting this response in any meaningful way.



Do you know when you are eligible to retire and begin receiving your TFFR pension benefit?

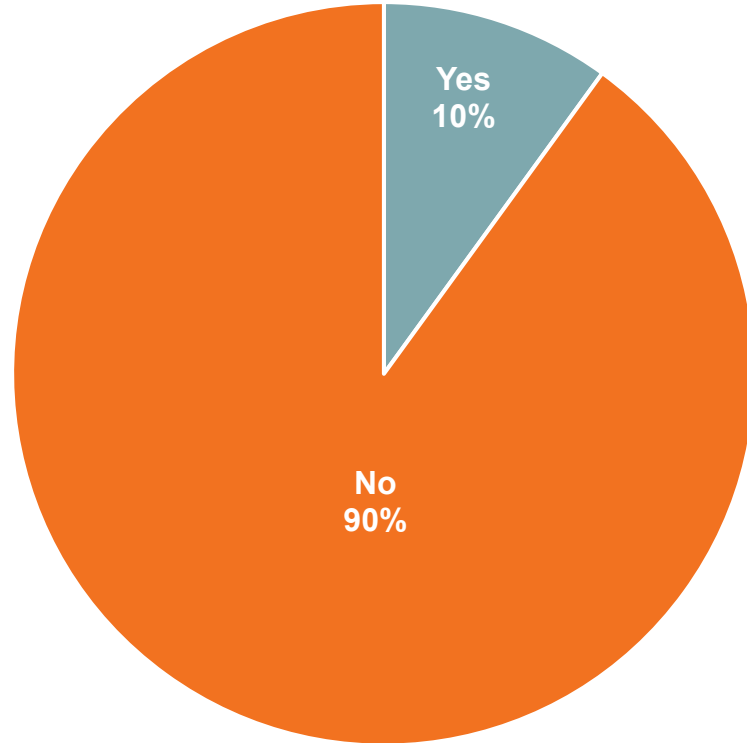
We see the same basic pattern as seen in general understanding.
Things that matter are:

- Age
- Gender
- Years of service (those in the middle understand the least)
- People who plan to work past their full retirement eligibility



Do you know how much interest is earned on money contributed by your employer?

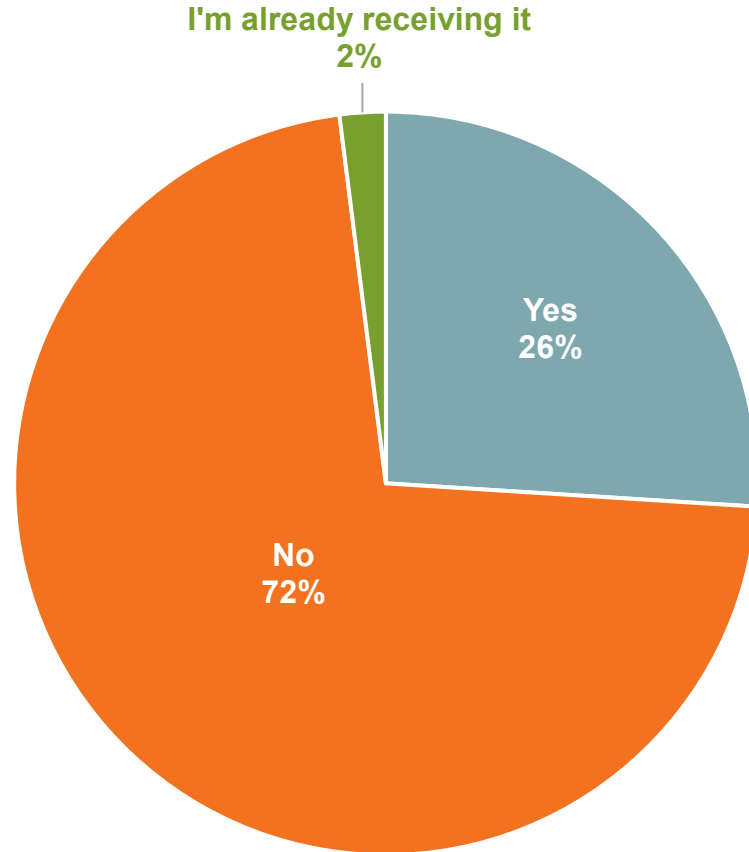
Demographics aren't affecting this response in any meaningful way.



Do you know how much you'll receive each month once you begin receiving your TFFR pension benefit?

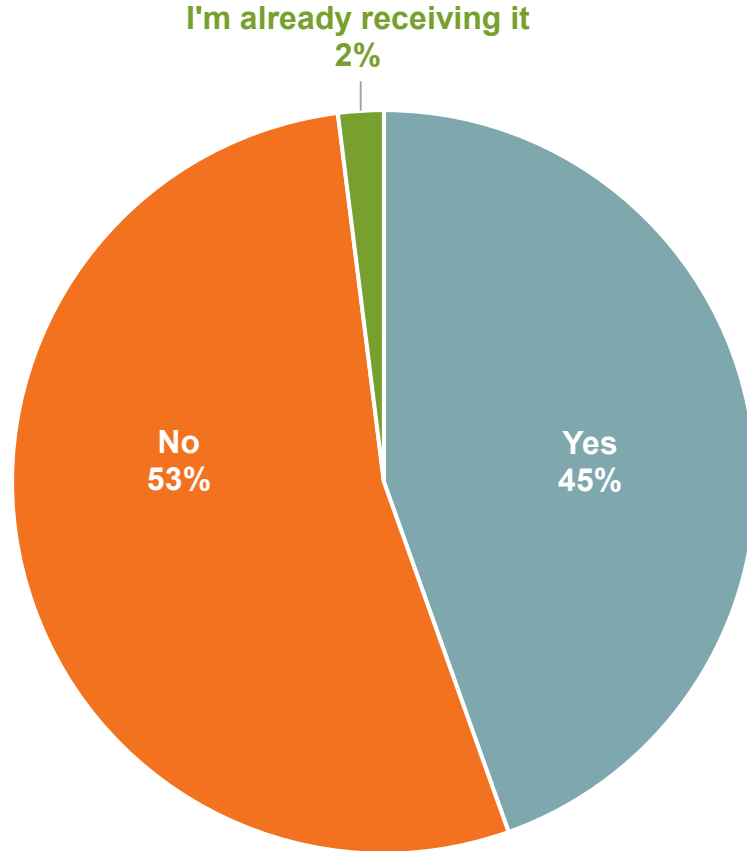
This shows the same pattern of differences with one addition:

- Those who will retire when eligible for early retirement are also more likely to say yes.



Do you know how to find out how much you'll receive each month once you begin receiving your TFFR pension benefit?

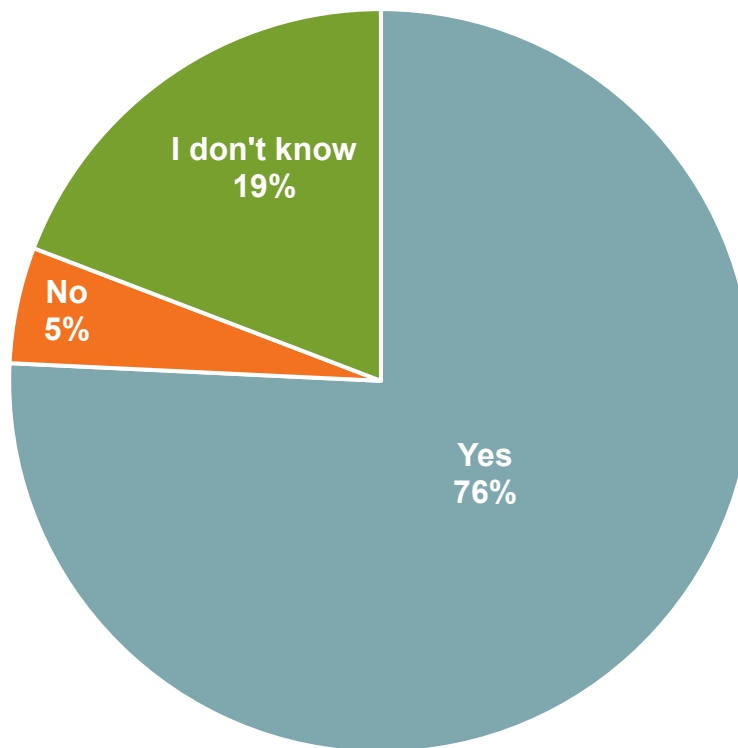
Results continue to be consistent with how the segments answered the question about general understanding.



Have you selected a beneficiary for your pension benefit?

Groups that are more likely to have selected a beneficiary are:

- Older
- Plan to continue working past retirement eligibility OR eligibility won't factor into the decision



Tell us in your own words what a beneficiary is.

“The person I choose to receive my benefits if I die.”

“A person you assign to receive your benefit/retirement.”

“I have selected a joint survivor plan so in the event that my wife and I both die and there is money left in my contribution account then my beneficiary (son) would receive the remaining cash amount in the account.”

“Family”

“Kids”

“Spouse”

Results: Defined Benefit or Defined Contribution Plan

What type of retirement plan is more appealing to you?

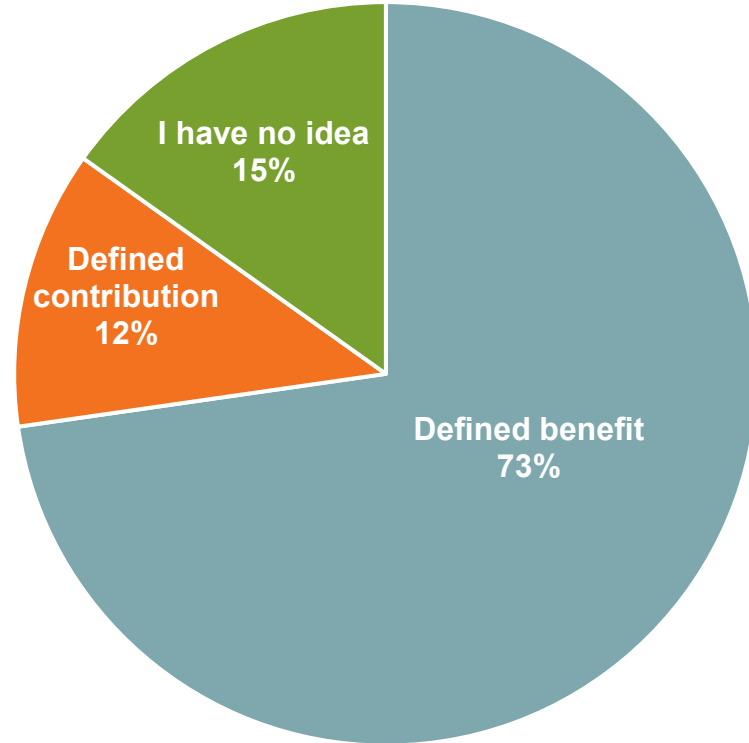
Note: After describing the 2 plan types.

The following are more likely to prefer a defined contribution plan:

- Less than 34 years old (38%)
- Less than 5 years of service (27%)
- 5-10 years of service (28%)

The following are more likely to prefer a defined benefit plan:

- District size of 2,000-9,999 (86%)



Why do you prefer a defined benefit plan?

- A defined benefit will fit into people's financial planning (budget), knowing the amount will be the same on a monthly basis.
- I know what I'm getting and can plan for it.
- I want to know how much I am receiving each month without worrying about variations due to the market.
- It is a guaranteed amount of money to be paid monthly once I retire and is not dependent on the market.
- Because it is something you can plan with and count on.
- I want to know how much money to expect to live on when I retire.
- I will be able to plan my budget if I know how much I am going to make in retirement.
- Being close to retirement I don't want to mess with what I have in my TFFR. I have a 401(k) also.
- Less volatile, easier planning

Why do you prefer a defined contribution plan?

- I have had to change job locations in my career and will hopefully help me in the long run and I rolled them over.
- Because while investing in stocks may pose immediate drawbacks, the payout is historically higher than State pension plans.
- I could leave and not have to stay in teaching here.
- I should start investment earnings at 6%
- Statistically speaking your rate of return after investing over 30 years on average is 8%.
- Defined benefit plan wouldn't be bad except that I have NO choice of whether or not I want to participate. 11.75% is an insane contribution amount, especially when considering that there is no cost of living increase for forced participants. South Dakota takes only 6% from teachers and gives them a cost of living increase every year. TFFR is a joke. Why can't I opt out?

What additional information would you need to choose between a defined benefit plan and a defined contribution plan?

- Side by side comparison of data and what I can do at this point in my career.
- I would need to study the terms more.
- I think a balance of both are appealing
- Actual numbers based on my earnings/circumstances.
- More information about each.
- I want both.
- Well, I'm at the age of not moving out of ND, but if I was young I might want the flexibility to move my money. But I don't want to answer this question just in case things change and I lose my pension.

Results: Thinking about Finances and Retirement

When you think about your finances, please share in as much detail as possible what your current concerns are.

- Having enough money to live comfortably when I retire
- Paying for health insurance and increase in cost of living.
- Rent or home expenses, medical care, taxes, etc.
- I want to be sure I have enough money to live comfortably like I do for the rest of my life.
- I want to know what to expect each month, so I am able to budget or add to other accounts before I actually retire.
- Concerns would be not knowing what inflation will do to current prices and if/when I retire, if I will have enough to continue to live comfortably.
- A State pension plan, alone, will not be enough to leave a legacy for my descendants. I will need a larger portfolio of investments. However, my funds are tied in TFFR.
- Not enough for retirement, my husband stays at home with our children and so making sure we have enough to support our lives after done working.

Describe in your own words what an ideal retirement looks like.

“Living comfortably without worrying about money.”

“Not having to worry about finances. Being able to enjoy life because of smart planning.”

“Guaranteed pension that exceeds my monthly bills. To live comfortably for the last chapter of my life.”

“We hope to retire and be able to enjoy our kids and grandkids. Be able to do some traveling and new experiences.”

“Travel and spending time with my spouse and family.”

“Being free to do what I would like.”

“An ideal retirement is where I have made enough to live comfortably without depending on others.”

Are you confident that your ND-TFFR pension plan will provide you a secure and stable retirement?

The following are more likely to say yes:

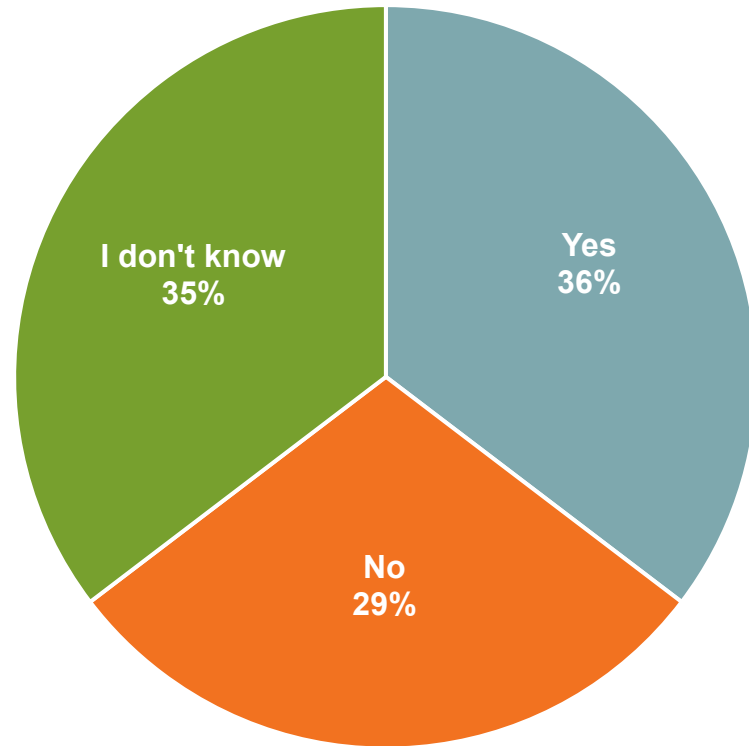
- 55+ (50%)
- More than 20 years of service (47%)
- Plan to work past eligibility (61%)
- School district size 2,000-9,999 (47%)

The following are more likely to say no:

- 11-20 years of service (41%)

The following are more likely to say I don't know:

- Less than 5 years of service (52%)



Rank the importance of each item to the success of your retirement.

- TFFR pension
- Personal savings or investments
- Spouse's retirement plan(s)
- Social Security
- Health Savings Account

Results: Communication

Prior to today's session, how did you learn about your TFFR benefits?

- Meetings in my school
- Letter in the mail with benefits detailed annually
- Attending TFFR seminars/workshops and asking questions
- Monthly statements and newsletters
(Note: Reference also made to quarterly, bi-yearly and annual statements)
- I don't unless something comes in the mail
- Other people I have worked with
- My TFFR account
- Something I keep an eye on frequently, ever since I first started my career
- Online portal

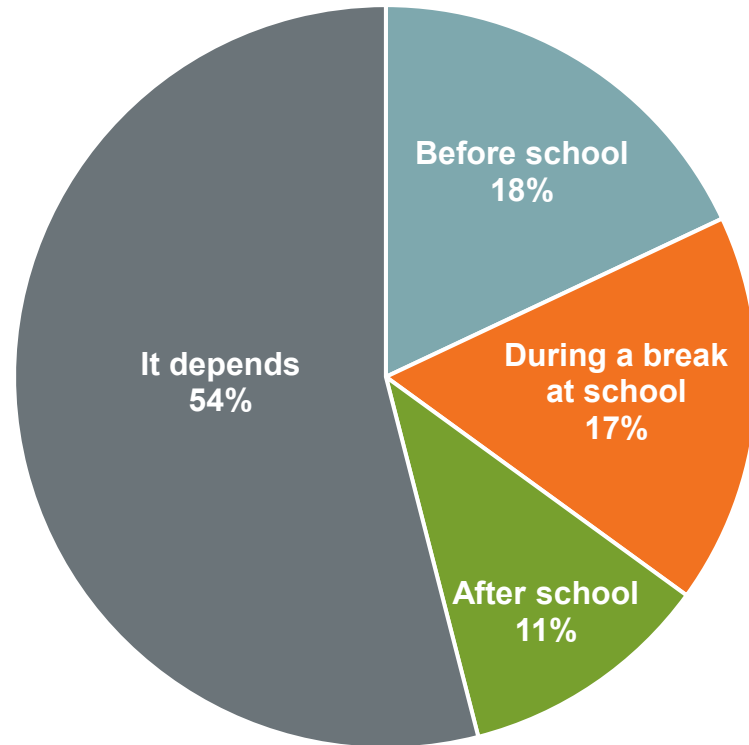
Rank how you would like to receive education about TFFR.

	All	<55 Male 5-10 years 10K+ students	55+ <200 students	<5 years	11-20 years	20+ years	2K-10K students
Email	1	1	3	2	1	2	1
1:1 session in person or on the phone	2	3	1	3	4	1	3
Meeting or webinar	3	4	2	1	3	3	2
Website	4	2	4	4	2	4	4
Podcast or video	5	5	5	5	5	5	5
Social media	6	6	6	6	6	6	6

 > than All  < than All

What time of day do you usually check your email?

While every segment is more likely to say it depends, the preference between the other 3 options varies as shown on the next page. In all instances, the difference is very small.



Time of day when email is usually checked

	All	< 34 Female 5-20 years 600 – 1,999 students
Before school	1	2
During a break in school	2	1
After school	3	3

■ > than All
 ■ < than All

No segment lists After school as the time they usually check email.

Additional notes:

- Before school and During a break are tied for ages 35-54, more than 20 years of service, and middle school teachers.
- Men heavily lean towards Before school – and much less After school.
- During a break at school and After school are tied for those at the largest school districts.

What specific questions do you have about the ND-TFFR program?

- Do you help with medical insurance options? What will come out of my retire benefit each month?
- After all the changes that have been made over the last several years, what exactly are my benefits/expectations?
- How will having new teachers have a different program affect our program?
- I need logistics. Things I can do. What do I do!?!?
- How is the reduction calculated if an individual retires a few years before they reach Age 60/Rule of 90?
- I would like to be guided through the retirement process, as I will be retiring upon this school year.
- I just want to make sure I am getting the most for my buck and understanding the true facts.
- Everything.
- My balance, how it is doing, how I can grow it more, is there a way to get balance statements, can we make information more accessible, how can I find out my estimated retirement payments, how do I find out how much is recommended for retirement?

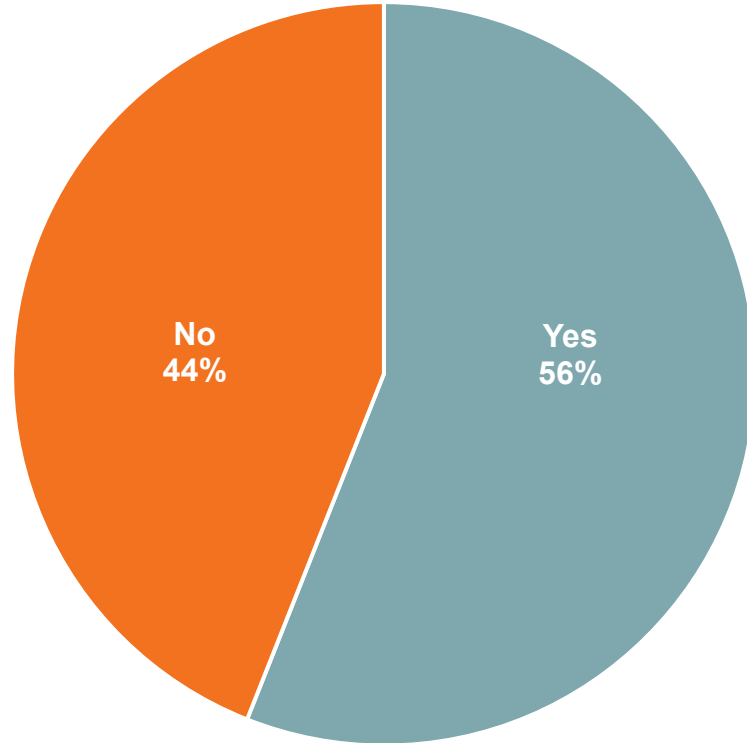
Have you ever visited the TFFR Member Portal to learn more about your pension benefit?

The following are more likely to have visited the Member Portal:

- Men (69%)
- More than 20 years of service (68%)
- Plan to continue working past eligibility (79%)
- Plan to retire when eligible for early (68%)
- District size of 600-1,999 (74%)

The following are less likely to have visited the Member Portal:

- Less than 5 years of service (68%)
- 5-10 years of service (56%)



What information were you looking for on the portal and were you able to find it?

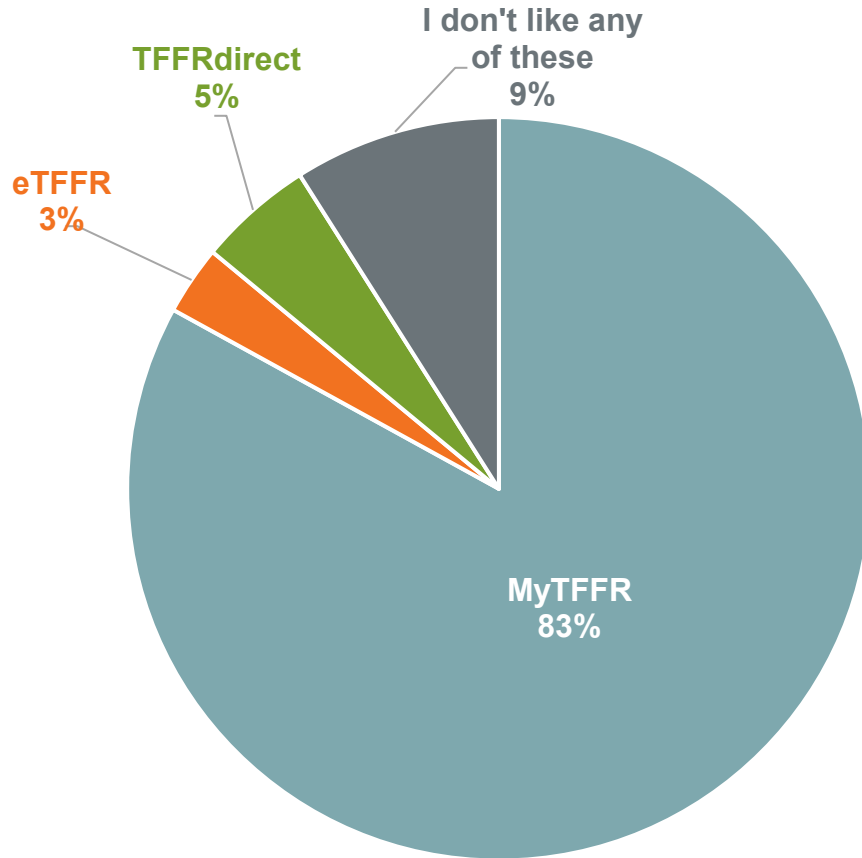
- Account balance, monthly benefit, impact of retiring early.
- Pension value, when I can retire.
- I am looking for account balances and have always easily found that. I would like to know more about how to ready oneself for retirement/receiving benefits.
- Looking over the amount and when I could retire. Yes, I found it.
- When can I retire? When is it best to retire, getting the most from my TFFR
- Checking for accuracy. Keep an eye on funds in account.
- Years of service and how much in my account so far
- Monthly payment calculator based on retirement year.

Why haven't you used the Member Portal?

- I don't know where it is or how to login
- No, I did not know there was one
- I don't know my login and password
- Just forget to do so
- I'm not sure that I have or have not been to the portal
- Can't get into it
- I was not introduced to it
- It won't let me in. It keeps asking for some obscure password that I don't think I ever knew. There is nothing user-friendly about trying to access actual information about my individual account. I haven't seen anything since you stopped sending statements in the mail

Which of the following names do you like best for our new Member Portal and Pension Administration System being introduced later this year?

Because this name seems to be the overwhelming favorite, I did not check to see if there were differences in the segments.



Tell us the name that you chose and why you like this name best.

- MyTFFR
 - Seemed pretty direct and easy to remember
 - Because I can remember it
 - Easy to remember
 - Because it seems more personal
 - Similar to MyChart and other websites that I have to access my personal information
- Why? What does this have to do with my retirement? This is not my job. It's YOUR job to figure out how to best serve me. Try renaming your platform to: "Teachers funds towards something they have no clue about that will impact their most vulnerable years"

Suggest a name that you prefer.

Note: Only asked if they said they didn't like any of them.

- TFFR Pension Administration System
- TFFR Retirement Portal
- Just call it what it is. Quit trying to be cute.
- The name is NOT important. What's important is learning about retirement
- North Dakota Teacher Retirement Fund (NDTRF)
- NDFFFR

Share anything else you'd like TFFR to know as we develop our ongoing communication strategy.

- Is our retirement at risk with the stock market?
- More webinar sessions
- I don't understand why many teachers make a big deal that the district pays both parts of retirement.
- I would like to know how to get my login and password. I retire at the end of the month, and would really like to know where to go for information.
- There were changes to the system by the legislature. What impact does that have on the system and can I rely on it for the rest of my life?
- It's very important to communicate the information to teachers so they know and understand the changes and how to access the information they need. Multiple ways of communicating this would be important.
- I like to see how much is being put into my account every month, when trying to compare that to my paystub, it was hard to do. I am far from retirement, but having information to read would be helpful or tips to do now I am also a supervisor of teachers - so being able to get information into their hands as well
- I would like more information on retirement options emailed out to individuals five to ten years before they retire. This would enable them to plan earlier, and also to put more thought into the process.

Key Take-aways

Key Take-aways

- Plan design
 - Think about adding a supplemental/optional defined contribution plan
- Communication
 - Assume that members don't understand who RIO is or how their pension works
 - Offer more opportunities for 1:1 meetings for those nearing retirement
 - Update communication strategy to prioritize email and website, but include mail to grab attention
 - Consider using positive recent retirees as TFFR ambassadors to educate others
 - Forget the myth that teachers only read email **after** school. Email is read at many different times during the day.

Thank you!

MEMORANDUM

To: TFFR Board of Trustees
From: Sarah Mudder, Communications & Outreach Director
Date: June 22, 2023
Re: Outreach & Communications Goals

I. Current TFFR Communications Strategy

Channels/Stakeholders	Members (Active, Inactive and Retirees)	Employers (Business Managers, Administrators and School Boards)	Partners (Dept. of Public Instruction, Trade Associations, ND United)	Other (TFFR staff, local media, public)
Newsletters	Active/Inactive and Retiree - last sent in October 2020.	Business Mgrs – Quarterly. Others - n/a.	Available online.	Staff only, available online.
Education/Training hosted by TFFR	Active - Retirement Educ Workshops, Benefits Counseling.	Business Mgrs - Info Mixers and New Business Manager Workshop (webinars). Others – n/a.	n/a	n/a
Manuals	Member handbook, available online (last updated in 2019)	Employer guide, available online.	n/a	n/a
Conferences/Tradeshows	Active – CTE, NDCEL. Retired – NDRTA.	Business Mgrs – ND Association of School Bus Mgrs, NDCEL, NDSBA.	NDCEL, Gov’s Summit, NDRTA, NDSBA.	Gov’s Summit on Innovate Education
Direct Mail	New receive a welcome letter. No other mail campaigns.	n/a	n/a	n/a
News Releases	n/a, can sign up	n/a, can sign up	Receive TFFR and RIO	Staff and local media, public can sign up.
Website	Available	Available	Available	Available

II. Communications & Outreach Director Goals

- Active members
 - Newsletter – sent directly to active/inactive members via email.
 - Education – establish a cycle of offerings. Offer recordings and promote availability. Add new content – purchasing service credit, how to complete a retirement application, etc.
 - Updated handbook annually.
- New members
 - Direct Mail – updated welcome packet.
 - Retirement 101 – rework, potentially provide as a webinar.
- Retired members
 - Newsletter – sent directly to members via email.
- Conferences/tradeshows – purposeful interactions with members, employers, and partners.
- All – improved website navigation, better instruction as to how to access benefit information.

III. TFFR Board of Trustees Goals

- Ambassador program?
- Missing Stakeholders, Channels or Other Opportunities?

MEMORANDUM

TO: TFFR Board
FROM: Jan Murtha, Executive Director
DATE: June 21, 2023
RE: Board Member Education – Plan Design Opportunities

Multiple factors impact a decision to make retirement plan design changes including:

- Health of the Fund
- Actuarial Impact
- Law Changes
- Emerging Economic and Workforce Trends
- Member and Employer Concerns/Requests/Preferences

During several of its meetings in 2023 the TFFR Board requested and received education on different public sector retirement plan archetypes in an effort to lead the discussion regarding the future of the TFFR Plan. At its Board retreat this month the Board will hear the results of a recent member survey and discuss member education opportunities. Subsequent to this discussion the Board will be asked to discuss future education opportunities for the Board itself, to further understand all of the options and opportunities that may be available for the TFFR Fund in the future.

MEMORANDUM

TO: TFFR Board of Trustees
FROM: Chad R. Roberts, DED/CRO
DATE: June 20, 2023
RE: June 2023 Pioneer Project Update

Project Status

Pilot 1 elaboration meetings were completed on December 16, 2022. Pilot 1 contained modules of the system such as employer enrollment and service credit purchase. The modules from Pilot 1 are in the development phase with the vendor engineering team and are being reviewed by TFFR staff as each section of the software is developed. Once developed, the modules enter the testing phase during which the vendor tests all aspects of the build prior to sending to TFFR staff for in-house testing.

Pilot 2 elaboration began on January 9, 2023. This elaboration phase lasted through May 18, 2023. In addition to the design of modules such as dual member enrollment and service retirement benefit calculation, the vendor and TFFR staff conducted meetings to develop the new file scanning and document management process for the system. The file scanning and document management process will continue through the course of the year as the vendor and NDIT work together to develop the integration needed between the State system and the vendor product.

Pilot 3 elaboration sessions began in April 2023 overlapping with Pilot 2 sessions. During this time, TFFR staff nearly doubled their time spent each week on the design sessions. The Pilot 3 sessions are scheduled to continue through the end of July. Pilot 3 consists of modules such as payment and payroll accounts, generating accounting and management reports, processing COLAs and benefit adjustments, and other related topics.

While the design sessions are occurring, so too is the development of the product by the vendor. To date, all modules of Pilot 1 have been developed and approximately 85% of the modules from Pilot 2 have been developed. The developed modules are now being tested by the vendor prior to being released to TFFR staff for testing.

There are four total pilot phases of the elaboration stage of the project with the last pilot scheduled to be complete in the 4th quarter of 2023. The project is still planned to “go live” in the fourth quarter of 2024.

Through information gained from the survey conducted of TFFR members, the name of the platform has been selected. The product will be marketed as **MyTFFR**. The Communications and Outreach Director is working with a graphic design consultant to develop logo templates for the name to be built into the system and for marketing materials.

Budget Status

The project remains slightly under budget by approximately \$60,000 due to the savings found through the elimination of the SharePoint licensing listed in the contract by using the existing State SharePoint licensing.

Unanticipated Issues

The vendor has a line of business in the unemployment insurance market. Two executives with the vendor have been indicted in Federal Court for charges related to the theft of intellectual property related to the vendor's software marketed in this space. The vendor is also involved in a civil suit related to this intellectual property issue. While this line of business is different from the line of business that is developing our pension administration system, the fact that there are pending criminal charges against two company executives as well as a pending civil suit could pose some risk to the long-term success of our solution.

At the Board's request, executives from the vendor will be present at the Board retreat to answer any questions of the Board.

MEMORANDUM

To: TFFR Board of Trustees
From: Sarah Mudder, Communications & Outreach Director
Date: June 22, 2023
Re: Pioneer Project: Employer Outreach Plan

In early 2022, the Teachers' Fund for Retirement (TFFR) staff began sharing information with employers and members about plans for a new Pension Administration System. As we progress toward the fall 2024 launch, the need to communicate the change increases and more detailed information and education is required.

I. PLANNED ACTIVITIES

Employer Communications

(include in written and verbal communications)

TFFR Employer Newsletters, PAS updates

TFFR Business Manager Webinars, PAS updates

ACH Requirement (206 employers – 72 approved/active, 83 approved/inactive, 51 incomplete)

Member Education

(include in presentation remarks)

TFFR Retirement Education Workshop, July 19 and 25, 2023

TFFR Group Benefits Counseling Sessions, September-November 2023

Employer and Member Conferences

(speaker slots and/or exhibit booth w/ video and targeted handouts)

CTE Professional Development, Aug. 7-9, 2023

Gov's Summit on Innovative Education, Aug. 15, 2023

ND Retired Teachers' Association, Sept. 12-13, 2023

ND Council of Educational Leaders, Oct. 18-20, 2023

ND School Board Association, Oct. 26-27, 2023

II. PROPOSED ACTIVITIES

Employer Education/Training

(Sagitec producing a training manual, TFFR will be responsible for employer training.)

Coordinated business manager training with the NDCEL and NDSBA throughout CY2023 and CY2024.

Member Communications

Newsletters – active/inactive and retired

Direct Mail Piece – include info on features and instructions

MEMORANDUM

TO: Jan Murtha, ED
FROM: Lindsey Trotter
DATE: June 20, 2023
RE: Administrative Rules Timeline

INTRODUCTION

If we have a goal date to present rules to the Teacher's Fund for Retirement Board for approval at the July Board meeting and want to submit those Board-approved rules to the Attorney General's Office for approval in November, a number of preceding events must occur in a timely and concise manner. Most important includes finishing all edits, completion of documents in compliance with the standards set in the Administrative Drafting Manual, submissions to the agency's board, and submissions to the Legislative Council.

DISCUSSION

For an effective date of April 1st, present materials to the Legislative Council between November second and February 1st.¹ There are three required phases for an effective date of April 1st: up until the July Teacher's Fund for Retirement (TFFR) Board meeting on July 20th, between July 20th and some time in November when the agency submits materials to the Attorney General's Office (AGO), and between the day of submission in November and the effective date of April 1st. Changes to rules or proposed rules must be presented to and approved by the Board twice before the rules are presented to Legislative Council.²

PHASE I

Leading up to the presentation to the TFFR Board on July 20th, the proposed and amended rule changes must be final and ready for presentation for initial approval. All writing must comply with the style and grammar guidelines in the North Dakota Legislative Drafting Manual.

During this time, the Agency should also begin working on the required notices, statements, assessments, letters, and analyses.

PHASE II

Phase II starts with the presentation to the TFFR Board at its July meeting on the 20th. The TFFR Board must give their initial approval to the proposed or amended administrative rules. In between the TFFR Board meeting on July 20th and the submission of materials to the AGO in November, the agency can make small edits, but nothing altering the substantive matter of the proposed amended or new administrative rules.

If the agency is not ready to present materials for approval in front of the Board at the July meeting, a special meeting in August will have to take place.

¹ North Dakota Administrative Rules Manual at 3; See also N.D.C.C. § 28-32-15(2)(a)(2).

² N.D.C.C. § 15-39.1-07.

After the proposed or amended administrative rules get approved, a hearing date must be set. The agency must post an Abbreviated Notice for the hearing at least once in every official county newspaper in the state.³ The publication may be coordinated through the North Dakota Newspaper Association (hereinafter NDNA). There must be a minimum of 20 days between the publishing date of the last notice and the date of the hearing.⁴ Along with the Abbreviated Notice, other documents must be prepared, including a Full Notice of Intent, a Regulatory Analysis, a Takings Assessment, a Small Entity Regulatory Analysis, a Small Entity Economic Impact Statement, and a Fiscal Note. The agency must send a Full Notice, the amended or new rules, and a cover letter to the legislative assembly.⁵ Further, the agency must also send a Full Notice to anyone who requests it.⁶

For example, if an intended hearing date was set for October 23rd, then in accordance with the 20-day minimum since the last date of publication, the last publication of an abbreviated notice must be on October 3rd. However, depending on what days some county newspapers post, or if they only post weekly rather than daily, the agency should consider posting the last notice the week of September 25th. The NDNA prefers to receive submissions at least a week in advance for processing.⁷ This October 23rd date also allows the agency to hold a 10-day period⁸ after the hearing to allow other comments for submission, and thus allows the agency plenty of time to prepare any final documentation necessary and consideration of any comments received.

After the hearing concludes, a summary of all written comments, all oral arguments, and a written statement of the Agency's considerations of the comments made at the hearing must be prepared for submission to the AGO after the hearing. There must be a minimum of a 10-day period to allow time for the receipt of other comments. The Agency must collect all comments and present them to the TFFR Board, and the Board must grant final approval of the rules.⁹ This will occur at the November 16th Board meeting.

The agency must also present materials to the AGO.¹⁰ Some of the materials have already been prepared in Phase I (the proposed rules, a Notice of Intent, an Abbreviated Notice of Intent, a Regulatory Analysis, a Takings Assessment, a Small Entity Regulatory Analysis, a Small Entity Impact Statement, and a Fiscal Note); others are new (a Letter to the AGO, the Affidavit of Publication from NDNA, a copy of the statement from NDNA showing the date each notice was published in each county newspaper, a copy of one actual published notice, a letter to Legislative Council submitting the proposed rules and full notice before publication of the notice); some need only be sent if required (a copy of the letter sent to each legislator who sponsored or cosponsored legislation if necessary, a copy of the information about emergency rules provide to the chairman of the Administrative Rules Committee, a copy of

³ North Dakota Administrative Rules Manual at 12; N.D.C.C. § 28-32-10(1)(a); See also N.D.C.C § 28-32-10(1)(b) for format.

⁴ N.D.C.C. § 38-32-10(5)

⁵ North Dakota Administrative Rules Manual at 5.

⁶*Id.* At 6; N.D.C.C § 28-32-08(4).

⁷ Email from Liz Prather, Advertising Coordinator, North Dakota Newspaper Association, to author (June 8, 2023, 09:30 CST) (on file with author).

⁸ N.D.C.C § 28-32-12.

⁹ N.D.C.C. § 28-32-12.

¹⁰ *Id.* at § 28-32-14.

all written comments, a written summary of all oral comments, and a written statement of the agency’s consideration of the comments.¹¹⁾ Send materials electronically to NDAG@nd.gov.

PHASE III

Once the Agency sends materials to the AGO, Phase III begins. The Attorney General will release a Rules Opinion 2 to 4 weeks after submission of materials.¹² This should come in mid-November to early December. After the Agency receives the Rules Opinion from the Attorney General, the Agency should file the final documents with the Legislative Council. Then there should be a Legislative Rules Committee meeting scheduled. The final documents necessary for submission to the Legislative Council include a copy of each rule adopted, a copy of each written comment, a copy of the written summary of each oral comment, a copy of each Regulatory Analysis, a copy of each Small Entity Regulatory Analysis, a copy of each Small Entity Economic Impact Statement, the Fiscal Statement, and the Attorney General’s Rules opinion.¹³

PHASE	DATES	DETAILS
PHASE I	Up until July 20th	Finish edits and amendments, prepare notices, statements, assessments, analyses, letters ¹⁴
TFFR Board Meeting	July 20th	Present amended rules, new rules to the board for approval
PHASE II	July 21st through November 15th	Submit to NDNA, publication, prepare documents, receive opinion
TFFR Board Meeting	November 16th	Final presentation of the amended and new rules for the board
PHASE III	November 17th through April 1	File with Legislative Council and attend meeting

CONCLUSION

The Agency needs to complete all proposed new rules and changes to the administrative rules before July 20th for initial approval at the TFFR Board meeting. Documents should also be prepared by the Agency during this time. Between July 20th and November, the Agency needs to: finalize and send out all documents, post notices and proposed changes, hold the public hearing, and submit materials to the AGO. After the submission and opinion from the Attorney General, the Agency will file rules with the Legislative Council prior to February 1st for an effective date of April 1st.

¹¹ North Dakota Administrative Rules at 6.

¹² *Id.*

¹³ *Id.* at 5.

¹⁴ See North Dakota Administrative Rules Manual at (A) for full list, templates.

MEMORANDUM

TO: TFFR Board of Trustees
FROM: Chad R. Roberts, DED/CRO
DATE: June 20, 2023
RE: TFFR internal process changes resulting from legislative actions

House Bill 1219

HB1219 had several changes which have necessitated modifications in both existing internal processes with the legacy pension administration system but also design and development integrations and changes to the new pension administration system for compliance with the legislation.

Presently, the cost calculation of purchased refunds is a manual selection process. With the change in the cost calculation under the legislation, TFFR staff will simply select the new cost calculation when processing the purchased refund. In essence there is no change to process, just a change to the selection used. Since the module for this process in the new pension administration system had already been developed, meetings were held with the vendor to modify the design so that the system, which will do all calculations and eliminate manual selection will be in compliance with the legislative change.

The changes in legislation regarding return to teach are also being addressed. For the new pension administration system, we have not yet held the design sessions for this module. When sessions are held, the module will be designed to be in compliance with the legislation. For our existing process, we have made changes to segregate hours such as professional development and extracurricular from hours which contributions are collected and applied toward the maximum hour rule. Formerly, the TFFR standard was to evaluate whether there was a contract present and if so if the contract exceeded the maximum hour rule in total hours. TFFR staff will now treat each contract individually and look at the length of the contract, the total hours of the contract and subtract the hours in the contract which are excluded from application to the maximum hour rule by legislation when determining if the contract affects retirement benefits.

For the return to teach changes related to the benefit recalculation addressed in HB1219, we will develop the pension administration system to comply with this change when we undertake the return to teach design module. For our present legacy system, TFFR staff does manual calculations for retirement benefits so they will simply incorporate the recalculation into their process for any teacher who is returning to retirement after August 1, 2023.

Regarding the changes to the social security level income option, we are modifying the retirement application to remove this option from retirement applications sent out after August 1, 2023. In the new pension administration system, we have developed a behind the scenes process to track and accurately modify benefit payments to the roughly ten members who are presently receiving this option. There will be no option for newly retiring members to select this option in the new system.

House Bill 1150

With the passage of House Bill 1150, an exception as created to allow a teacher who has retired from active-duty military service with 20 years or more of creditable service to opt out of participation in the TFFR program within their first year of teaching.

TFFR has developed a manual process to track any persons utilizing this exemption by tracking their enrollment form and employer reporting while we are still using the existing legacy pension administration system. As the new pension administration system is developed, automated tracking will be built into the design to comply with this legislation. With the automated tracking, not only will TFFR be able to track the statistics related to how many teachers are utilizing this exemption, but also how many hours worked and the contract salary of the individuals under the exemption. This tracking will allow TFFR to not only ensure we are not collecting contributions from either the employer or the employee but also to assess the impact of the legislation on the value of the fund.

MEMORANDUM

TO: TFFR Board
FROM: Jan Murtha, Executive Director
DATE: June 21, 2023
RE: Bill Impact Review and Discussion

This agenda item is intended to be an open discussion regarding:

- The status of legislative studies impacting the TFFR Plan
- Recent trends in Legislation
- A legal action recently filed by the NDPERS Board
 - Information regarding the NDPERS Board action may be found at
 - [North Dakota Court System - Bd. of Trustees of The N.D. Public Employees Retirement System v. N.D. \(ndcourts.gov\)](#)
 - Oral arguments in the case are currently scheduled before the ND Supreme Court on June 28, 2023.

ND Teachers' Fund for Retirement Board Resolution
In Appreciation of
Mel Olson

WHEREAS, Mel Olson has served as a member of the TFFR Board since 2013; and

WHEREAS, Mr. Olson has diligently carried out his duties and responsibilities as a member of the Board and fiduciary of the TFFR Program; and

WHEREAS, Mr. Olson has been a valued and dedicated member of the Board in helping maintain the integrity and stability of the TFFR Program.

NOW THEREFORE, BE IT RESOLVED that Mr. Olson be duly recognized by the Board for his years of unselfish dedication to the State of North Dakota through his service on the TFFR Board.

DATED this 22nd day of June 2023

On Behalf of the TFFR Board

Dr. Rob Lech, President

Votes

Date