

ND TFFR Board Meeting
Thursday, April 24, 2025, 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 (*Board Action*)**
 - A. Pledge of Allegiance
 - B. Conflict of Interest Disclosure
- II. ACCEPTANCE OF MINUTES (March 27, 2025) (*Board Action*)**
- III. GOVERNANCE (45 minutes)**
 - A. Plan Management Policy Update (*Board Action*) – GRS
 - B. Experience Study Results (*Board Action*) – GRS
 - C. Legislative Update (*Information*) – Ms. Smith
 - D. Executive Search Committee Update (*Information*) – Dr. Lech, Ms. Seiler
 - E. 2025-26 Board Calendar & Education Plan (*Board Action*) – Ms. Smith
 - 1. 2025-26 Board/Committee Schedule

(Break)

- IV. REPORTS (45 minutes) (*Board Action*)**
 - A. Annual Pension Plan Comparison Report – Mr. Roberts
 - B. Quarterly TFFR Ends – Mr. Roberts
 - C. Quarterly Outreach Update – Ms. Mudder
 - D. Write Off of Uncollectable Member Accounts – Mr. Roberts
- V. OTHER BUSINESS**
 - A. Board Reading Materials – Material References Included
 - B. Next Meetings:
 - 1. TFFR Board Retreat - TBD
- VI. ADJOURNMENT**

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
MINUTES OF THE
MARCH 27, 2025, BOARD MEETING**

BOARD MEMBERS PRESENT: Dr. Rob Lech, President
Mike Burton, Vice President
Thomas Beadle, State Treasurer
Scott Evanoff, Trustee
Cody Mickelson, Trustee
Alexis Rasset, Trustee

BOARD MEMBER ABSENT: Kirsten Baesler, State Supt. DPI

STAFF PRESENT: Jayme Heick, Retirement Spec.
Rachel Kmetz, Interim CFO/COO
Missy Kopp, Exec. Assistant
Denise Leingang-Sargeant, Retirement Spec.
Sarah Mudder, Communications/Outreach Dir.
Matt Posch, Portfolio Manager
Chad Roberts, DED/CRO
Sara Seiler, Internal Audit Supvr.
Jodi Smith, Interim Exec. Director
Rachelle Smith, Retirement Program Admin. Assistant
Jeff Stillwell, NDI
Tami Volkert, Retirement Compliance Spec.
Susan Walcker, Sr. Financial Accountant
Denise Weeks, Retirement Program Mngr.

OTHERS PRESENT: Mary Kae Kelsch, Attorney General's Office
Sriram Ramanujam, Sagitec
Santhosh Rao, Sagitec
Nagraj Sangayya, Sagitec
Vasudevan Sridharan, Sagitec
Members of the Public

CALL TO ORDER:

Dr. Lech, President of the Teachers' Fund for Retirement (TFFR) Board of Trustees, called the meeting to order at 1:00 p.m. on Thursday, March 24, 2025. The meeting was held in the WSI Board Room, 1600 E Century Avenue, Bismarck.

**THE FOLLOWING MEMBERS WERE PRESENT REPRESENTING A QUORUM:
TREASURER BEADLE, MR. BURTON, MR. EVANOFF, DR. LECH, MR. MICKELSON, AND
MS. RASSET.**

Mr. Evanoff declared a conflict of interest on the consent agenda.

ACCEPTANCE OF AGENDA:

The Board considered the agenda for the March 24, 2025, meeting.

IT WAS MOVED BY MR. BURTON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO APPROVE THE MARCH 24, 2025, AGENDA AS DISTRIBUTED.

AYES: MR. MICKELSON, MR. EVANOFF, TREASURER BEADLE, MR. BURTON, MS. RASSET, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

ACCEPTANCE OF MINUTES:

The Board considered the minutes for the January 23, 2025, TFFR Board meeting.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MS. RASSET AND CARRIED BY A VOICE VOTE TO ACCEPT THE JANUARY 23, 2025, MINUTES AS DISTRIBUTED.

AYES: MR. MICKELSON, MR. EVANOFF, TREASURER BEADLE, MR. BURTON, MS. RASSET, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

EDUCATION:

MyTFFR Demonstration:

Mr. Vasudevan Sridharan, Sagitec, introduced Sagitec staff members who were in attendance. Mr. Sridharan provided an overview of the ongoing relationship Sagitec now that the system is live. A live demonstration of the MyTFFR system was presented to the Board which included system functionality and user experience for members and business partners. Board discussion followed.

GOVERNANCE:

Pioneer Project Launch Review:

Mr. Roberts provided an update on the MyTFFR system launch. The system went live on February 10, 2025, and the first payroll was run for March 1, 2025, with no issues. Staff have identified some technical issues and enhancements for the system which the vendor has responded to in a timely manner. All but 12 employers are actively working to submit their reports. Staff are discussing the process of penalties for schools that continue to be non-compliant. Mr. Roberts reviewed the communication plan for the non-compliant business partners. Retirement staff have responded to many contact tickets, calls, and emails and have provided excellent customer service. System metrics for the first five weeks were provided. Board discussion followed.

2025 Legislative Session Update:

Ms. Smith provided an update on legislative activities that affect RIO and the TFFR program. HB 1022, RIO's budget bill, had many amendments added by the Senate subcommittee. Ms. Smith emailed Board members to inform them of these amendments which removed a large amount of funding from the budget, the internal audit (IA) FTE, and limited the incentive compensation program. Ms. Smith attended a committee hearing in the morning and the committee removed most of the amendments, restoring the previous budget amounts and the IA FTE. The bill will now go to the Senate Appropriations committee.

HB 1117, the TFFR required minimum distribution bill has been signed by the Governor. SB 2134, which would allow the State Superintendent and State Treasurer to appoint a designee to the TFFR Board has passed the Senate and staff are monitoring. Board discussion followed.

Executive Search Committee Update:

Dr. Lech provided an update for the ongoing executive searches. The Executive Search Committee met multiple times to determine the recruitment process and timeline and to hire EFL CBIZ as the executive search firm. The Committee reviewed a draft job description for the Executive Director (ED) which will go to the SIB for final approval. Board discussion followed.

The Board recessed at 2:22 p.m. and reconvened at 2:40 p.m.

REPORTS:

Quarterly Investment Report:

Mr. Posch provided the investment performance update as of December 31, 2024. From a benchmark perspective, performance for the past year has been strong, driven mainly by the US equity markets. Over the 1-, 3-, 5-, and 10-year periods, the fund showed consistent active returns, reflecting successful management. The portfolio remains well diversified and aligned with target allocations, with no major concerns. Board discussion followed.

Annual Retirement Trends Report:

Mr. Roberts provided the annual retirement trends report for fiscal year (FY) 2024. The report provides information about current membership, tier composition, and trend analysis. At the end of FY 2024 there were 13,956 TFFR members. Retirement rates among eligible members are rising with few delaying retirement compared to past trends. A temporary dip in retirements is expected over the next few years, but projections show an increase around 2029, especially as Tier 2 members reach eligibility. There is an opportunity to plan for staffing, funding, and succession strategies prior to the increase in expected retirements. It will be important to observe behavioral shifts that could impact the retirement rates. Board discussion followed.

Quarterly Internal Audit Report:

Ms. Seiler provided an update from the Audit Committee meeting on March 25, 2025, and the Internal Audit (IA) second quarter activities. IA is currently working on the Executive Limitations audit for 2024. The Supervisor of IA is the staff person responsible for the Executive Search Committee and is working with other staff on the recruitment of the ED and

the Chief Financial and Operations Officer (CFOO). During the quarter IA conducted an exit interview, provided support to the external auditors, and progressed through the IA maturity project. For TFFR, IA is working on the file maintenance audit. Board discussion followed.

Executive Limitations/Staff Relations Report:

Ms. Smith provided a staffing update. Mr. Vaidya, the Chief Risk Officer, will be retiring later this year. The CFOO position was posted, and staff expect to post the ED position early next week. Ms. Smith reviewed current projects and ongoing activities. The Board was provided with a list of board and committee presentations provided by RIO staff during the second quarter. Board discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MS. RASSET AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE QUARTERLY INVESTMENT, ANNUAL RETIREMENT TRENDS, QUARTERLY INTERNAL AUDIT, AND EXECUTIVE LIMITATIONS/STAFF RELATIONS REPORTS.

AYES: TREASURER BEADLE, MS. RASSET, MR. EVANOFF, MR. BURTON, MR. MICKELSON, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

CONSENT AGENDA:

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. MICKELSON AND CARRIED BY A ROLL CALL VOTE TO APPROVE DISABILITY APPLICATIONS 2025-1D AND 2025-2D.

AYES: MR. MICKELSON, MS. RASSET, TREASURER BEADLE, MR. BURTON, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

OTHER BUSINESS:

Board Resolutions:

Resolution of Recognition by the North Dakota Teachers' Fund for Retirement Board of Trustees

WHEREAS, the North Dakota Retirement and Investment Office successfully launched a new pension administration system, MyTFFR, on February 10, 2025; and

WHEREAS, the success of this implementation was greatly enhanced by the dedication, expertise, and collaborative efforts of the MyTFFR Employer Self-Service Super Users, including Shannon Jepson; and

WHEREAS, as a Super User, Shannon took on the responsibility of mastering the system early, diligently testing the software for errors, and providing invaluable feedback to improve its functionality; and

WHEREAS, she also played a crucial role in developing the *MyTFFR* Employer Self-Service Handbook by offering insights and recommendations that helped shape procedures and documentation; and

WHEREAS, she actively participated in *MyTFFR* Office Hours virtual meetings, contributing to discussions, asking pertinent questions, and sharing her experiences to aid in the system's successful adoption by the Teachers' Fund for Retirement's business partners; and

WHEREAS, Shannon monitored the North Dakota Association of School Business Managers' Listserv for questions about *MyTFFR*, provided timely updates, and ensured accurate information was shared with the Teachers' Fund for Retirement's business partners; and

WHEREAS, she went above and beyond by answering phone calls and emails outside of her normal duties, offering assistance to business managers seeking guidance and clarification; and

WHEREAS, she collaborated with software vendors to troubleshoot and resolve issues, ensuring seamless integration with *MyTFFR* Employer Self-Service; and

WHEREAS, Shannon's selfless commitment, problem-solving skills, and leadership were instrumental in ensuring a smooth transition for all of the Teachers' Fund for Retirement's business partners;

NOW, THEREFORE, BE IT RESOLVED that the Teachers' Fund for Retirement Board of Trustees hereby extends its sincere appreciation and recognition to the *MyTFFR* Employer Self-Service Super Users for their outstanding contributions, dedication, and service in supporting the launch of the Teachers' Fund for Retirement's new pension administration system.

BE IT FURTHER RESOLVED that this resolution be entered into the official records of the Teachers' Fund for Retirement Board as a lasting tribute to the *MyTFFR* Employer Self-Service Super Users for their invaluable efforts and commitment to the success of North Dakota's retirement system.

ADOPTED this 27th day of March 2025

Resolution of Recognition by the North Dakota Teachers' Fund for Retirement Board of Trustees

WHEREAS, the North Dakota Retirement and Investment Office successfully launched a new pension administration system, *MyTFFR*, on February 10, 2025; and

WHEREAS, the success of this implementation was greatly enhanced by the dedication, expertise, and collaborative efforts of the *MyTFFR* Employer Self-Service Super Users, including Mark Lemer; and

WHEREAS, as a Super User, Mark took on the responsibility of mastering the system early, diligently testing the software for errors, and providing invaluable feedback to improve its functionality; and

WHEREAS, he also played a crucial role in developing the *MyTFFR* Employer Self-Service Handbook by offering insights and recommendations that helped shape procedures and documentation; and

WHEREAS, he actively participated in *MyTFFR* Office Hours virtual meetings, contributing to discussions, asking pertinent questions, and sharing his experiences to aid in the system's successful adoption by the Teachers' Fund for Retirement's business partners; and

WHEREAS, Mark monitored the North Dakota Association of School Business Managers' Listserv for questions about *MyTFFR*, provided timely updates, and ensured accurate information was shared with the Teachers' Fund for Retirement's business partners; and

WHEREAS, he went above and beyond by answering phone calls and emails outside of her normal duties, offering assistance to business managers seeking guidance and clarification; and

WHEREAS, he collaborated with software vendors to troubleshoot and resolve issues, ensuring seamless integration with *MyTFFR* Employer Self-Service; and

WHEREAS, Mark's selfless commitment, problem-solving skills, and leadership were instrumental in ensuring a smooth transition for all of the Teachers' Fund for Retirement's business partners;

NOW, THEREFORE, BE IT RESOLVED that the Teachers' Fund for Retirement Board of Trustees hereby extends its sincere appreciation and recognition to the *MyTFFR* Employer Self-Service Super Users for their outstanding contributions, dedication, and service in supporting the launch of the Teachers' Fund for Retirement's new pension administration system.

BE IT FURTHER RESOLVED that this resolution be entered into the official records of the Teachers' Fund for Retirement Board as a lasting tribute to the *MyTFFR* Employer Self-Service Super Users for their invaluable efforts and commitment to the success of North Dakota's retirement system.

ADOPTED this 27th day of March 2025

Resolution of Recognition by the North Dakota Teachers' Fund for Retirement Board of Trustees

WHEREAS, the North Dakota Retirement and Investment Office successfully launched a new pension administration system, *MyTFFR*, on February 10, 2025; and

WHEREAS, the success of this implementation was greatly enhanced by the dedication, expertise, and collaborative efforts of the *MyTFFR* Employer Self-Service Super Users, including Will Swanson; and

WHEREAS, as a Super User, Will took on the responsibility of mastering the system early, diligently testing the software for errors, and providing invaluable feedback to improve its functionality; and

WHEREAS, he also played a crucial role in developing the *MyTFFR* Employer Self-Service Handbook by offering insights and recommendations that helped shape procedures and documentation; and

WHEREAS, he actively participated in *MyTFFR* Office Hours virtual meetings, contributing to discussions, asking pertinent questions, and sharing his experiences to aid in the system's successful adoption by the Teachers' Fund for Retirement's business partners; and

WHEREAS, Will monitored the North Dakota Association of School Business Managers' Listserv for questions about *MyTFFR*, provided timely updates, and ensured accurate information was shared with the Teachers' Fund for Retirement's business partners; and

WHEREAS, he went above and beyond by answering phone calls and emails outside of her normal duties, offering assistance to business managers seeking guidance and clarification; and

WHEREAS, he collaborated with software vendors to troubleshoot and resolve issues, ensuring seamless integration with *MyTFFR* Employer Self-Service; and

WHEREAS, Will's selfless commitment, problem-solving skills, and leadership were instrumental in ensuring a smooth transition for all of the Teachers' Fund for Retirement's business partners;

NOW, THEREFORE, BE IT RESOLVED that the Teachers' Fund for Retirement Board of Trustees hereby extends its sincere appreciation and recognition to the *MyTFFR* Employer Self-Service Super Users for their outstanding contributions, dedication, and service in supporting the launch of the Teachers' Fund for Retirement's new pension administration system.

BE IT FURTHER RESOLVED that this resolution be entered into the official records of the Teachers' Fund for Retirement Board as a lasting tribute to the *MyTFFR* Employer Self-Service Super Users for their invaluable efforts and commitment to the success of North Dakota's retirement system.

ADOPTED this 27th day of March 2025

Resolution of Recognition by the North Dakota Teachers' Fund for Retirement Board of Trustees

WHEREAS, the North Dakota Retirement and Investment Office successfully launched a new pension administration system, *MyTFFR*, on February 10, 2025; and

WHEREAS, the success of this implementation was greatly enhanced by the dedication, expertise, and collaborative efforts of the *MyTFFR* Employer Self-Service Super Users, including Paulette Elder; and

WHEREAS, as a Super User, Paulette took on the responsibility of mastering the system early, diligently testing the software for errors, and providing invaluable feedback to improve its functionality; and

WHEREAS, she also played a crucial role in developing the *MyTFFR* Employer Self-Service Handbook by offering insights and recommendations that helped shape procedures and documentation; and

WHEREAS, she actively participated in *MyTFFR* Office Hours virtual meetings, contributing to discussions, asking pertinent questions, and sharing her experiences to aid in the system's successful adoption by the Teachers' Fund for Retirement's business partners; and

WHEREAS, Paulette monitored the North Dakota Association of School Business Managers' Listserv for questions about *MyTFFR*, provided timely updates, and ensured accurate information was shared with the Teachers' Fund for Retirement's business partners; and

WHEREAS, she went above and beyond by answering phone calls and emails outside of her normal duties, offering assistance to business managers seeking guidance and clarification; and

WHEREAS, she collaborated with software vendors to troubleshoot and resolve issues, ensuring seamless integration with *MyTFFR* Employer Self-Service; and

WHEREAS, Paulette's selfless commitment, problem-solving skills, and leadership were instrumental in ensuring a smooth transition for all of the Teachers' Fund for Retirement's business partners;

NOW, THEREFORE, BE IT RESOLVED that the Teachers' Fund for Retirement Board of Trustees hereby extends its sincere appreciation and recognition to the *MyTFFR* Employer Self-Service Super Users for their outstanding contributions, dedication, and service in supporting the launch of the Teachers' Fund for Retirement's new pension administration system.

BE IT FURTHER RESOLVED that this resolution be entered into the official records of the Teachers' Fund for Retirement Board as a lasting tribute to the *MyTFFR* Employer Self-Service Super Users for their invaluable efforts and commitment to the success of North Dakota's retirement system.

ADOPTED this 27th day of March 2025

Resolution of Recognition by the North Dakota Teachers' Fund for Retirement Board of Trustees

WHEREAS, the North Dakota Retirement and Investment Office successfully launched a new pension administration system, *MyTFFR*, on February 10, 2025; and

WHEREAS, the success of this implementation was greatly enhanced by the dedication, expertise, and collaborative efforts of the *MyTFFR* Employer Self-Service Super Users, including Shauna Schneider; and

WHEREAS, as a Super User, Shauna took on the responsibility of mastering the system early, diligently testing the software for errors, and providing invaluable feedback to improve its functionality; and

WHEREAS, she also played a crucial role in developing the *MyTFFR* Employer Self-Service Handbook by offering insights and recommendations that helped shape procedures and documentation; and

WHEREAS, she actively participated in *MyTFFR* Office Hours virtual meetings, contributing to discussions, asking pertinent questions, and sharing her experiences to aid in the system's successful adoption by the Teachers' Fund for Retirement's business partners; and

WHEREAS, Shauna monitored the North Dakota Association of School Business Managers' Listserv for questions about *MyTFFR*, provided timely updates, and ensured accurate information was shared with the Teachers' Fund for Retirement's business partners; and

WHEREAS, she went above and beyond by answering phone calls and emails outside of her normal duties, offering assistance to business managers seeking guidance and clarification; and

WHEREAS, she collaborated with software vendors to troubleshoot and resolve issues, ensuring seamless integration with *MyTFFR* Employer Self-Service; and

WHEREAS, Shauna's selfless commitment, problem-solving skills, and leadership were instrumental in ensuring a smooth transition for all of the Teachers' Fund for Retirement's business partners;

NOW, THEREFORE, BE IT RESOLVED that the Teachers' Fund for Retirement Board of Trustees hereby extends its sincere appreciation and recognition to the *MyTFFR* Employer Self-Service Super Users for their outstanding contributions, dedication, and service in supporting the launch of the Teachers' Fund for Retirement's new pension administration system.

BE IT FURTHER RESOLVED that this resolution be entered into the official records of the Teachers' Fund for Retirement Board as a lasting tribute to the *MyTFFR* Employer Self-Service Super Users for their invaluable efforts and commitment to the success of North Dakota's retirement system.

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WHEREAS, the North Dakota Retirement and Investment Office successfully launched a new pension administration system, *MyTFFR*, on February 10, 2025; and

WHEREAS, the success of this implementation was greatly enhanced by the dedication, expertise, and collaborative efforts of the *MyTFFR* Employer Self-Service Super Users, including Lori Dahl; and

WHEREAS, as a Super User, Lori took on the responsibility of mastering the system early, diligently testing the software for errors, and providing invaluable feedback to improve its functionality; and

WHEREAS, she also played a crucial role in developing the *MyTFFR* Employer Self-Service Handbook by offering insights and recommendations that helped shape procedures and documentation; and

WHEREAS, she actively participated in *MyTFFR* Office Hours virtual meetings, contributing to discussions, asking pertinent questions, and sharing her experiences to aid in the system's successful adoption by the Teachers' Fund for Retirement's business partners; and

WHEREAS, Lori monitored the North Dakota Association of School Business Managers' Listserv for questions about *MyTFFR*, provided timely updates, and ensured accurate information was shared with the Teachers' Fund for Retirement's business partners; and

WHEREAS, she went above and beyond by answering phone calls and emails outside of her normal duties, offering assistance to business managers seeking guidance and clarification; and

WHEREAS, she collaborated with software vendors to troubleshoot and resolve issues, ensuring seamless integration with *MyTFFR* Employer Self-Service; and

WHEREAS, Lori's selfless commitment, problem-solving skills, and leadership were instrumental in ensuring a smooth transition for all of the Teachers' Fund for Retirement's business partners;

NOW, THEREFORE, BE IT RESOLVED that the Teachers' Fund for Retirement Board of Trustees hereby extends its sincere appreciation and recognition to the *MyTFFR* Employer Self-Service Super Users for their outstanding contributions, dedication, and service in supporting the launch of the Teachers' Fund for Retirement's new pension administration system.

BE IT FURTHER RESOLVED that this resolution be entered into the official records of the Teachers' Fund for Retirement Board as a lasting tribute to the *MyTFFR* Employer Self-Service Super Users for their invaluable efforts and commitment to the success of North Dakota's retirement system.

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WHEREAS, the success of this implementation was greatly enhanced by the dedication, expertise, and collaborative efforts of the *MyTFFR* Employer Self-Service Super Users, including Barb Magnuson; and

WHEREAS, as a Super User, Barb took on the responsibility of mastering the system early, diligently testing the software for errors, and providing invaluable feedback to improve its functionality; and

WHEREAS, she also played a crucial role in developing the *MyTFFR* Employer Self-Service Handbook by offering insights and recommendations that helped shape procedures and documentation; and

WHEREAS, she actively participated in *MyTFFR* Office Hours virtual meetings, contributing to discussions, asking pertinent questions, and sharing her experiences to aid in the system's successful adoption by the Teachers' Fund for Retirement's business partners; and

WHEREAS, Barb monitored the North Dakota Association of School Business Managers' Listserv for questions about *MyTFFR*, provided timely updates, and ensured accurate information was shared with the Teachers' Fund for Retirement's business partners; and

WHEREAS, she went above and beyond by answering phone calls and emails outside of her normal duties, offering assistance to business managers seeking guidance and clarification; and

WHEREAS, she collaborated with software vendors to troubleshoot and resolve issues, ensuring seamless integration with *MyTFFR* Employer Self-Service; and

WHEREAS, Barb's selfless commitment, problem-solving skills, and leadership were instrumental in ensuring a smooth transition for all of the Teachers' Fund for Retirement's business partners;

NOW, THEREFORE, BE IT RESOLVED that the Teachers' Fund for Retirement Board of Trustees hereby extends its sincere appreciation and recognition to the *MyTFFR* Employer Self-Service Super Users for their outstanding contributions, dedication, and service in supporting the launch of the Teachers' Fund for Retirement's new pension administration system.

BE IT FURTHER RESOLVED that this resolution be entered into the official records of the Teachers' Fund for Retirement Board as a lasting tribute to the *MyTFFR* Employer Self-Service Super Users for their invaluable efforts and commitment to the success of North Dakota's retirement system.

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WHEREAS, the success of this implementation was greatly enhanced by the dedication, expertise, and collaborative efforts of the *MyTFFR* Employer Self-Service Super Users, including Jamie Mercier; and

WHEREAS, as a Super User, Jamie took on the responsibility of mastering the system early, diligently testing the software for errors, and providing invaluable feedback to improve its functionality; and

WHEREAS, she also played a crucial role in developing the *MyTFFR* Employer Self-Service Handbook by offering insights and recommendations that helped shape procedures and documentation; and

WHEREAS, she actively participated in *MyTFFR* Office Hours virtual meetings, contributing to discussions, asking pertinent questions, and sharing her experiences to aid in the system's successful adoption by the Teachers' Fund for Retirement's business partners; and

WHEREAS, Jamie monitored the North Dakota Association of School Business Managers' Listserv for questions about *MyTFFR*, provided timely updates, and ensured accurate information was shared with the Teachers' Fund for Retirement's business partners; and

WHEREAS, she went above and beyond by answering phone calls and emails outside of her normal duties, offering assistance to business managers seeking guidance and clarification; and

WHEREAS, she collaborated with software vendors to troubleshoot and resolve issues, ensuring seamless integration with *MyTFFR* Employer Self-Service; and

WHEREAS, Jamie's selfless commitment, problem-solving skills, and leadership were instrumental in ensuring a smooth transition for all of the Teachers' Fund for Retirement's business partners;

NOW, THEREFORE, BE IT RESOLVED that the Teachers' Fund for Retirement Board of Trustees hereby extends its sincere appreciation and recognition to the *MyTFFR* Employer Self-Service Super Users for their outstanding contributions, dedication, and service in supporting the launch of the Teachers' Fund for Retirement's new pension administration system.

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WHEREAS, the success of this implementation was greatly enhanced by the dedication, expertise, and collaborative efforts of the *MyTFFR* Employer Self-Service Super Users, including Peyman Kadir; and

WHEREAS, as a Super User, Peyman took on the responsibility of mastering the system early, diligently testing the software for errors, and providing invaluable feedback to improve its functionality; and

WHEREAS, she also played a crucial role in developing the *MyTFFR* Employer Self-Service Handbook by offering insights and recommendations that helped shape procedures and documentation; and

WHEREAS, she actively participated in *MyTFFR* Office Hours virtual meetings, contributing to discussions, asking pertinent questions, and sharing her experiences to aid in the system's successful adoption by the Teachers' Fund for Retirement's business partners; and

WHEREAS, Peyman monitored the North Dakota Association of School Business Managers' Listserv for questions about *MyTFFR*, provided timely updates, and ensured accurate information was shared with the Teachers' Fund for Retirement's business partners; and

WHEREAS, she went above and beyond by answering phone calls and emails outside of her normal duties, offering assistance to business managers seeking guidance and clarification; and

WHEREAS, she collaborated with software vendors to troubleshoot and resolve issues, ensuring seamless integration with *MyTFFR* Employer Self-Service; and

WHEREAS, Peyman's selfless commitment, problem-solving skills, and leadership were instrumental in ensuring a smooth transition for all of the Teachers' Fund for Retirement's business partners;

NOW, THEREFORE, BE IT RESOLVED that the Teachers' Fund for Retirement Board of Trustees hereby extends its sincere appreciation and recognition to the *MyTFFR* Employer Self-Service Super Users for their outstanding contributions, dedication, and service in supporting the launch of the Teachers' Fund for Retirement's new pension administration system.

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ADOPTED this 27th day of March 2025

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. BURTON AND CARRIED BY A VOICE VOTE TO APPROVE THE BOARD RESOLUTIONS.

AYES: MR. BURTON, MS. RASSET, MR. EVANOFF, TREASURER BEADLE, MR. MICKELSON, AND PRES. LECH

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

ADJOURNMENT:

With no further business to come before the Board, Dr. Lech adjourned the meeting at 3:34 p.m.

Prepared by,

Missy Kopp, Assistant to the Board

MEMORANDUM

TO: TFFR
FROM: Chad Roberts, DED/CRO
DATE: April 17, 2025
RE: GRS Presentation of TFFR Fund Policy Scorecard

The TFFR Board of Trustees will receive a presentation on the updated policy scorecard for the TFFR Fund and associated recommendations from the actuarial firm GRS.

Board Action Requested: Board acceptance

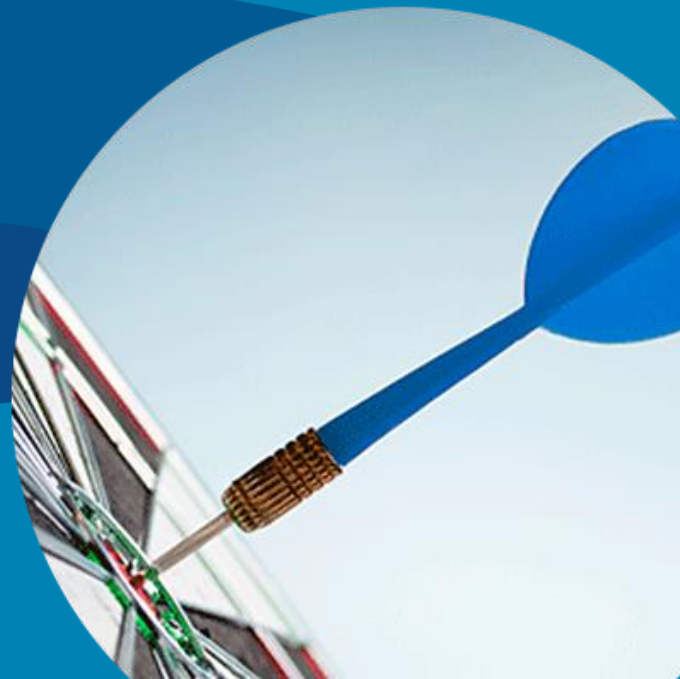


North Dakota Teachers' Fund for Retirement Plan Management Policy Score Update Based on the July 1, 2024 Actuarial Valuation

Paul Wood, ASA, MAAA

Dana Woolfrey, FSA, MAAA

April 25, 2024



Purpose

- Additional advance warning metric regarding plan sustainability (or unsustainability)
- Supplements valuation measures of contribution sufficiency
 - Actuarially Determined Contribution
 - Time to full funding
- Valuation metrics based on single outcome if all goes as planned
- Plan Management Policy Score attempts to take broader view of the realm of possibilities and gauge resilience
- Advances the fulfillment of fiduciary duties of the Board

Scoring Metrics

- Current funded ratio (3)
- Downside funded ratio in 2030 (3)
- Target funded ratio in 2040 (4)
- Improvement in funded ratio over a 10-year period (2)
- Ability to recover from/withstand a market downturn (2)



Approach

- Perform stochastic simulation of investment returns
- Investment return mean and standard deviation determined using
 - 2024 Horizon Survey of Capital Market Assumptions (20+ years) by asset class
 - Survey of 41 investment consultants (26 provided 20+ year assumptions)
 - TFFR asset allocation

Scoring Perspective

- **Highly sensitive to current capital market expectations and recent returns**
- Sensitive to valuation assumptions (experience studies, etc)
- Fixed data points 2030/2040 will start to take on different meaning as time passes
- Most informative piece of information is long-term trend of this score
 - need to maintain the context
- Another gauge on the dash, not the only one

Asset Allocation and Capital Market Assumptions Used

	Asset Class	Target Allocation	Weighted Return	Expected Return	Standard Deviation
Equity	US Large Cap	23.0%	1.87%	8.13%	16.52%
	US Small Cap	4.0%	0.37%	9.28%	20.57%
	International Developed	14.9%	1.33%	8.91%	18.06%
	Emerging Markets	3.1%	0.33%	10.54%	23.61%
	Private Equity	10.0%	1.18%	11.81%	22.57%
Fixed	US Core	18.0%	0.91%	5.04%	5.90%
	High Yield	8.0%	0.46%	5.70%	10.98%
Alt/Other	Real Estate	9.0%	0.66%	7.36%	16.61%
	Commodities/Timber	1.3%	0.08%	6.33%	17.81%
	Infrastructure	7.7%	0.65%	8.46%	16.02%
	Cash	1.0%	0.03%	3.44%	1.10%

Total Weighted Return 7.87%
 Adjusted to Geometric -0.80%

Total Long-Term Return **7.07%**
 Standard Deviation 12.21%

Prior Year Result
7.39%
 12.28%

Prior Year Results

Score = 9

1	Current year funded ratio is 69%	If current ratio is 90% or higher: +3 If current ratio is between 80% to 90%: +2 If current ratio is between 70% to 80%: +1 If current ratio is less than 70%: +0	+0
2	27% probability of funded ratio <65% in 2030	Under 65% funded ratio with less than 20% probability: +3 Under 65% funded ratio with less than 30% probability: +2 Under 65% funded ratio with less than 40% probability: +1 Under 65% funded ratio with more than 40% probability: +0	+2
3	61% probability of funded ratio >85% in 2040	85% or higher with more than 50% probability: +4 (61% probability) 80% or higher with more than 50% probability: +3 (65% probability) 75% or higher with more than 50% probability: +2 (70% probability) 70% or higher with more than 50% probability: +1 (74% probability) Not more than 70% with more than 50% probability: +0	+4
4	63% probability of improvement over 10 years	Funded ratio improves by +5% over 10 years with 66% probability: +2 Funded ratio improves by +5% over 10 years with 50% probability: +1 Ratio does not improve by +5% over 10 years with 50% probability: +0	+1
5	54% probability of recovering from market downturn*	Funded ratio improves by +5% over 10 years with 50% probability: +2 Funded ratio improves by +5% over 10 years with 33% probability: +1 Ratio does not improve by +5% over 10 years with 33% probability: +0	+2

+9

* 1,377 scenarios contain -10% average or worse over 2 years (in the first 10 years), 743 of which "recover."

Plan Experience During FY 2024

- 8% fair value return during 2024
- Total payroll growth 6.9% compared to 3.25% assumed
 - Takes pressure off of contributory payroll
 - Slightly negative impact on score
- Positive plan experience offset change in capital market expectations

Current Results – July 1, 2024 Valuation

Score = 10

1	Current year funded ratio is 70%	If current ratio is 90% or higher: +3 If current ratio is between 80% to 90%: +2 If current ratio is between 70% to 80%: +1 If current ratio is less than 70%: +0	Prior year: +0 based on funded ratio of 69%	+1
2	27% probability of funded ratio <65% in 2030	Under 65% funded ratio with less than 20% probability: +3 Under 65% funded ratio with less than 30% probability: +2 Under 65% funded ratio with less than 40% probability: +1 Under 65% funded ratio with more than 40% probability: +0	Prior year: +2 based on 27% probability of funded ratio <65% in 2030	+2
3	56% probability of funded ratio >85% in 2040	85% or higher with more than 50% probability: +4 (56% probability) 80% or higher with more than 50% probability: +3 (62% probability) 75% or higher with more than 50% probability: +2 (67% probability) 70% or higher with more than 50% probability: +1 (72% probability) Not more than 70% with more than 50% probability: +0	Prior year: +4 based on 61% probability of funded ratio >85% in 2040	+4
4	61% probability of improvement over 10 years	Funded ratio improves by +5% over 10 years with 66% probability: +2 Funded ratio improves by +5% over 10 years with 50% probability: +1 Ratio does not improve by +5% over 10 years with 50% probability: +0	Prior year: +1 based on 63% probability of improvement over 10 years	+1
5	53% probability of recovering from market downturn*	Funded ratio improves by +5% over 10 years with 50% probability: +2 Funded ratio improves by +5% over 10 years with 33% probability: +1 Ratio does not improve by +5% over 10 years with 33% probability: +0	Prior year: +2 based on 54% probability of recovering from market downturn	+2

+10

* 1,538 scenarios contain -10% average or worse over 2 years (in the first 10 years), 818 of which "recover."

Evolution of the Plan Policy Score

Valuation Year	Score	Notable Events	Geometric Mean Used in Simulation
2019	6	First Score	7.47%
2019	7	Post-experience study changes	7.47%
2020	6	Market return FY 2020 = 3%	7.25%
2021	9	Market return FY 2021 = 26%	6.77%
2022	7	Market return FY 2022 = -6%	6.86%
2023	9	Market return FY 2023 = 7%	7.39%
2024	10	Market return FY 2024 = 8%	7.07%



Looking ahead

- Some metrics will have different meaning as time elapses
 - Projected funded ratio in 2030
- Should re-evaluate policy well before 2030
- But need trend for score to be meaningful
- Re-evaluate policy in late 2026
 - Will have four years to re-score under new policy

Summary

- Good plan experience offset dampened capital market assumptions
- No red flags from this assessment

Actuary's Qualifications

- We believe the recommended set of actuarial assumptions should present a more accurate portrayal of TFFR's financial condition and should reduce the magnitude of future experience gains and losses.
- The study was conducted in accordance with generally accepted actuarial principles and practices and with the Actuarial Standards of Practice issued by the Actuarial Standards Board
- Dana and Paul meet the Qualification Standards of the American Academy of Actuaries

MEMORANDUM

TO: TFFR
FROM: Chad Roberts, DED/CRO
DATE: April 17, 2025
RE: GRS Presentation of 2025 TFFR Fund Experience Study

The TFFR Board of Trustees will receive a presentation on the 2025 experience study for the TFFR Fund and associated recommendations from the actuarial firm GRS.

Board Action Requested: Board acceptance

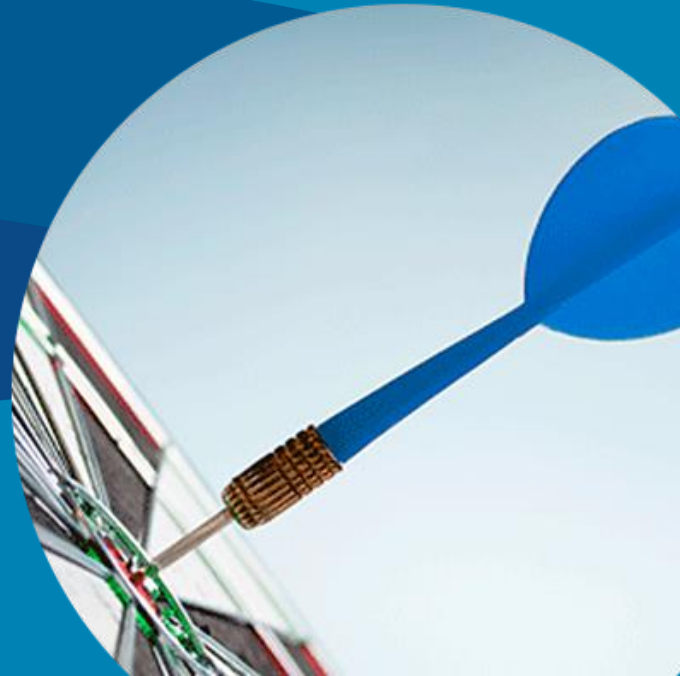


TFFR Experience Study Results for the Period Ending June 30, 2024 and Assumption Recommendations

April 24, 2025

Dana Woolfrey, FSA, FCA, EA, MAAA

Paul Wood, ASA, FCA, MAAA



Today

- Review of Educational Intro: Experience Study Process
- Demographic Assumptions
- Economic Assumptions
- Methods
- Impact to June 30, 2024 Valuation Results

EDUCATIONAL INTRO: EXPERIENCE STUDY PROCESS

Purpose of Experience Study

- Assumptions should occasionally change to reflect
 - New information and changing knowledge
 - Changing patterns of retirements, terminations, mortality, etc.
- Experience study is a regularly scheduled review of the assumptions and methods
 - Generally recommend every 3-5 years
 - Five years since last study
- General process for setting assumptions and methods
 - Actuary makes recommendations
 - Board considers actuary's recommendation and makes the final decision for the system

How assumptions factor in...

- Over time, the true cost of benefits will be borne out in actual experience
 - Ultimate benefits paid are NOT affected by actuarial assumptions or methods
 - Determined by actual participant behavior (termination, retirement), plan provisions, and actual investment returns
- Assumptions help us develop a reasonable starting point for decision making today

Selection of Assumptions

What Are They?

Economic

- Investment Return
- Payroll Growth Rate
- Promotional/Step Pay Increases
- Population Growth Rate (Usually, a constant population size is assumed)

Demographic

- Retirement Rates
- Disability
- Turnover
- Mortality

Who Selects Them?

Economic

- Board
- Other Advisors

Demographic

- Board (usually based on experience study)



Experience Study Process

- Compare actual experience to current actuarial assumptions and recommend changes to assumptions if necessary to better align with future expectations
- Reviewed past experience over a given timeframe
 - Identified how many members retired, terminated, became disabled, or died, including their age/service
 - Identified salary increases received by active members
 - Greater emphasis on forward-looking expectations for economic assumptions

Actuarial Standards of Practice

- Guidelines for the assumption setting process are set by the Actuarial Standards of Practice
 - ASOP #4 Measuring Pension Obligations
 - ASOP #25 Credibility
 - ASOP #27 Selection of Assumptions for Measuring Pension Obligations
 - ASOP #44 Selection and Use of Asset Valuation Methods

Actual to Expected Ratio

- For an experience study, we determine actual the number of deaths, retirements, etc. that occurred. Then we determine the number expected
- We then calculate the A/E ratio, where "A" is the actual number and "E" is the expected number
- If the current assumptions were “perfect”, the A/E ratio would be 100%
- When there is a variation from this figure, it suggests that a new assumption may be needed
- We not only look at the assumptions as a whole, but we also review how well they fit the actual results by gender, by age, and by service

DEMOGRAPHIC ASSUMPTIONS

Retirement Experience

- Key finding was on early retirement
 - Expectation from audit that early retirement rates were too high for Tier 1NGF and Tier 2
 - Played out in observed experience

Early Retirement Experience – Tier 1 Non-Grandfathered & Tier 2

Age	Retirements	Exposure	Crude Rates	Sample Rates*		Expected Retirements		Ratio of Actuals/Expecteds	
				Old	New	Old	New	Old	New
55	0	1268	0	0.02000	0.01000	25	13	0%	0%
56	0	858	0	0.02000	0.01000	17	9	0%	0%
57	4	702	0.00534	0.03000	0.01000	21	7	18%	54%
58	0	607	0.00000	0.03500	0.01000	21	6	0%	0%
59	0	525	0.00000	0.04000	0.01000	21	5	0%	0%
60	10	411	0.02345	0.05000	0.03000	21	12	46%	80%
61	2	306	0.00647	0.09000	0.03000	28	9	7%	22%
62	17	293	0.05823	0.10000	0.03000	29	9	59%	190%
63	10	211	0.04589	0.11000	0.03000	23	6	42%	161%
64	4	155	0.02534	0.12000	0.03000	19	5	21%	79%
Totals	46	5337	0.00863			225	81	20%	57%

- Proposed separate, substantially lower rates for this group

Mortality Experience

- Continue to use standard, unadjusted base tables for active and disabled
- Retiree mortality
 - Actual to expected based on current assumption
 - **Female 108%**
 - **Male 113%**
 - More deaths than expected
 - But COVID
 - Similar to what we are seeing in other plans with similarly timed studies
 - **Leave base tables unchanged**
- Update to ultimate rates of most recent mortality projection table

Termination Experience

- More terminations than expected
- Slightly reduce rates
 - Leave bit of conservatism for credibility/covid experience
- Actual to expected:
 - Female: 129% -> 110%
 - Male: 127% -> 107%

Other

- Little to no change on other demographic assumptions
- Minimal impact

ECONOMIC ASSUMPTIONS

Inflation

- The assumed core inflation rate is not used directly in the actuarial valuation, but it impacts the development of:
 - Investment return assumption
 - Salary increase assumptions
 - Overall payroll growth rate
 - COLA assumption
- Current inflation assumption in 2.30% per year
- **Forward-looking, long-term assumption**

Forward-looking Inflation Metrics

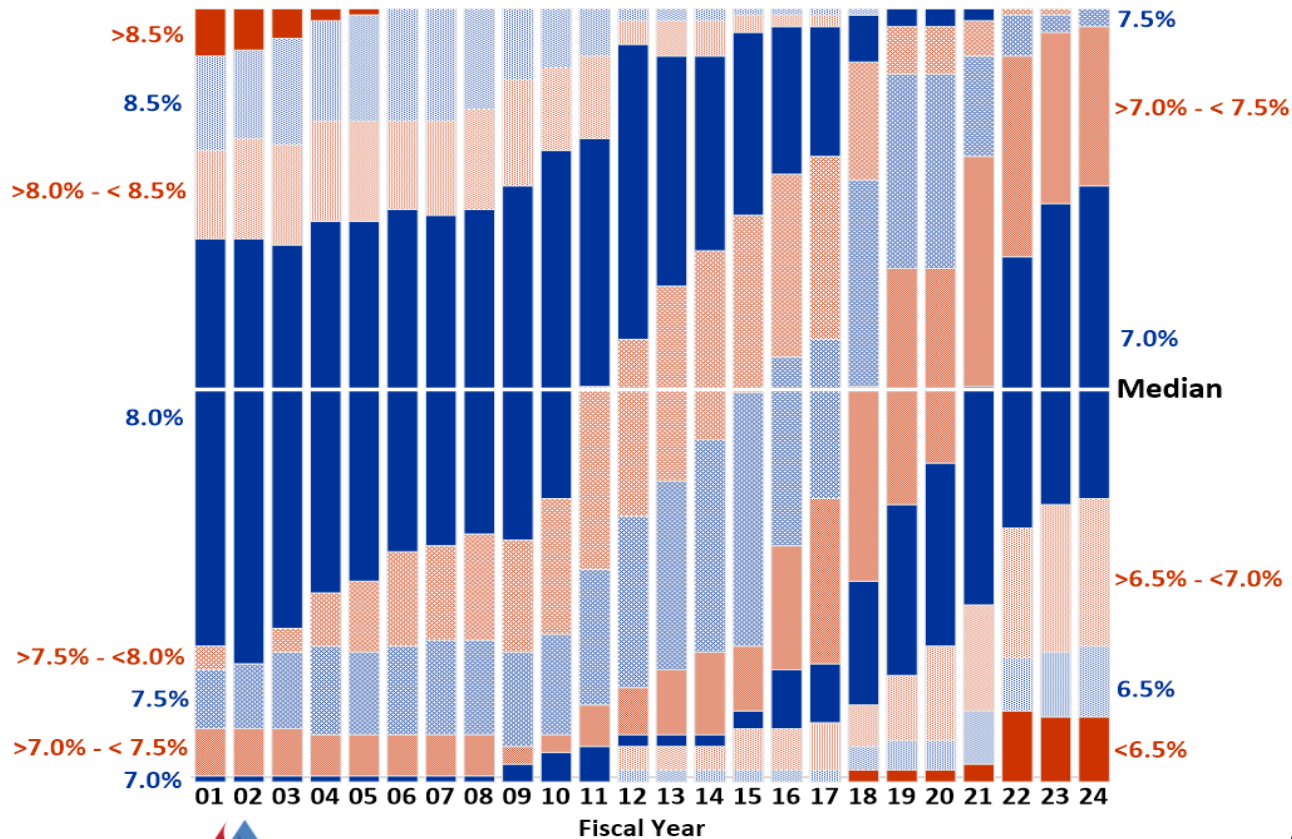
- 10-year metrics
 - NEPC December 31, 2024 10-year 2.60%
 - Average of survey of 12 investment consultants 2.39%
 - Range of survey 2.13% - 2.70%
- 20 and 30-year metrics
 - 20-year treasury bonds 2.50%
 - 30-year treasury bonds 2.35%
 - Social Security intermediate long-term 2.40%
 - Cleveland Federal Reserve 2.52%
 - St. Louis Federal Reserve 2.52%
- **Recommendation: Increase inflation assumption to 2.40%**

Investment Return Assumption

- The assumption selected should be reasonable
 - Not necessarily a single “correct” answer
- Assumption is selected using a process that considers:
 - TFFR target asset allocation
 - Capital market expectations
 - Utilize a building block approach that reflects expected inflation, real rates of return, and plan related expenses
 - Take into account the volatility of the expected returns produced by the investment portfolio
- Other factors to consider
 - Historical investment performance
 - Comparison with peers

Investment Return Assumption - National Trends

- Median and mode is 7.00%



GRS Survey of Investment Consultants

- We analyzed the current asset allocation
- Projected real returns were developed using TFFR Investment Policy Statement and 2024 capital market return assumptions
 - 2024 GRS Survey of 12 investment consulting firms
 - Generally 10-20 year time horizons
 - Includes TFFR Investment Consultant, NEPC

Expectations Based on Survey

- With inflation of 2.40%
 - Average arithmetic return
 - 7.50%
 - Average of Median Geometric Returns is
 - 6.83% (7-10 year expectations)
 - 7.03% (20-30 year expectations)
 - Horizon survey (2.47% inflation)
 - 7.07%

Investment Return Recommendation

- Reduce nominal return from 7.25% to 7.15%
 - Reduces real return from 4.95% to 4.75% (0.10% from increased inflation, 0.10% from real return)
- Reflects tempered reduced expectations
 - Tempering for:
 - Currently doing asset allocation study
 - Current market volatility

Salary Increases

- Used for projecting individual member's pay and benefits
- Current assumption consists of three components
 - Price inflation (2.30%)
 - Productivity (1.50%)
 - Combined with price inflation equals 3.80% wage inflation
 - Service-related increases for first 29 years
 - Meant to reflect additional increases above wage inflation received by early to mid career members

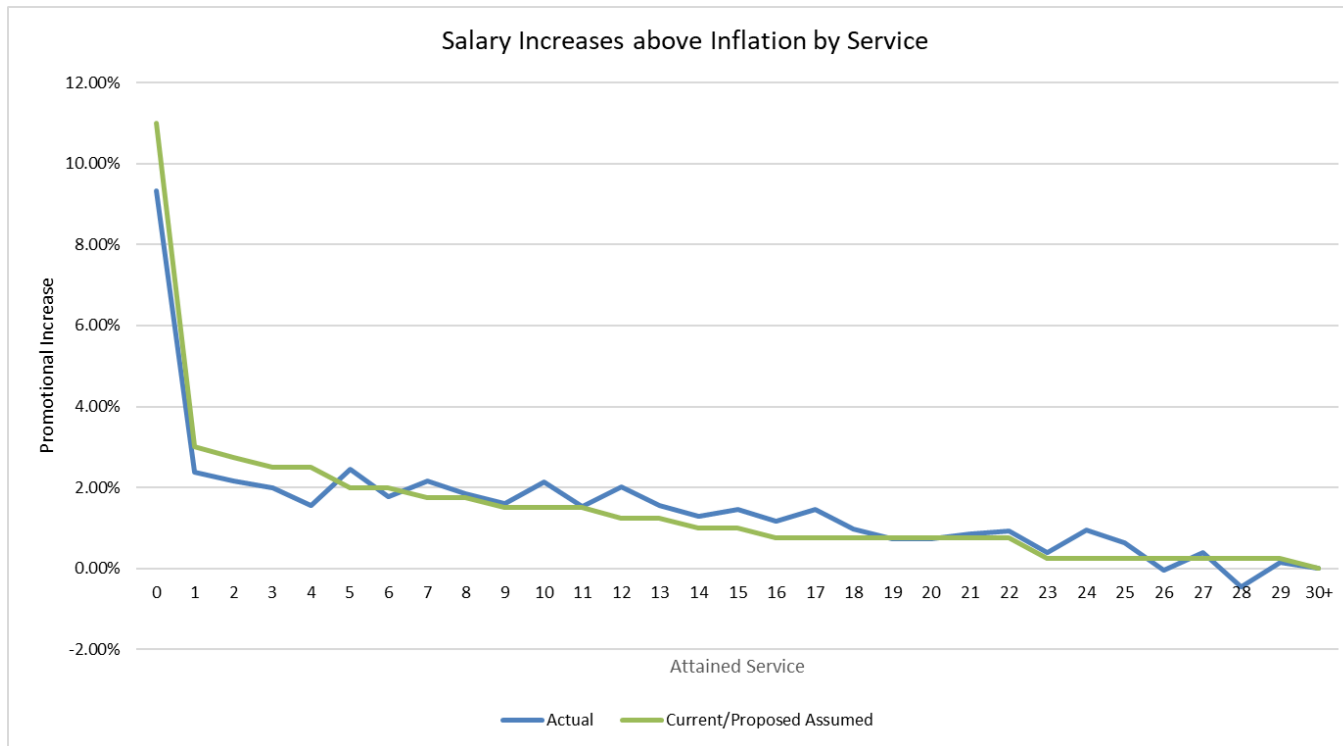
Salary Increases

- Price Inflation
 - 2.3% -> 2.4%
- Productivity
 - Current assumption: 1.4%
 - National economy
- TFFR long-service
 - Negative 1.4% (anomalous)
- Recommend 1.0% consistent with national economy numbers
- Base wage inflation 3.4% (2.4%+1.0%)

Excess Wage Inflation Over Price Inflation Over Most Recent	
10 years	1.1%
15 years	0.8%
20 years	0.8%
25 years	1.0%

Salary Increases

- Merit/service-based increases continue to be a great fit
- No change



Total Payroll Growth

- Used in projections and amortization of the unfunded liability
- The higher the assumption, the more reliance on future payroll in meeting funding objectives
- Current 3.25%
- Should be no higher than 3.4% wage inflation assumption
- Leave at 3.25%

METHODS

No Changes to Methods

- Asset Smoothing
- Amortization
 - Currently volatility could lead to funding policy recommendation changes, but none at this time

IMPACT TO JUNE 30, 2024 VALUATION RESULTS

Impact to June 30, 2024 Valuation Results

- Aggregate impact is modest

	Current Assumption	Proposed Mortality Assumptions	Proposed Mortality and Retirement Assumptions	Proposed Mortality, Retirement, Termination and Disability Assumptions	Proposed Demographic Assumptions and Economic Assumptions
1. Statutory Contributions (% of payroll):					
a. Member Contribution Rate	11.75%	11.75%	11.75%	11.75%	11.75%
b. Employer Contribution Rate	12.75%	12.75%	12.75%	12.75%	12.75%
c. Actuarially Determined Employer Contribution Rate	12.46%	12.63%	12.92%	12.79%	12.52%
d. Margin Available [Contribution Shortfall/(Surplus)]	(0.29)%	(0.12)%	0.17%	0.04%	(0.23)%
2. Funded Status					
a. Actuarial Accrued Liability	\$ 4,758,417,607	\$ 4,774,714,476	\$ 4,788,402,562	\$ 4,790,969,147	\$ 4,803,268,427
b. Actuarial Value of Assets (AVA)	3,408,483,045	3,408,483,045	3,408,483,045	3,408,483,045	3,408,483,045
c. Unfunded Liability (AVA-basis)	1,349,934,562	1,366,231,431	1,379,919,517	1,382,486,102	1,394,785,382
d. Funded Ratio (AVA-basis)	71.6%	71.4%	71.2%	71.1%	71.0%

Impact to Plan Policy Score

- Fair Value Funded Ratio after changes is 69.8%
 - lose point on current funded ratio since cutoff is 70%
- Other metrics slightly improved, but not enough to gain points

Valuation Year	Score	Notable Events	Geometric Mean Used in Simulation
2019	6	First Score	7.47%
2019	7	Post-experience study changes	7.47%
2020	6	Market return FY 2020 = 3%	7.25%
2021	9	Market return FY 2021 = 26%	6.77%
2022	7	Market return FY 2022 = -6%	6.86%
2023	9	Market return FY 2023 = 7%	7.39%
2024	10	Market return FY 2024 = 8%	7.07%
2024	9	Post-experience study changes	7.07%

WRAP UP

Next steps

1. Today: Motion from Board to adopt valuation assumptions
2. Later this summer/fall: Evaluate discount rate post-asset allocation
 - Change unlikely, but should make sure
3. Recommend and adopt actuarial equivalence assumptions, set effective date

Conclusions

- Proposed assumptions will provide a better fit going forward
 - Recommend Board adopts this assumption set for first use in the June 30, 2025 valuation
-
- Thank you!

2025-2027 Legislative Session RIO Bill Tracker

Bill #	Topic	Description	Sponsor	Hearing Date	Committee	Status	Position
HB 1015	Budget bill	OMB Budget bill	Appropriations Committee	n/a	Senate Appro - Gov'n't Ops	Passed in House, 83-6. Senate rec'd.	Monitor
HB 1022	Budget bill	RIO's Budget bill	Appropriations Committee	04/21 at 11:00 a.m., Roughrider, Conf Committee	n/a	Passed in House, 73-16. Passed in Senate, 44-3-0. Returned to House, refused to concur, conf committee appointed.	Support
HB 1026	Investment	Moving State Bonding Fund from Insurance to OMB	Legislative Management	n/a	n/a	Passed House, 89-0. Passed Senate, 44-2-1. Sent to Governor	Neutral
HB 1027	Investment	Moving Fire & Tornado Fund from Insurance to OMB.	Legislative Management	n/a	n/a	Passed House, 87-5. Amended, Passed Senate, 41-4. Amended Passed House, 84-6.	Neutral
HB 1117	Retirement	TFFR Required Minimum Distribution	TFFR via Gov't Vets Affairs	n/a	n/a	Passed House, 87-0. Passed Senate, 47-0. Signed by the Governor.	Support
HB 1176	Investments	Authorizes the Legacy Fund to provide enough earnings to pay for a residential property tax credit of up to \$2,000 annually per homeowner.	Rep. Nathe, Sen. Bekkedahl, Rep. Hagert, Rep. Headland, Sen. Hogue, Rep. Lefor, Rep. Porter, Sen. Rummel, Rep. Stemen, Rep. Swiontek, Rep. Vigasaa, Sen. Weber	n/a	n/a	Passed in House, 81-10. Amended, Passed in Senate, 47-0. Returned to House, refused to concur, conf committee appointed.	Neutral
HB 1319	Investments	Relating to a Legacy Fund disclosure website	Rep. Satrom, Sen. Conley, Rep. Ostlie	n/a	n/a	Passed in House, 92-1-1. Passed in Senate, 46-0. Signed by the Governor.	Support
HB 1330	Investments	Relating to divestment from legacy fund investments in Chinese companies.	Rep. Satrom, Sen. Conley, Rep. Grueneich, Sen. Lemm, Rep. Ostlie	n/a	n/a	Passed in House, 75-7. Failed in Senate, 20-26.	Neutral
HB 1510	Retirement	Requires BND, TFFR, and a teacher support program coordinator to gather information from school districts about their teacher pay and benefits.	Rep. Schreiber-Beck, Rep. Conmy, Sen. Davison, Rep. Hager, Rep. Hanson, Sen. Hogan, Rep. Longmuir, Rep. McLeod, Rep. Novak, Rep. Richter, Sen. Rummel, Rep. Swiontek	n/a	n/a	Passed in House, 82-11. Failed in Senate, 22-24.	Monitor
HB 1579	Investments	Legislative management study relating to the impact of large energy consumers on the state's electrical grid.	Rep. Novak, Rep. Heinert, Sen. Kessel, Sen. Patten, Rep. Porter	n/a	Senate Energy & Nat Resources	Passed in House, 89-3. Senate rec'd, referred to Energy and Natural Resources	
HB 1580	Budget bill	Requests an interim study of the compensation system for classified state employees, including comparisons to private sector compensation and employee retention and equity bonuses.	Rep. Vetter, Rep. Christianson, Sen. Cleary, Sen. Cory, Rep. Dockter, Rep. D. Johnston, Rep. Meier, Rep. Motschenbacher	n/a	Senate State & Local Gov	Passed House, 72-18. Amended, Passed Senate, 41-0.	Monitor

HCR 3001	Investment	Encouraging the Treasurer and SIB to invest a portion of General Fund/Budget Stabilization/ Legacy in digital assets and precious metals.	Reps. Toman, Heilman, Hendrix, D. Johnston, S. Olson, Porter, and Sens. Barta, Paulson	n/a	Senate Industry & Business	Passed House, 83-5. Senate Failed to adopt.	Neutral
SB 2072	Procurement	Red tape reduction relating to the contracts limiting liability to the state (the issue being we can't accept many low-cost, web-based application's terms and conditions due to state law).	Senate State and Local Govn't at request of OMB.	n/a	n/a	Passed Senate, 46-0. Passed House, 91-0. Signed by the Governor.	Support
SB 2097	Investments	Creation of a Rural Community Endowment Fund and including under 21-10.	Sens. Mathern & Wanzek, Rep. Brandenburg	n/a	House Appros	Passed Senate, 31-16. Failed in House, 20-72.	Neutral
SB 2134	Retirement	Calls for a change in language to allow the Superintendent and Treasurer to appoint a designee to the TFFR Board	Senator Roers	n/a	n/a	Passed Senate, 47- 0. Passed House, 75-9. Signed by Governor.	Support
SB 2332	Investments	Creates an biennial transfer of \$25M from the legacy earnings fund to the emergency services fund	Sen, Boshee, Rep, Vandenberg, Rep. Mitskog, Rep. Nelson	n/a	n/a	Passed Senate, 47-0. Passed House, 79-12. Signed by Governor.	Neutral

MEMORANDUM

TO: TFFR Board
FROM: Dr. Lech, Chair and Sara Seiler, Supervisor of Internal Audit
DATE: April 14, 2025
RE: Executive Search Committee

The Executive Director position was posted on March 31, 2025. CBIZ EFL Associates has been reviewing applications as they are received. The posting will last 30 days, and then the Executive Search Committee will meet and select the first round of candidate interviews. According to the timeline, the first round of interviews will be conducted by the Executive Search Committee in May. The committee will then bring forth finalists to the board for final interviews.

The Chief Financial Officer position was posted on March 17, 2025. The posting lasted 30 days and CBIZ EFL Associates reviewed applications that were submitted through Peoplesoft. The Executive Director has reviewed the qualified applicants and is scheduling interviews. The anticipated hire date is July 1, 2025.

BOARD ACTION REQUESTED: Information Only.

TFFR Board Calendar and Education Plan 2025-26

July 24, 2025 – 1 p.m.

Election of Officers
Annual TFFR Program Review
Annual Governance Policy Review
Report
Annual Strategic Communication Plan
Update
Qtrly Investment Report (3/31)
Qtrly Internal Audit Report (3/31)
Qtrly TFFR Ends Report (6/30)
Qtrly Executive Limitations/Staff
Relations Report (6/30)
Educ: Performance Metrics

September 25, 2025 – 1 p.m.

Qtrly & Annual Investment Report
(6/30)
Annual Internal Audit Report (6/30)
Annual Technology Report (6/30)
Annual Budget and Expense Report
(6/30)
Qtrly Executive Limitations/Staff
Relations Report (6/30)
Educ: Fiduciary Duties & Ethics - AGO

November 20, 2025 – 1 p.m.

2025 Actuarial Valuation Report
Annual Retirement Ends Report (6/30)
Qtrly Investment Report (9/30)
Qtrly Internal Audit Report (9/30)
Qtrly TFFR Ends Report (9/30)
Qtrly Outreach Update (9/30)
Educ: Actuarial & Funding Trends

January 22, 2026 – 1 p.m.

2025 GASB Report
Annual Retiree Reemployment Report
Qtrly TFFR Ends Report (12/31)
Qtrly Outreach Update (12/31)
Qtrly Executive Limitations/Staff
Relations Report (6/30)
Educ: RIO Internal Audit

March 26, 2026 – 1 p.m.

Qtrly Investment Report (12/31)
Pioneer Project Launch Review
Qtrly Internal Audit Report (12/31)
Annual Retirement Trends Report
(6/30)
Educ: Internal Investment Program

April 23, 2026 – 1 p.m.

2026-27 Board Calendar & Educ Plan
Plan Management Policy Update
Stakeholder Engagement
Annual Pension Plan Comparison
Report
Qtrly TFFR Ends Report (3/31)
Qtrly Outreach Update (3/31)
Qtrly Executive Limitations/Staff
Relations Report (6/30)
Educ: TBD

June 18, 2026 (Tentative) – 1 p.m.

Board Retreat

NOTE: Agenda items or education topics may be rearranged if needed.

SIB & TFFR Board/Committee Calendar 2025-26

July 2025

July 10, 2025 – SIB ERCC @ 10:00 a.m.
July 11, 2025 – Investment Comm @ 9:00 a.m.
July 24, 2025 – TFFR @ 1:00 p.m.
July 25, 2025 – SIB @ 8:30 a.m.

August 2025

August 8, 2025 – Investment Comm @ 9:00 a.m.
August 13, 2025 – SIB Audit Committee @ 2:30 p.m.

September 2025

September 9, 2025 – SIB GPR @ 10:00 a.m.
September 11, 2025 – TFFR GPR @ 3:30 p.m.
September 12, 2025 – Investment Comm @ 9:00 a.m.
September 16, 2025 – SIB Securities @ 10:00 a.m.
September 25, 2025 – TFFR @ 1:00 p.m.
September 26, 2025 – SIB @ 8:30 a.m.

October 2025

October 10, 2025 – Investment Comm @ 9:00 a.m.
October 24, 2025 – SIB @ 8:30 a.m.

November 2025

November 6, 2025 – TFFR GPR @ 3:30 p.m.
November 14, 2025 – Investment Comm @ 9:00 a.m.
November 12, 2025 – SIB GPR @ 10:00 a.m.
November 18, 2025 – SIB Audit Committee @ 2:30 PM
November 20, 2025 – TFFR @ 1:00 p.m.
November 21, 2025 – SIB @ 8:30 a.m.

December 2025

December 4, 2025 – SIB Securities (Tentative) @ 9:00 a.m.
December 12, 2025 – Investment Comm @ 9:00 a.m.

January 2026

January 9, 2026 – Investment Comm @ 9:00 a.m.
January 14, 2026 – SIB ERCC @ 10:00 a.m.
January 22, 2026 – TFFR @ 1:00 p.m.
January 23, 2026 – SIB @ 8:30 a.m.

February 2026

February 5, 2026 – TFFR GPR @ 3:30 p.m.
February 10, 2026 – SIB GPR @ 10:00 a.m.
February 13, 2026 – Investment Comm @ 9:00 a.m.
February 18, 2026 – SIB Audit Committee @ 2:30 p.m.

March 2026

March 11, 2026 – SIB ERCC @ 10:00 a.m.
March 13, 2026 – Investment Comm @ 9:00 a.m.
March 17, 2026 – SIB Securities @ 10:00 AM
March 26, 2026 – TFFR @ 1:00 p.m.
March 27, 2026 – SIB @ 8:30 a.m.

April 2026

April 7, 2026 – SIB GPR @ 10:00 a.m.
April 9, 2026 – SIB ERCC @ 10:00 a.m.
April 10, 2026 – Investment Comm @ 9:00 a.m.
April 13, 2026 – TFFR GPR @ 3:30 p.m.
April 23, 2026 – TFFR @ 1:00 p.m.
April 24, 2026 – SIB @ 8:30 a.m.

May 2026

May 6, 2026 – SIB Audit Committee @ 2:30 p.m.
May 7, 2026 – SIB ERCC @ 10:00 a.m.
May 8, 2026 – Investment Comm @ 9:00 a.m.
May 15, 2026 – SIB @ 8:30 a.m.

June 2026

June 12, 2026 – Investment Comm @ 9:00 a.m.
June 17, 2026 – SIB Securities (Tentative) @ 10:00 a.m.
June 18, 2026 – TFFR Board Retreat (Tentative) @ 1:00 p.m.

MEMORANDUM

TO: TFFR
FROM: Chad Roberts, DED/CRO
DATE: April 17, 2025
RE: Comparison Report on Public Pension Plan Trends

The TFFR Board of Trustees will receive a presentation on the comparison between the TFFR Fund Performance for the FY 2024 Fiscal Year and the NASRA Public Pension Plan Comparison Survey.

The survey results can be found online: <https://www.nasra.org/publicfundsurvey>

Board Action Requested: Information only



TFFR Board Meeting April 24, 2025

Chad R. Roberts, MAcc

FY2023 NASRA PUBLIC FUND SURVEY
COMPARISON

NORTH
Dakota Be Legendary.

Teachers' Fund For Retirement
RETIREMENT & INVESTMENT

FY2023 NASRA public fund survey

The Public Fund Survey is an online resource that aggregates key data on the largest public retirement systems in the U.S., managed by the National Association of State Retirement Administrators. The survey includes data from 131 public systems covering 13.4 million active members and 10.9 million annuitants, with total assets of \$4.75 trillion.

Economic factors affecting plans

Investment Performance and Market Conditions

Strong Equity Market Returns: In FY2024, public pension plans experienced robust investment returns, averaging 9.9%, surpassing the average assumed rate of return of 7%.

Improved Funded Ratios: The strong investment performance contributed to an increase in the aggregate funded ratio for U.S. state and local pension systems, rising from 75.5% in 2023 to 80.2% in 2024.

Inflation and Interest Rates

Inflation Trends: While inflation began to moderate in 2024, it remained a concern for public pension plans. Elevated inflation rates can erode the real value of pension benefits and increase the cost-of-living adjustments (COLAs), thereby impacting the liabilities of pension systems.

Interest Rate Fluctuations: Fluctuating interest rates posed challenges for pension funds. Rising rates can reduce the present value of future liabilities, potentially improving funded status. However, they can also lead to volatility in fixed-income investments, affecting overall portfolio performance.

Demographic and Fiscal Pressures

Aging Population: The increasing number of retirees relative to active workers placed additional strain on pension systems. This demographic shift necessitates higher contributions and can lead to increased unfunded liabilities if not managed effectively.

State and Local Budget Constraints: Economic pressures, including those from the COVID-19 pandemic, affected the fiscal health of state and local governments. Budget constraints can impact the ability of these entities to make required pension contributions, potentially exacerbating funding shortfalls.

Policy Responses and Reforms

Increased Employer Contributions: In response to funding challenges, several state legislatures took steps in 2024 to enhance pension funding by increasing annual employer contributions and making supplemental payments to reduce unfunded liabilities.

Asset Allocation Adjustments: Pension funds continued to adjust their asset allocations, with increased investments in private capital reaching a historic high of 13.7% in 2024. This shift aims to enhance returns but also introduces additional risk and complexity to investment portfolios.

Actuarial Assumption Adjustments

Lowered Return Assumptions: Many public pension systems continued to reduce their assumed rates of return in FY2023 and FY2024 to reflect evolving long-term market expectations. This change, while more conservative and prudent, increased the actuarial liabilities and required contribution rates.

Updated Mortality and Demographic Assumptions: Plans also adjusted assumptions for longevity and workforce participation to reflect newer demographic trends. These changes often resulted in higher projected benefit payments and, therefore, higher funding requirements.

Actuarial funding levels

Metric	NASRA (FY2023 Median)	NDTFFR (FY2024)
Actuarial Funded Ratio	76.9% median	71.63%
Market Value Funded Ratio	~76.4% aggregate	70.42%
Funding Trend	Stable (slight increase YoY)	Increased from 71.21% (FY2023)

► **Analysis:** NDTFFR trails the national median by approximately 5 percentage points on an actuarial basis and slightly more on a market value basis. However, the funded ratio has improved year-over-year.

Employer and Employee Contribution Rates

► **Analysis:** NDTFFR has above-average contribution rates for both employees and employers, with a statutory rate that exceeds the ADC, indicating strong funding discipline.

Metric	NASRA (FY2023 Median)	NDTFFR (FY2024)
Employee Rate (with Social Security)	6.1%	11.75%
Employer Rate (with Social Security)	11.9%	12.75%
ADC vs. Statutory Rate	Often underfunded	ADC = 12.46%; Statutory = 12.75% (surplus)

Asset Growth and Returns

Metric	NASRA (FY2023)	NDTFFR (FY2024)
Asset Growth (Market Value)	+3.7%	+5.6%
5-Year Avg Return (Actuarial)	~7.1%	7.4%
FY Performance (Market)	Median 7-8%	7.9% (FVA); 6.9% (AVA)

► **Analysis:** NDTFFR's investment returns were in line with national medians, but still below the assumed rate of return of 7.25% on an actuarial basis, contributing to deferred losses.

Membership Trends

METRIC	NASRA (FY2023)	NDTFFR (FY2024)
Actives to Annuitants Ratio	1.25 (median)	1.2
Active Membership Growth	~+2% median	+1.5%
Payroll Growth	~+7% (median)	+6.9%

► **Analysis:** NDTFFR closely mirrors national patterns with modest growth in active membership and strong payroll growth, supporting amortization efforts.

Unfunded Liability & Amortization

Metric	NASRA (FY2023)	NDTFFR (FY2024)
UAAL (Actuarial)	Varies widely	\$1.35 billion
Effective Amortization Period	Not specified	19 years
Contribution Sufficiency	Often insufficient	Statutory rate exceeds ADC by 0.29% of pay

► **Analysis:** NDTFFR's funding strategy targets full funding by 2043, consistent with best practices outlined in NASRA's amortization policy brief.

Cash Flow and Maturity Risk

Metric	NASRA (FY2023)	NDTFFR (FY2024)
External Cash Flow (% Assets)	-2.1% (median)	-2%
External Cash Flow (% Assets)	-2.1% (median)	-2%
External Cash Flow (% Assets)	-2.1% (median)	-2%

► **Analysis:** NDTFFR's maturity profile is consistent with the national median. Negative cash flow is expected at this stage and is being managed within normal actuarial boundaries.

Key takeaways

Funding Level: NDTFFR's funded ratio (71.6%) is below the national median (76.9%) but improving.

Contribution Strength: NDTFFR's statutory contribution rates (12.75% employer, 11.75% employee) exceed its ADC and national medians.

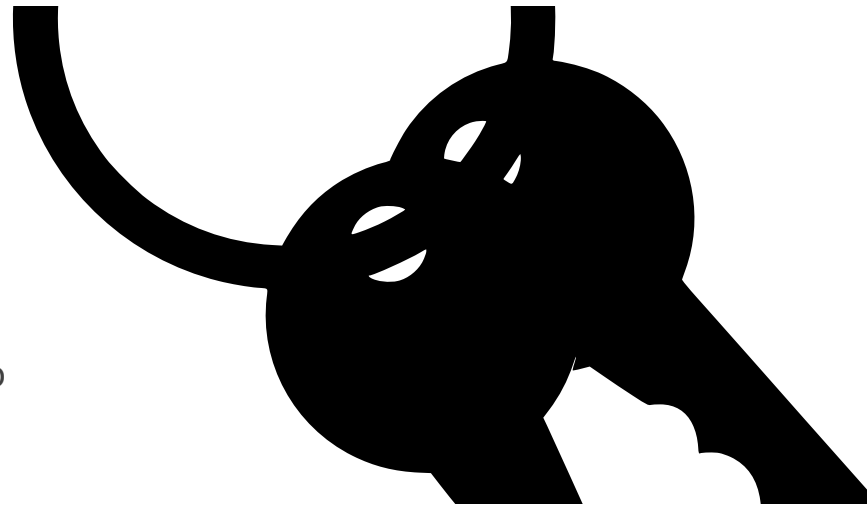
Investment Returns: FY2024 returns (7.9% market, 6.9% actuarial) aligned with national trends but fell short of the assumed return (7.25%).

Membership Growth: NDTFFR's active membership and payroll grew ~1.5% and 6.9%, respectively—comparable to national medians.

Amortization Plan: NDTFFR maintains a 19-year amortization schedule, consistent with best practices.

Cash Flow: Negative external cash flow (-2.0%) is within national norms and reflects system maturity.

Risk Profile: NDTFFR shares similar risks with peer plans—particularly investment volatility and demographic shifts.





Questions

MEMORANDUM

TO: TFFR Board of Trustees
FROM: Chad R. Roberts, DED/CRO
DATE: April 17, 2025
RE: TFFR Ends Report 3rd QTR ending March 31, 2025

This report highlights exceptions to the normal operating conditions of the TFFR program for the period spanning January 1, 2025, through March 31, 2025.

The MyTFFR pension administration system launched on February 10, 2025. As of the end of the 3rd QTR of FY2025 RIO has run two successful pension payrolls from the system without error.

In February of 2024, the TFFR GPR Committee reviewed recommended changes and edits to sections of the TFFR Manual. The Review will continue throughout the 2025 fiscal year, with all recommended changes and edits to be presented to the full TFFR Board after the manual review.

HB 1117, an agency-sponsored bill to align the language for the application of required minimum distributions, was introduced in the legislature and was signed by the Governor on March 24, 2025.

SB 2134, a bill allowing the Treasurer and Superintendent to designate a representative from their respective agencies to sit on the TFFR Board of Trustees in their stead, was introduced in the legislature and signed by the Governor on March 31, 2025.

HB 1285, a bill introduced in the legislature to provide a one-time supplemental payment to TFFR retirees, was defeated in the House of Representatives on February 11, 2025.

Executive Director Jan Murtha resigned effective January 3, 2025. Interim Executive Director Jodi Smith was appointed by the SIB while a search is conducted for the permanent replacement.

CFO/COO Ryan Skor resigned effective January 3, 2025. An executive search is currently underway for a replacement.

Board Action Requested: Board acceptance.

MEMORANDUM

TO: Teachers' Fund for Retirement Board of Trustees

FROM: Sarah Mudder, communications and outreach director

DATE: April 24, 2025

RE: FY2025, Q3 Communications and Outreach Report

MEDIA INQUIRIES – Date, Subject, and Publication

- Jan. 22, 2025, Public Markets Analyst hire, Fin News
- Jan. 28, 2025, HB 1330 China Divestment Bill, North Dakota Monitor
- Jan. 28, 2025, HB 1330 China Divestment Bill, InForum
- Feb. 21, 2025, SIB meeting recording, Jamestown Sun
- Feb. 28, 2025, Tesla stock performance, ABC News
- March 10, 2025, HB 1183 Gold/Silver Investment Bill, North Dakota Monitor
- March 14, 2025, Inv Manager decisions and HB 1330 China Divestment Bill, Pensions & Investments
- March 18, 2025, Internal Investment Program, Fin News
- March 31, 2025, HB 1319 Legacy Fund Website and HB 1330 China Divestment Bills, North Dakota Monitor

MEETINGS – Date and Activity

- Jan. 2, 2025, SIB Executive Search Committee
- Jan. 3, 2025, SIB Special Board Meeting
- Jan. 7, 2025, TFFR Executive Steering Committee Pension Administration System Project
- Jan. 9, 2025, SIB Governance & Policy Review Committee
- Jan. 10, 2025, SIB Investment Committee
- Jan. 13, 2025, SIB Executive Search Committee
- Jan. 14, 2025, SIB Governance & Policy Review Committee Special Meeting
- Jan. 15, 2025, SIB Executive Review & Compensation Committee
- Jan. 23, 2025, TFFR Board Meeting
- Jan. 24, 2025, SIB Board Meeting
- Feb. 4, 2025, TFFR Executive Steering Committee Pension Administration System Project
- Feb. 4, 2025, TFFR Governance & Policy Review Committee Meeting
- Feb. 5, 2025, SIB Audit Committee Special Meeting
- Feb. 6, 2025, SIB Executive Review & Compensation Committee Special Meeting
- Feb. 13, 2025, SIB Executive Search Committee
- Feb. 14, 2025, SIB Investment Committee
- Feb. 20, 2025, RIO Executive Steering Committee Investment Management Strategy Special Meeting
- Feb. 21, 2025, SIB Board Meeting
- Feb. 26, SIB Executive Review & Compensation Committee Meeting
- March 5, SIB Governance & Policy Review Committee Meeting
- March 12, SIB Executive Search Committee
- March 14, SB Investment Committee
- March 18, SIB Securities Litigation Committee
- March 25, SIB Audit Committee
- March 26, SIB Executive Search Committee
- March 27, TFFR Board Meeting
- March 28, SIB Board Meeting

OUTREACH – Date, Activity and Attendance

TFFR Business Partner

- Jan 2, 2025, MyTFFR Office Hours, Virtual, 16 attended
- Jan 7, 2025, MyTFFR Office Hours, Virtual, 20 attended
- Jan 9, 2025, MyTFFR Office Hours, Virtual, 32 attended
- Jan 14, 2025, MyTFFR Office Hours, Virtual, 40 attended
- Jan 21, 2025, MyTFFR Office Hours, Virtual, 12 attended
- Jan 23, 2025, MyTFFR Office Hours, Virtual, 5 attended
- Jan 29, 2025, MyTFFR Office Hours, Virtual, 33 attended
- Feb. 13 a.m., 2025, MyTFFR Office Hours (manual reporters), Virtual, 11 attended
- Feb. 13 p.m., 2025, MyTFFR Office Hours (no test site reporters), Virtual, 14 attended
- Feb. 19, 2025, MyTFFR Office Hours, Virtual, 18 attended
- Feb. 25, 2025, MyTFFR Office Hours, Virtual, 14 attended

PUBLICATIONS – Date, Bulletin and Open Rate

GovDelivery

TFFR Business Partners newsletters and updates

- Jan. 9, 2025, newsletter sent to 530 recipients (71% open rate)
- Feb. 13, 2025, "GASB 68 information online," sent to 533 recipients (36% open rate)
- March 11, 2025, "MyTFFR Business Partner Resources," sent to 533 recipients (73% open rate)
- March 26, 2025, "457 Deferred Compensation for TFFR members," sent to 531 recipients (77% open rate)

TFFR Retired Members newsletters and events

- Jan. 14, 2025, "FAQs: Social Security Fairness Act, Repeal of WEP & GPO" to 4,544 recipients (46% open rate)

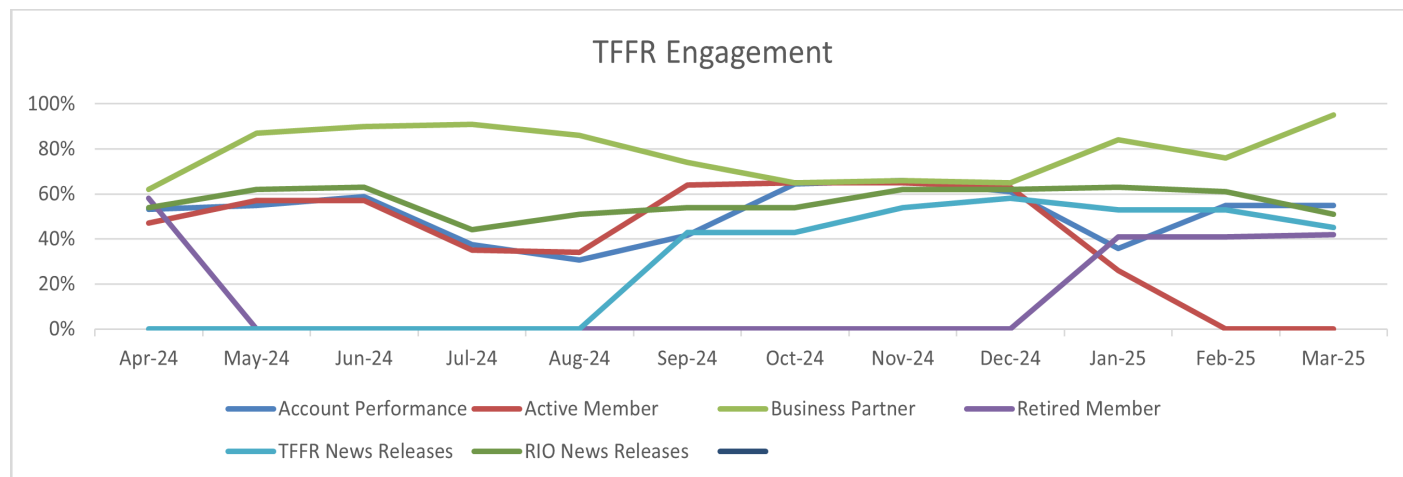
TFFR news releases

- March 11, 2025, "NDRIO successfully goes live with modernized Pension Administration System," 1,017 recipients (45% open rate)

TFFR Engagement Rate Monthly Metrics

From Jan. 1 to March 31, most to least engaged TFFR topics were Business Partner at 95%, Retired Members at 42% and TFFR News Releases at 45%. Active Members have dropped off due to lack of communications.

Per GovDelivery, the median engagement rate for education communications in 2024 was 65%. The median engagement rate for government emails overall was 61%.



SIB/Fiscal newsletters and updates

- Jan. 2, 2025, "FY2024 Annual Comprehensive Financial Report released," 590 recipients (73% Open Rate)

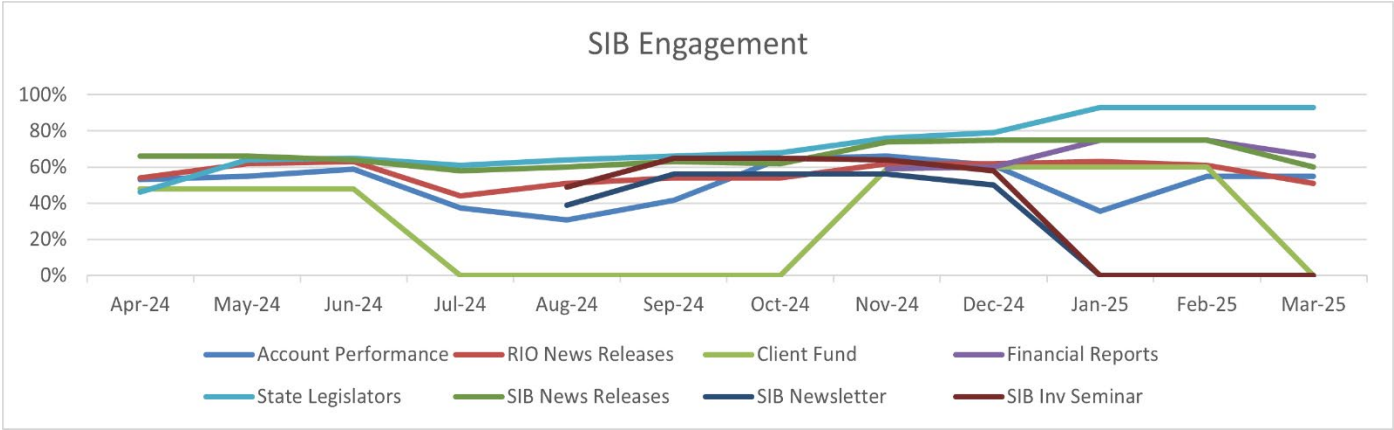
SIB/Fiscal news releases and updates

- Jan 3, 2025, "State Investment Board elects Armstrong as chair, approves interim director offer, and launches executive search," 921 recipients (49% Open Rate)

SIB Engagement Rate Monthly Metrics

From Jan. 1 to March 31, most to least engaged SIB topics were State Legislators at 93%, Financial Reports at 66%, and SIB News Releases 60%. Client Funds dropped off because of a lack of communications.

Per GovDelivery, the median engagement rate for Finance & Commerce communications in 2024 was 53%. The median engagement rate for government emails overall was 61%.



SOCIAL MEDIA

LinkedIn

	Page Views	Unique Visitors	New Followers
	1,195	540	156
Most Popular Posts (Engagement Rate)	Impressions	Clicks	Likes
SIB is seeking... Exec Director (12.9%)	912	85	29
Welcome Cory Cox (9.3%)	4,136	289	93
RIO seeking Chief Fin/Op Officer (8.4%)	1,369	80	27

YouTube

	Views	Watch Hours	New Subscribers
	1,498	124.8	6
Top Content	Views	Average Duration	
MyTFFR Member Login Instructions	237	1:55	
Upload Employer Payroll... Copy Forward	184	9:36	
Upload Enrollment... Create Enrollment	164	7:56	

BOARD ACTION REQUESTED: Board Acceptance

MEMORANDUM

TO: TFFR
FROM: Chad Roberts, DED/CRO
DATE: April 17, 2025
RE: Write-off of TFFR Fund Uncollectible Accounts

The listed member accounts below have an outstanding balance owed to the TFFR Fund and have been deemed uncollectible by the fiscal division. RIO staff request approval from the TFFR Board of Trustees to write off the below-listed accounts for FY2025, if, after review by the North Dakota Attorney General's Office, it is determined the cost to enforce collection will exceed the value of the balance due. The write-off of uncollectible accounts is an accepted accounting practice under GASB guidance.

Member Initials	Amount Owed to TFFR Fund	Year
B.B.	\$395.36	2022
R.H.	\$1,618.11	2022
C.P.	\$2,007.86	2022
H.M.	\$1,215.23	2024
R.S.	\$116.19	2024
Total	\$5,352.75	

Board Action Requested: Board acceptance

MEMORANDUM

TO: TFFR
FROM: Chad R. Roberts, DED/CRO
DATE: April 17, 2025
RE: Board reading materials for April 2025 TFFR Board of Trustees

The first suggested reading is an article from the Public Retirement Research Lab. Published in April 2025, *Single- vs. Multiple-Investment-Type Investors: How They Are Different* provides an overview of how investment options within public-sector DC plans are utilized.

The second suggested reading is an April 2025 article from the PlanSponsor titled *401(k) Participants Show High Trading Activity Amid Market Volatility*. It provides a thorough analysis of the behavior of people and their retirement accounts when the markets are unstable.

The third and final article is published by NCTR in April 2025. The article titled *New Social Security "Identity Proofing" Requirements Raises Concerns* discusses the recent mandate by the Social Security Administration for recipients and beneficiaries to utilize the online portal for all account activity and the challenges it is creating for those persons.

Board Action Requested: Information only

Fast Fact
April 10, 2025

Single- vs. Multiple-Investment-Type Investors: How They Are Different

This *Fast Fact* examines how investment options within public-sector defined contribution plans are utilized, using data from year-end 2022 in the Public Retirement Research Lab (PRRL) Database. The analysis identifies participants who invested in only one investment type compared with those who invested in multiple investment types, categorized by age and plan type. The analysis also provides a breakdown of the investment types used by single- and multiple-investment-type investors. The sample for this analysis includes 2.3 million participants with total assets of \$148 billion. All investments held by the participants in the sample have been categorized into 14 investment types. Despite being diversified funds, target-date funds (both off-the-shelf and custom) and balanced funds are classified as single investment types.

Single- vs. Multiple-Investment-Type Investors

Single-investment-type investors are defined as participants who allocate their entire plan balance to one of the 14 available investment types,¹ including those investing in multiple funds of a single investment type. In contrast, multiple-investment-type investors spread their balance across more than one of these investment types. Figure 1 illustrates that 51 percent of participants invested in only one investment type, while 49 percent chose to invest in multiple types.

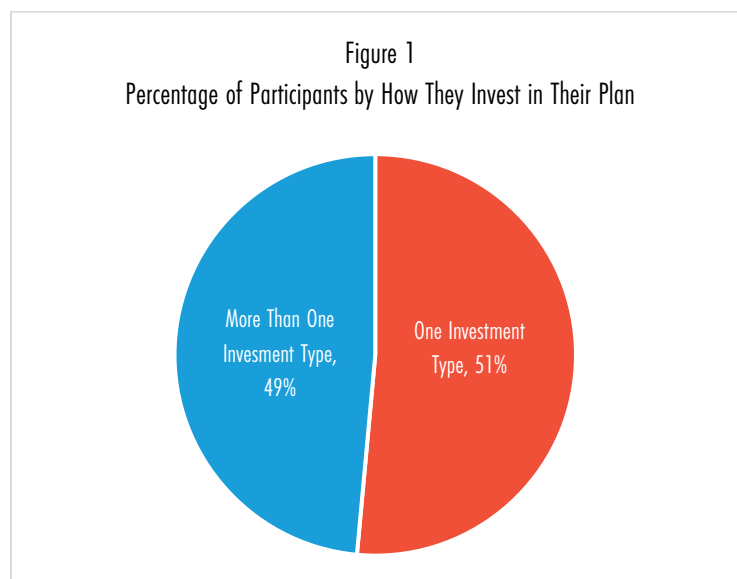


Figure 2 shows the breakdown of the number of investment types used in participants' accounts. Per Figure 1, 51 percent of participants allocated their investments to only one investment type. This was followed by 21 percent who utilized two to three investment types, 14 percent who used four to five investment types, and 13 percent who allocated their balance to more than five investment types.

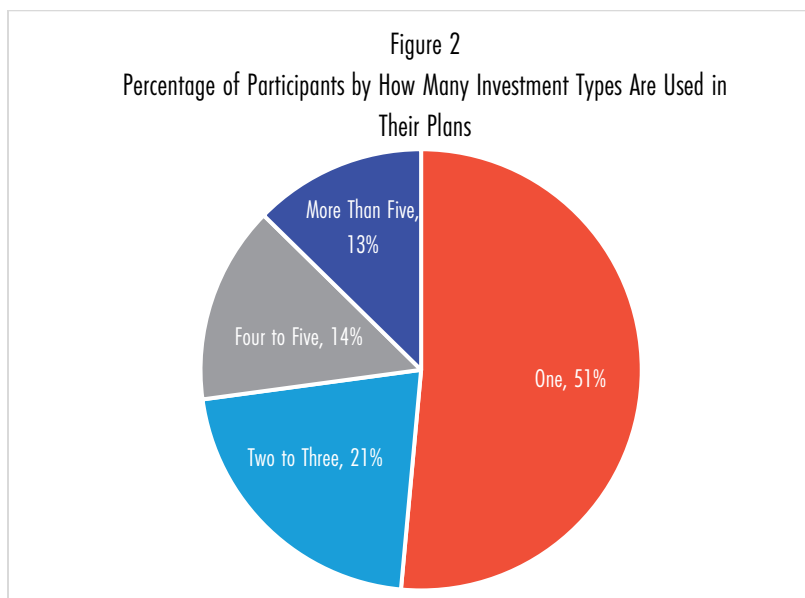
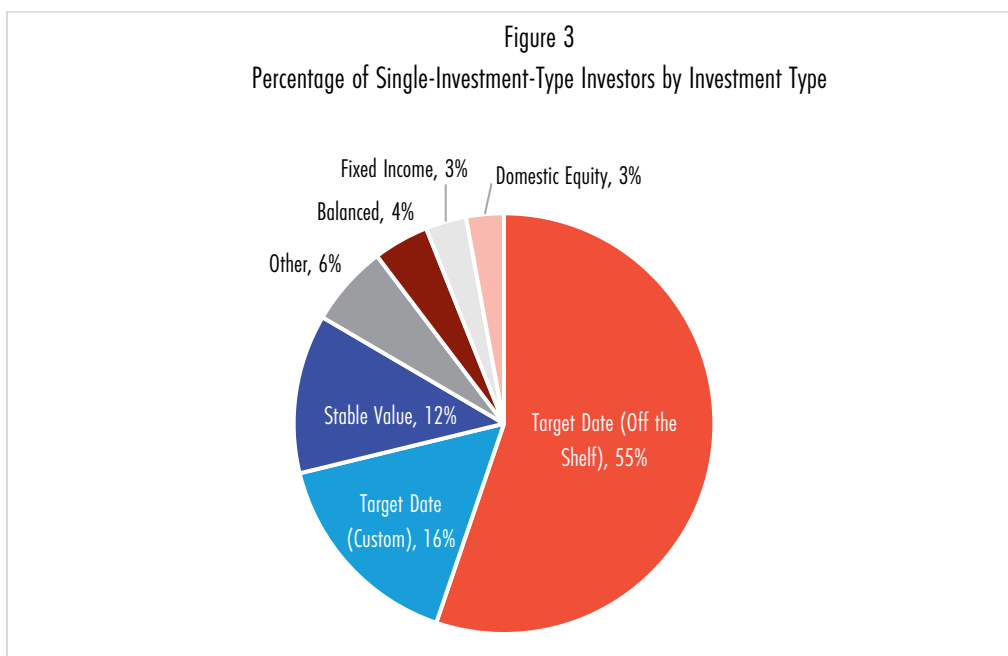
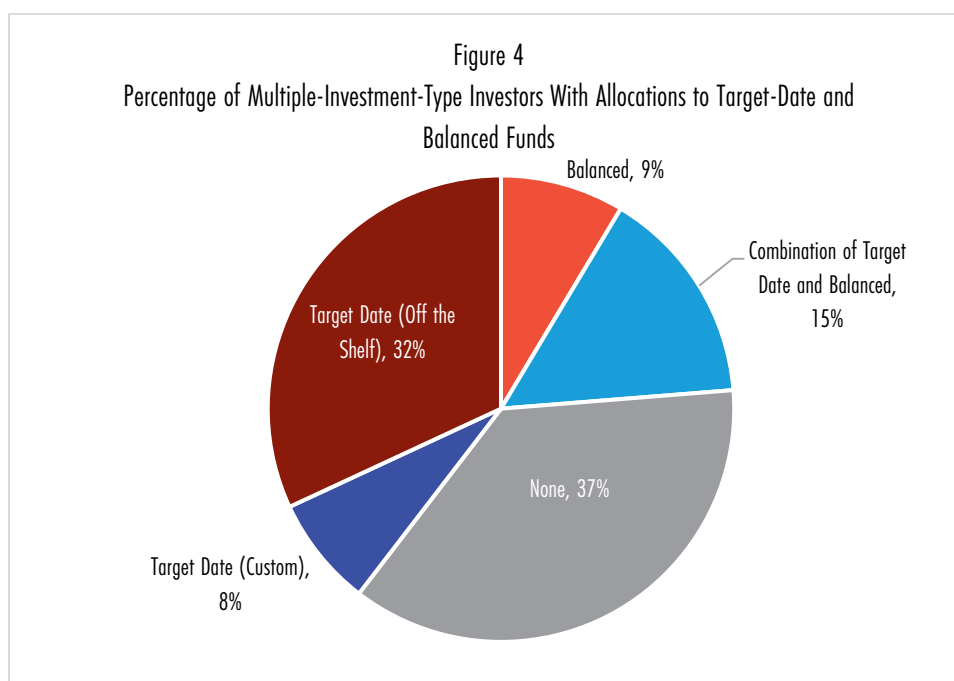


Figure 3 illustrates the distribution of investment types preferred by investors using only one investment type.² The most popular choice was the off-the-shelf target-date fund, which was utilized by 55 percent of these investors. This was followed by custom target-date funds at 16 percent and stable-value funds at 12 percent.



Diversified funds like target-date and balanced funds were popular among investors who preferred a single investment option. However, these funds were also frequently used alongside other types of funds. Figure 4 reveals that only 37 percent of participants who used multiple investment types did not allocate any of their balance to target-date or balanced funds. In contrast, 32 percent included off-the-shelf target-date funds in their investment allocation.



By Age

Figure 5 illustrates the distribution of single- and multiple-investment-type investors by age. Among participants in their 20s, 70.8 percent were single-investment-type investors. This percentage declined to 38.5 percent for those in their 50s before slightly increasing to 42.3 percent for participants in their 60s.

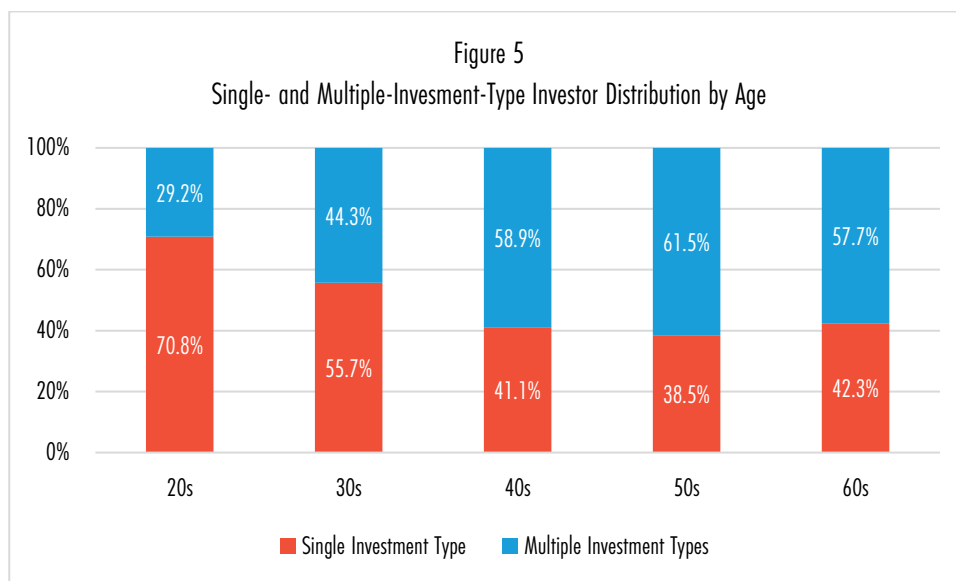


Figure 6 illustrates that the average number of investment types in participants' accounts increased with age, beginning at 1.95 investment types for those in their 20s and rising to 2.99 investment types for those in their 50s.

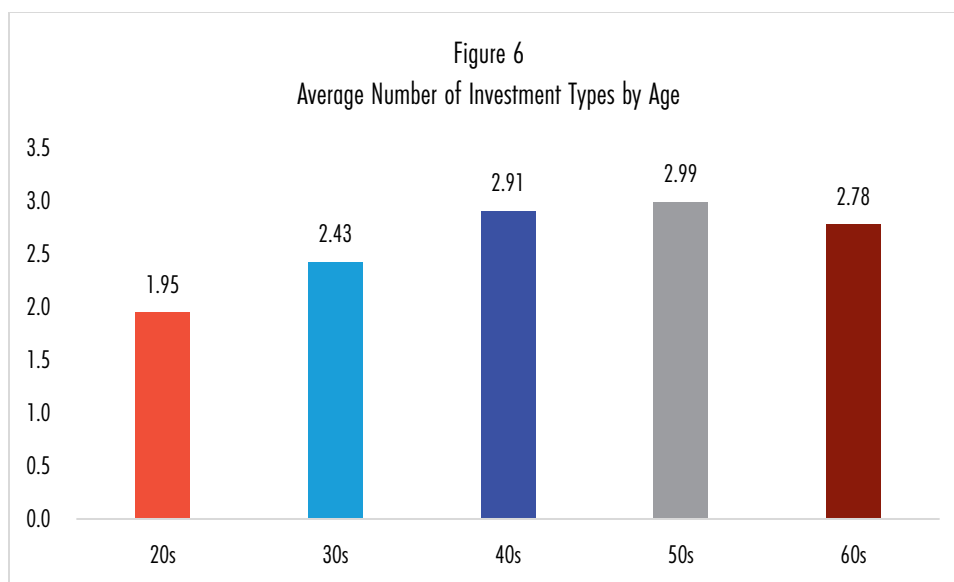
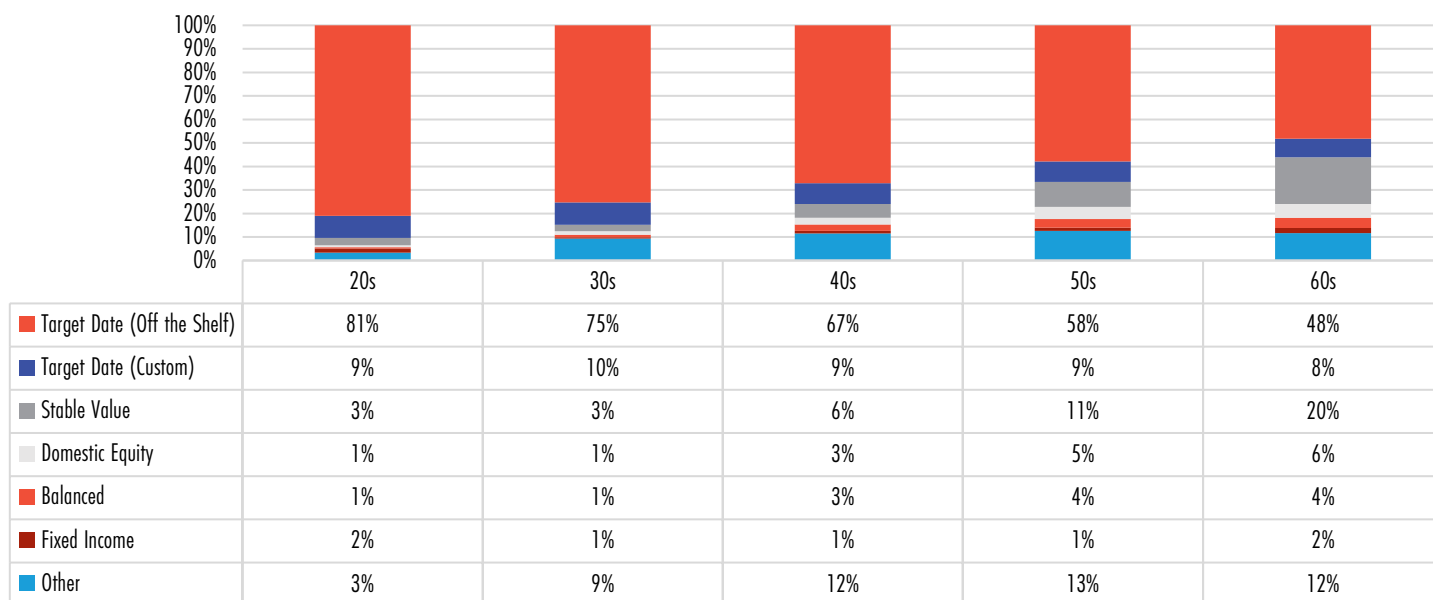


Figure 7 illustrates the distribution of investment types used by single-investment-type participants across different age groups to differentiate between those who had diversified investments vs. investment in a single type. Off-the-shelf target-date funds had the highest usage rates, starting at 81 percent among participants in their 20s and decreasing to 48 percent for those in their 60s. In contrast, stable-value and domestic equity funds showed a different trend, with higher usage percentages among older participants. For example, only 3 percent of single-investment-type participants in their 20s invested in stable-value funds, while this figure rose to 20 percent for participants in their 60s.

Figure 7

Distribution of Investment Type Used by Single-Investment-Type Investor by Age



By Plan Type

Figure 8 illustrates the percentage of single- and multiple-investment-type participants based on the type of plan. Those enrolled in 401(a) plans were the most likely to be single-investment-type investors, at a rate of 81 percent. This was followed by 457(b) plan participants at 59 percent and 401(k) plan participants at 51 percent.

Figure 8

Single- and Multiple-Investment-Type Investor Distribution by Plan Type

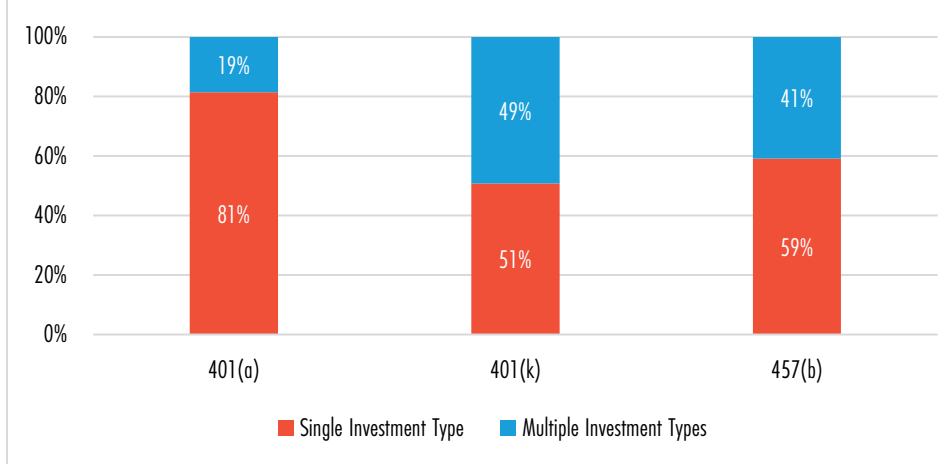


Figure 9 illustrates the number of investment types associated with different plan types. As anticipated, participants in 401(a) plans had the lowest average number of investment types, holding

an average of 1.44 types. This was followed by participants in 457(b) plans, with an average of 2.17 investment types, and 401(k) participants, who had an average of 2.8 investment types.

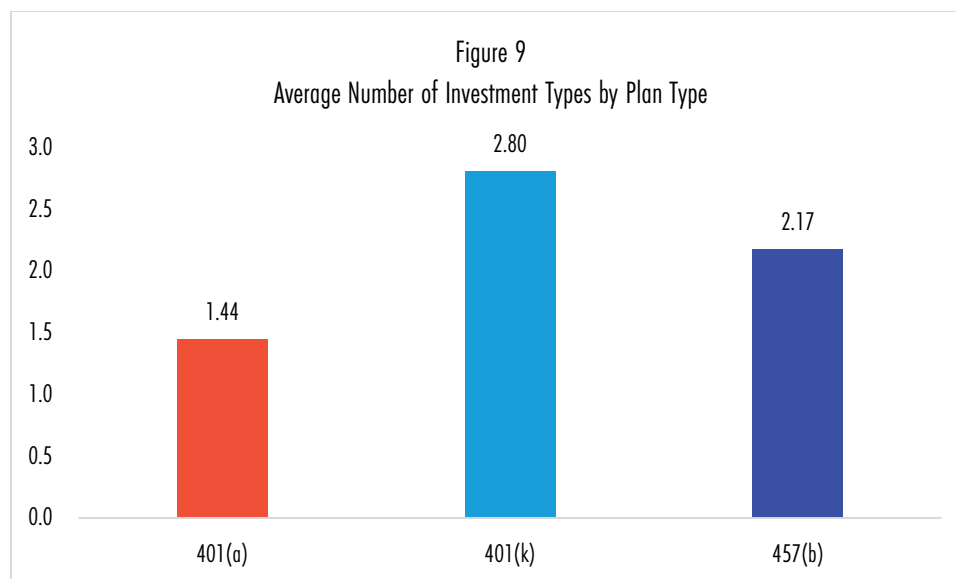
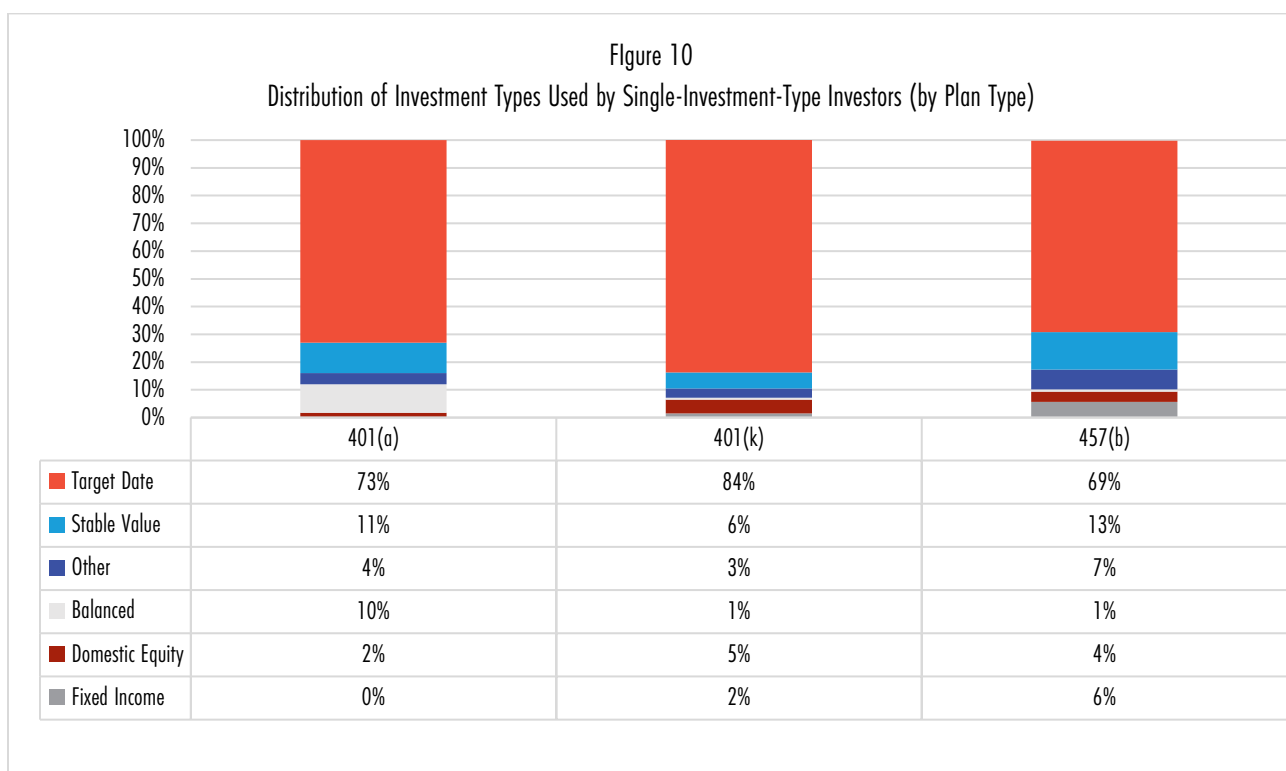


Figure 10 illustrates the distribution of investment types utilized by single-investment-type participants across various plan types to understand the asset diversification of the single-investment-type investors. Off-the-shelf target-date funds exhibited the highest usage rates across all plan types. However, since custom target-date funds were not used by any 401(k) plan participants in the database, both types of target-date funds were combined for this analysis.

Eighty-four percent of 401(k) plan participants used only target-date funds, while 73 percent of 401(a) participants and 69 percent of 457(b) participants did the same. The investment type that was the next most likely to be used exclusively across all plan types was stable-value funds, with 13 percent of 457(b) participants, 11 percent of 401(a) participants, and 6 percent of 401(k) participants using only them.



Conclusion

This *Fast Fact* reveals that 51 percent of participants invested in only one investment type, while 49 percent chose to invest in multiple investment types. However, nearly three-quarters of the single-investment-type investors used either off-the-shelf target-date funds or custom target-date funds. These funds do provide diversification, so while many only directly invested in one investment type, there are multiple asset types built into it. The non-diversified funds most likely to be used exclusively were stable-value funds, with 12 percent doing so.

Despite being diversified, target-date and balanced funds were often used alongside other types of funds. The analysis shows that among investors who used multiple investment types, 63 percent had an allocation to target-date funds, balanced funds, or both. In fact, 41 percent of those with some investment in target-date and balanced funds were also invested in another investment type. Furthermore, younger participants and those participating in 401(a) plans were the most likely to invest in only one investment type. Again, target-date funds emerged as the most popular investment option for single-investment-type investors across all age groups and plan types, while stable-value funds had higher exclusive use among older participants and those in 401(a) or 457(b) plans. Despite younger participants being more likely to use only one investment type, they tended to have an overall more diversified portfolio due to their high usage of target-date funds.

About PRRL

The Public Retirement Research Lab is a retirement-industry-sponsored collaborative effort of the Employee Benefit Research Institute ([EBRI](#)) and the National Association of Government Defined Contribution Administrators ([NAGDCA](#)). The PRRL analyzes data from its Public Retirement Research Database, the first-ever database specific to public-sector defined contribution data, to produce unbiased, actionable research aimed at enhancing understanding of the design and utilization of public-sector defined contribution retirement plans to better inform public plan design, management, innovation, and legislation. To learn more, visit www.pr.rl.org.

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Voya Financial

¹ The 14 investment types consist of (1) large-cap domestic equity, (2) mid- and small-cap domestic equity, (3) sector-specialty equity, (4) balanced, (5) target date (off the shelf), (6) target date (custom), (7) international equity, (8) global allocation, (9) core fixed income, (10) stable value, (11) short-term fixed income, (12) specialty fixed income, (13) annuity, and (14) other.

² In Figures 3 and 7, some of the 14 investment types are combined to create a total of seven types: (1) target-date (off the shelf), (2) target date (custom), (3) domestic equity, (4) stable value, (5) balanced, (6) fixed income, and (7) other. Domestic equity includes large-cap domestic equity, mid- and small-cap domestic equity, and sector-specialty equity. Fixed income includes core fixed income, short-term fixed income, and specialty fixed income. Other includes other, international equity, global allocation, and annuity.



401(k) Participants Show High Trading Activity Amid Market Volatility

Alight Solutions found high levels of trading in retirement plans in the first quarter of this year, with investors trading out of equities and into fixed income.

Reported by REMY SAMUELS



The U.S. stock market experienced its worst day in five years on Friday, with President Donald Trump's sweeping tariff announcement triggering major losses to the S&P 500, Nasdaq and Dow Jones Industrial Average.

While retirement plan investors may feel inclined to make changes to their portfolios and trade, experts advise that is still best to "stay the course" and not make any knee-jerk reactions.

[Never miss a story — sign up for PLANSPONSOR newsletters to keep up on the latest retirement plan benefits news. →](#)

Alight Solutions found that volatility in the stock market has already caused high trading activity in retirement plans in the first quarter of 2025, as 0.77% of balances were traded—the highest level since the third quarter of 2020.

Until mid-February, when the S&P 500 reached all-time highs, 401(k) investors favored equities. But, as stock prices have declined, many have shifted their investments to fixed income funds. According to Alight, there was "above-normal" trading activity on 29 of the 60 trading days in the first quarter. The month of March alone experienced higher trading than the entire fourth quarter of 2024.

The asset classes with the most trading were target-date funds, large-cap U.S. equity funds and small-cap U.S. equity funds.



future. When 401(k) investors see the market fall, Austin says they tend to trade , typically trading out of equities and into fixed income.

“They’re definitely not buying stocks when they’re on sale ... and they don’t tend to get back into the market until equities have gone up,” Austin says. “So in other words, ... they’re selling low, buying high. Not the perfect recipe for investing.”

Even though trading was relatively high in the first quarter of this year, Austin says less than 1% of participants’ assets have been traded, which indicates that most participants are staying put.

Austin recommends that if participants are not in a target-date fund or a managed account, they should think about rebalancing. Ideally, plans should implement auto rebalancing, he says, which can be done once a quarter. Currently, about 70% of defined contribution plans offer auto rebalancing, but only about 10% of participants actually use it, according to Austin.

For participants who are close to retirement, Austin says, as long as they have not been overweighted to equities, the amount their portfolios have suffered over the last few months has likely been somewhat muted due to derisking along the course of their glidepath.

How Should Plan Sponsors Communicate?

Communicating with the cohort nearing retirement can be difficult for plan sponsors because, while they are not supposed to provide investment advice, they should encourage participants to take a more prudent approach to investing.

“I think plan sponsors are generally trying to get people [who are in] the pre-retirement phase ... to think about derisking,” Austin says. “It’s tough to make that message now, because you don’t want people to lock in those losses especially when they don’t have the time to make that up in the next few years.”

Austin adds that the losses investors have experienced are technically only paper losses and that nothing is officially locked in until one makes a trade or takes money out of their account.

Different Generations, Different Reactions

Joe Coughlin, director of AgeLab at the Massachusetts Institute of Technology, says participants ages 55 to 62 are likely going to be the most reactive when it comes to market volatility. In addition, he says many in this cohort likely feel they will need to work longer to make up for losses and that plan sponsors should prepare for employees sticking around longer.

But at the same time, Coughlin believes these workers are going to want more flexible work accommodations if they are working into their later years.

“In fact, what’s kind of ironic is they may start to echo younger workers in a greater way than we’ve ever expected,” Coughlin says. “Everyone was busting on Gen Z and Millennials about [wanting] to work from home, but I think this [older] group is going to react by saying ‘I need to stick around longer to make sure that my wealth span is not shorter than my lifespan, ... which means I need a little bit more flexibility.’”

With Gen Z and Millennials, Coughlin says these workers may start to lose trust in their employers and institutions and become more skeptical of benefits and retirement plans as the market continues to fluctuate.

“While one generation may be reactive, the other one is taking it to heart and learning,” Coughlin says.

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New Social Security “Identity Proofing” Requirements Raise Concerns

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The Social Security Administration (SSA) recently announced it is implementing stronger identity verification procedures that **may still require some individuals to go through in-person identity proofing**. Originally slated to take effect beginning March 31, the procedures have been updated — in response to what SSA described as concerns raised by “our customers, Congress, advocates, and others” regarding “better customer service to the country’s most vulnerable populations” — and now provide **important exceptions** and will now **become effective April 14, 2025**. It is important for those who have yet to apply for SS Retirement, Survivors, or Auxiliary (Spouse or Child) benefits to know the new requirements, as well as for anyone wanting to change their direct deposit information for any benefit.

Having a personal “my Social Security” account is critically important in the implementation of these new procedures. This account is free and provides personalized tools for everyone, whether you receive SS benefits or not. It can be used, for example, to request a replacement SS card, check the status of an application, estimate future benefits, or manage the benefits an individual already receives.

AARP explains that an individual will need a computer, smartphone, or tablet to access the process on the SSA website. If such a device is not available, AARP suggests asking a trusted friend or relative with secure internet access to help. Also, a public library or a local senior center may also have computers that can be used for such purposes. “Just make sure to log out of your account after using a public computer,” AARP stresses. To create a “my Social Security” account, you must be at least 18 years old and have a SS number and a valid email address.

Why is having such an account so important? The reason is that individuals who cannot use their personal “my Social Security” account to apply for benefits will need **to prove their identity at a Social Security office** if applying for **Retirement, Survivors, or Auxiliary (Spouse or Child) benefits**. Also, individuals who do not or cannot use the agency’s online “my Social

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Security” services to **change their direct deposit information for any benefit will also need to visit a SS office to process the change.**

In short, in such cases, it will not be possible to complete these tasks over the phone. SSA stresses that it “will enforce online digital identity proofing or in-person identity proofing.” **Does this mean individuals will no longer be able to create a “my Social Security” account without appearing in person?** This is a critical question for which the SSA **“What to Know about Proving Your Identity” FAQ’s** do not appear to provide a clear answer.

What IS clear is that the updated SSA plans do provide important exceptions to the in-person requirement.

First, under the updated policy, individuals applying for **Social Security Disability Insurance (SSDI), Medicare, or Supplemental Security Income (SSI)** who cannot use a personal “my Social Security” account can complete their claim **entirely over the telephone without the need to come into an office.** SSA says this exemption from in-person identity proofing was warranted because “multiple opportunities exist during the decision process to verify a person’s identity.”

Second, SSA will not enforce the in-person requirements in what it calls **“extreme dire-need situations,”** such as terminal illness cases or prisoner pre-release situations. SSA advises it is “currently developing a process that will require documentation and management approval to bypass the policy” in such cases.

SSA says the new requirements are intended to prevent fraudulent claims. However, the original announcement immediately prompted criticism from lawmakers, advocacy groups, and beneficiaries. They argued the new policy would create unnecessary barriers, especially for vulnerable populations, as SSA acknowledged when it announced the recent update and a delayed effective date.

One of the key components of SSA’s fraud prevention strategy is also the integration of the Department of Treasury’s Bureau of Fiscal Service’s Account Verification Service (AVS). “The service will enable instant bank verification to ensure that direct deposit change requests are legitimate,” according to *BiometricUpdate.com*.

Is the SSA prepared to handle these significant changes? To support the implementation of these identity verification measures, SSA noted it has recently required nearly all agency employees, including frontline employees in all offices throughout the country, to work in the office five days a week. “This change ensures maximum staffing is available to support the stronger in-person identity proofing requirement,” SSA said in its notice announcing the update in its proposal.

However, there have been reports, disputed by the Department of Government Efficiency (DOGE), that SSA will be closing 47 field offices in 18 states. “Advocacy groups, including AARP, raised concerns that such closures would make it even more difficult for individuals to meet the identity proofing requirements,” *BiometricUpdate.com* reports.

Which raises questions among some regarding the future of Social Security under the current administration. For example, as Anthony Kimery with

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BiometricUpdate.com notes, Frank Bisignano, President Trump's nominee to head the SSA, faced scrutiny during a confirmation hearing regarding proposed budget cuts and operational changes at the agency. "Bisignano's background as a Wall Street executive and his stance on potential privatization of Social Security programs have drawn heated criticism from some lawmakers and advocacy groups," Kimery points out.

When asked about whether Social Security should be privatized, Bisignano stated, "I've never heard a word of it, and I've never thought about it."

How well will the SSA implement these new changes? "The agency has pledged to monitor the impact of the new identity proofing requirements and to make further adjustments as needed to ensure the integrity of Social Security benefits while prioritizing customer service," according to Kimery. But what if SSA falls short? How will this play into discussions about possible privatization? And how will all of this fit into the reforms to SS that are needed in the increasingly near future?

In any case, employees covered by SS need to be aware of the significant changes that are being implemented and take steps to ensure they are well-prepared.

- **SSA: "Social Security Updates Recently Announced Identity Proofing Requirements"**
- **PLANADVISER: "Social Security Administration Extends Identity Proofing Requirements"**
- **com: "Social Security Administration walks back identity proofing requirements"**
- **com: "The Trump administration says it has a plan to expand eCBSV access"**
- **AARP: "How to Set Up an Online Social Security Account"**

If you have any questions, feel free to call us (916) 769-5909 or email rwheeler@nctr.org.

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