

ND TFFR Board Meeting
Thursday, January 22, 2026, 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. Roll Call & Conflict of Interest Disclosure
 - C. Introduction of New CRO
- II. ACCEPTANCE OF MINUTES (November 20, 2025) (*Board Action*)**
- III. EDUCATION (20 minutes)**
 - A. RIO Internal Audit – Ms. Seiler
- IV. GOVERNANCE (45 minutes)**
 - A. 2025 GASB Report (*Board Action*) – GRS
 - B. TFFR Investment Policy Statement (*Board Action*) – Mr. Anderson
 - C. Delinquent Accounts Update (*Information*) – Ms. Smith
 - D. Administrative Rules (*Board Action*) – Ms. Smith
 - E. Quarterly Outreach Update (*Information*) – Ms. Mudder
- (Break)
- V. REPORTS (60 minutes) (*Board Action*)**
 - A. Quarterly Performance Update – Mr. Anderson
 - B. Quarterly TFFR Ends Report – Ms. Smith
 - C. Quarterly Executive Limitations/Staff Relations Report – Ms. Smith
- VI. OTHER BUSINESS**
 - A. SIB Governance Manual Rewrite Update – Ms. Smith
 - B. Next Meetings:
 - 1. TFFR GPR Committee – Thursday, February 5, 2026, at 3:30 p.m.
 - 2. TFFR Board Meeting – Thursday, March 26, 2026, at 1:00 p.m.
- VII. ADJOURNMENT**

**NORTH DAKOTA TEACHERS' FUND FOR RETIREMENT
MINUTES OF THE
NOVEMBER 20, 2025, BOARD MEETING**

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

BOARD MEMBERS ABSENT: Kirsten Baesler, State Supt. DPI

STAFF PRESENT: Deneen Gathman, Retirement Accountant
Missy Kopp, Exec. Assistant
Denise Leingang-Sargeant, Retirement Spec.
Sarah Mudder, Outreach & Comm. Director
Sara Seiler, Internal Audit Supvr.
Jodi Smith, Interim Exec. Director
Rachelle Smith, Retirement Admin. Assistant
Tami Volkert, Compliance Spec.
Denise Weeks, Retirement Program Mngr.

OTHERS PRESENT: Amanda Apple, GRS
Jamie Mertz, DPI
Kirsten Tuntland, Attorney General's Office
Dana Woolfrey, GRS
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, November 20, 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.**

ACCEPTANCE OF AGENDA:

The Board considered the agenda for the November 20, 2025, meeting.

**IT WAS MOVED BY MR. MICKELSON AND SECONDED BY TREASURER BEADLE AND
CARRIED BY A VOICE VOTE TO APPROVE THE NOVEMBER 20, 2025, AGENDA AS
DISTRIBUTED.**

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

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

ACCEPTANCE OF MINUTES:

The Board considered the minutes for the September 25, 2025, TFFR Board meeting.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. EVANOFF AND CARRIED BY A VOICE VOTE TO ACCEPT THE SEPTEMBER 25, 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

GOVERNANCE:

2025 Actuarial Valuation Report:

Ms. Woolfrey and Ms. Apple, GRS, presented results of the 2025 actuarial valuation, noting that overall results were better than expected. The presentation reviewed current results and expectations going forward. Reference was made to the experience study discussed earlier in the year, including assumption changes previously adopted for use in the current valuation.

The actuary explained that updates to actuarial equivalence assumptions had been deferred pending completion of the asset allocation study to avoid multiple revisions. Based on review of the draft asset allocation study, no material changes were identified that would affect confidence in the 7.15% assumed rate of return, which the actuary recommended retaining.

The actuary recommended updating actuarial equivalence assumptions to align with the funding valuation assumptions, including interest rate and mortality assumptions. Additional assumptions required for actuarial equivalence were reviewed, including unisex mortality blending (25% male / 75% female for actives and the inverse for beneficiaries) and a mortality projection year of 2030 to allow for static factor implementation.

The actuary requested board action to adopt the recommended actuarial equivalence assumptions and proposed an effective date of May 1 of the following year to allow sufficient time for calculation, system programming, and implementation ahead of peak retirement periods. Board discussion followed.

IT WAS MOVED BY TREASURER BEADLE AND SECONDED BY MR. BURTON AND CARRIED BY A ROLL CALL VOTE TO ACCEPT THE ASSUMPTIONS WITH THE EFFECTIVE DATE OF MAY 1, 2026.

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

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

Governance & Policy Review (GPR) Committee Update:

Mr. Mickelson provided an update from the November 6, 2025, GPR Committee meeting. In the past fiscal year (FY) many governance manual updates were minor and administrative. The committee discussed aligning its work with the broader governance review currently underway for the State Investment Board, including potential changes to committee representation and future committee structures.

Staff outlined opportunities to streamline and modernize the governance manual by reducing duplication, referencing statutes rather than restating them, and reorganizing content for clarity. The goal is to significantly shorten the manual and improve consistency across governance and policy documents. Updates under consideration are informed by preliminary insights from the governance consultant's review and emphasize clearer articulation of delegated authority.

The committee will pause substantive revisions until best practices emerging from the consultant's work are finalized. Feedback from the GPR Committee is anticipated in early 2026, with a target effective date of July 1 for any adopted governance changes.

Audit Committee Update:

Treasurer Beadle provided an update from the November 18, 2025, Audit Committee meeting. UHY presented the results of the financial statement audit for FY25. The audit identified no material weaknesses or significant deficiencies. The committee also reviewed the completed external investment oversight audit, which found controls generally effective, with two moderate improvement areas related to governance document review cycles and documentation of external manager selection processes. Management agreed and is implementing corrective actions targeted for completion by early 2026.

Additional updates included ongoing fiscal advisory support from Weaver, results of the TFFR file maintenance audit identifying minor historical documentation issues that will not recur under the new system. The Committee reviewed and approved the FY26 Internal Audit Work Plan.

Quarterly Outreach Update:

Ms. Mudder provided an update on communications and outreach for the quarter ended September 30, 2025. Integration between GovDelivery and the MyTFFR system was completed. This integration allows communications metrics to reflect only verified active members, retirees, and business partners within the system, resulting in more accurate engagement data.

Business partner engagement remains strong, and active member engagement continues at approximately 56%, consistent with prior quarters. Retiree engagement remains low, reflecting limited outreach to that group, though targeted communications are planned later in the year related to benefit statements and tax forms.

RIO recently received approval of an AI-based video production tool to support board and member education and noted selection of a vendor to develop enhanced member education materials. Initial efforts will focus on educating newer members about plan participation and benefits, with development beginning in early 2026.

Regional Education Association (REA) Access to TFFR Program System & Data:

Ms. Jodi Smith reviewed the issue of REA access to the MyTFFR system and member data. Earlier in 2025 an REA employee was assisting a school district and requested waiver of penalties and interest, which highlighted the need for clearer policy guidance. Staff recommended developing a formal board policy to authorize REA access to TFFR systems and data for both member and non-member districts, clarify confidentiality requirements, and ensure consistent operational practices.

The proposed approach includes drafting a board policy for review by the Governance Policy Review Committee, updating the governance manual following adoption, and revising the employer and employee guides to address authorized access and system users. Staff emphasized the importance of balancing statutory confidentiality requirements with maintaining effective working relationships with school districts and REAs. Board discussion followed.

Delinquent Accounts Update:

Ms. Smith provided an update on efforts to address delinquent employer accounts, following board direction. Outreach efforts included emails, phone calls, and formal demand letters issued by the Attorney General's Office, notifying noncompliant school districts that foundation aid payments could be withheld if compliance was not achieved by the specified deadline. As a result, the three districts previously identified are now in compliance.

Eleven employers remain out of compliance and staff are actively working to resolve outstanding issues. Penalties and interest continue to accrue where applicable. Staff emphasized that communication has improved with these districts and that progress is being made.

Staff are developing a proposed administrative rule to establish a consistent escalation process for addressing noncompliance, including timelines for outreach and formal enforcement actions. The rule is expected to be presented to the board in January if noncompliance persists. Additional administrative rule updates related to implementation of the new pension system are also being prepared, with the intent of consolidating rulemaking efforts into a single public process.

Board members expressed appreciation for staff's focus on timely contribution compliance, noting the importance of minimizing opportunity loss for members while recognizing challenges associated with system transitions.

Chief Retirement Officer (CRO) Recruitment Update:

Ms. Smith provided an update on the recruitment of a new CRO. Applications have been reviewed, and first round of interviews were completed. Three finalists have been invited for a second interview with the goal of a start date at the beginning of January.

REPORTS:

Quarterly Internal Audit Report:

Ms. Seiler presented the first-quarter internal audit activities update. Key items included completion of the external investment oversight audit, co-sourced with Weaver, which was

reviewed and approved by the Audit Committee. Internal audit also assisted the external auditor, UHY, with the financial statement audit and GASB 68 census data, resulting in an unmodified (clean) opinion with no findings. Staff noted the significant effort required due to system transitions and staffing changes and reported the GASB 68 audit is ahead of schedule.

Internal audit provided advisory support for the Bold and Balance Project, assisting with business process mapping and development of an RFP for a new general ledger. Additional advisory work included fiscal operations support through the Weaver co-sourcing arrangement, governance assessment support, and participation in executive review and compensation process discussions.

Other activities included follow-up work on the file maintenance audit, post-implementation support for the Pioneer system, and ongoing administrative activities and professional development.

Quarterly TFFR Ends Report:

Ms. Smith reviewed the TFFR Ends Report with information for the quarter ended June 30, 2025, and FY25. With the new system, staff are able to develop meaningful key performance indicators. Since system launch in February, more than 3,300 new individuals have enrolled, indicating the system is functioning as intended. Staff plan to work with IT to extract additional reporting on enrollments, call volumes, and service requests, with more detailed metrics to be shared in January.

Staff noted expected spikes in activity related to system implementation and onboarding cycles and will continue monitoring trends to determine whether volumes normalize over time. Questions remain regarding the cost, timing, and implementation of additional system capabilities, and staff plans to gather insights from peer systems at an upcoming vendor conference.

In response to board direction from the July retreat, staff-initiated procurement for a communications and marketing firm to develop targeted education materials, with an initial focus on new members. The intent is to improve early understanding of plan participation and benefits and carry that knowledge throughout members' careers. A vendor has been selected through the state's preferred vendor pool, with work expected to begin in January and initial materials targeted for spring. Board discussion followed.

IT WAS MOVED BY MR. BURTON AND SECONDED BY TREASURER BEADLE AND CARRIED BY A VOICE VOTE TO ACCEPT THE QUARTERLY INTERNAL AUDIT AND TFFR ENDS REPORTS.

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

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

CONSENT AGENDA:

IT WAS MOVED BY MR. MICKELSON AND SECONDED BY MS. RASSET AND CARRIED BY A ROLL CALL VOTE TO APPROVE DISABILITY APPLICATIONS 2025-5D AND 2025-6D.

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

NAYS: NONE

ABSENT: SUPT. BAESLER

MOTION CARRIED

ADJOURNMENT:

With no further business to come before the Board, Dr. Lech adjourned the meeting at 2:19 p.m.

Prepared by,

Missy Kopp, Assistant to the Board

Internal Audit Overview

Sara Seiler – Supervisor of Internal Audit

AUDIT COMMITTEE

Audit Committee

Established as a Sub-committee of the State Investment Board

- Assist in the SIB oversight responsibilities as they relate to the RIO internal and external audit programs
 - Includes financial practices, internal controls, compliance with laws, and regulations.

Audit Committee Oversight

- The Audit Committee is authorized to provide oversight to the internal audit function and the independent audit for RIO.
- The Committee may investigate any activity of RIO and may retain persons as necessary from within or outside of RIO to assist the Committee to accomplish its responsibilities.
- Serve as communication link between SIB, RIO's management, independent auditors and others.

Audit Committee Membership

**Five members, selected and approved by
SIB.**

- Legacy & Budget Stabilization Fund Advisory Board
- Teacher's Fund for Retirement
- Member-at-large
- Two members outside of SIB that are independent and financial literate.

Tone at the Top

Board and Committees Set Tone for the Agency

- Ethical Culture
- Control Effectiveness
- Risk Awareness
- Audit outcomes and credibility



INTERNAL AUDIT STRUCTURE

Types of Auditors

External Auditors

- Hired by organization
- Opinion on financial statements or controls
- Standards based (GASB, GAAP, etc.)
- Backward looking

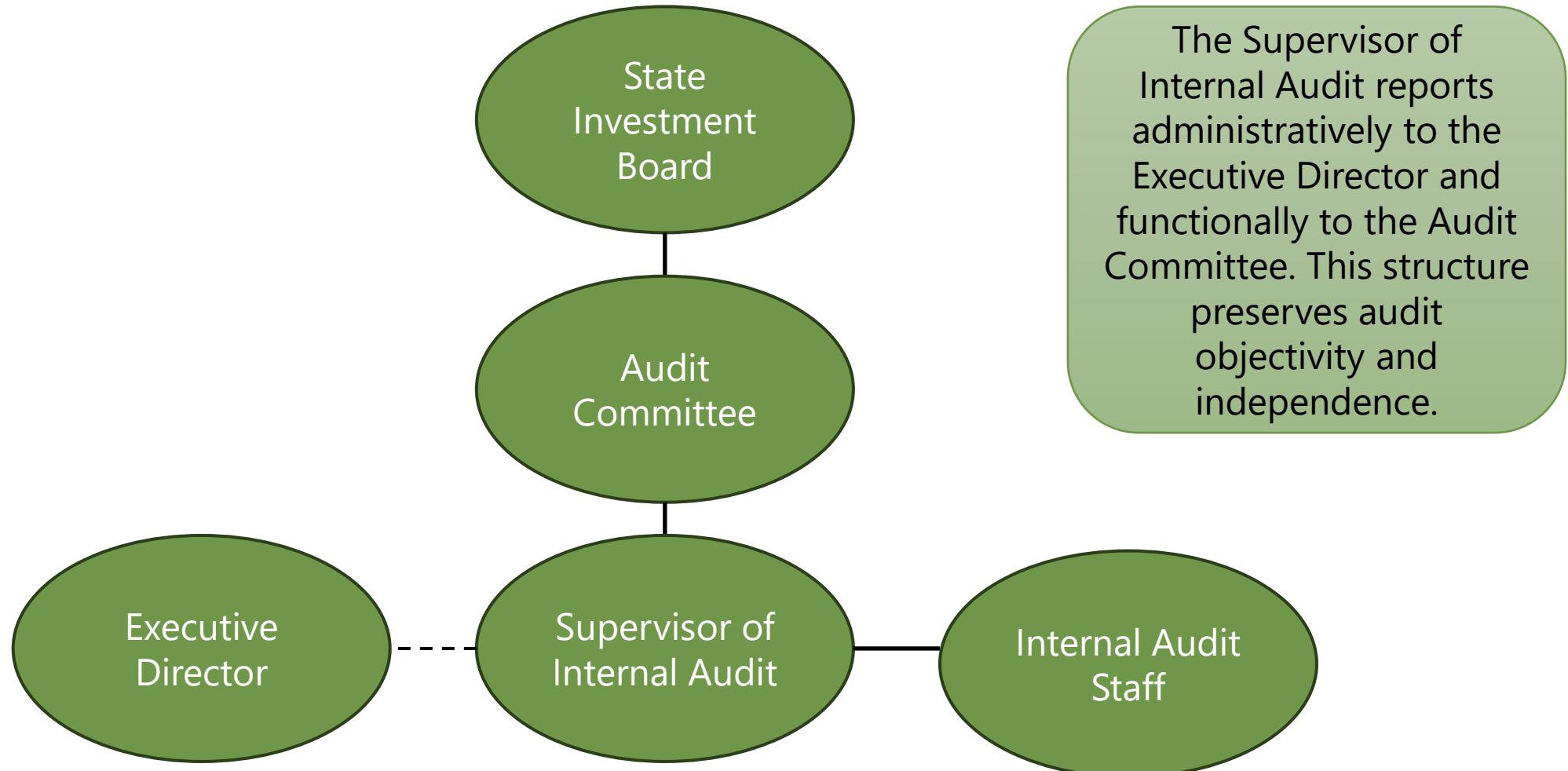
Internal Auditors

- Within organization
- Independent assurance & advisory
- Risked-based, flexible, value-add
- Forward and backward looking

Regulatory Auditors

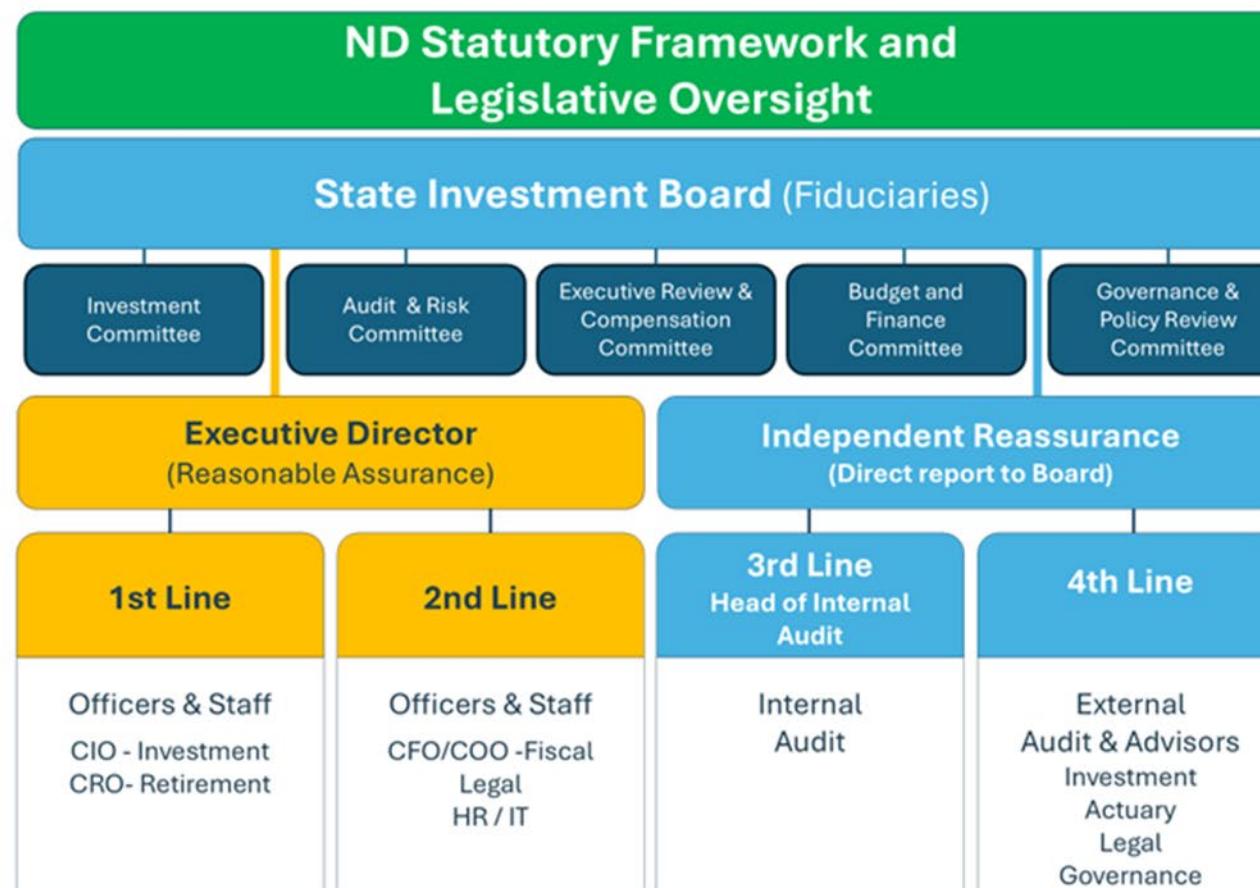
- Government Authority
- Compliance with laws and regulation
- Rules-based, prescriptive
- Backward-looking

Internal Audit Structure



Lines of Accountability and Assurance

Four Lines Model



Internal Audit's Purpose

- Independent and objective
- Assurance
- Advisory
- Enhances the organizations
 - Governance, risk management, and control processes
 - Decision making and oversight
 - Reputation and creditability



Global Internal Audit Standards

Issued by the Institute of Internal Auditors

- Established the professional foundation for internal auditing
- Defines Internal Audit's role in governance, risk management, and internal control
- Require independence, objectivity, and ethical conduct
- Requires risk-based planning aligned with organizational objectives
- Clarify Audit Committee oversight responsibilities, including independence, authority, and resources
- Supports both assurance and advisory services that strengthen organizational value



AUDIT PROCESS

Risk-Based Auditing

Risk Assessment

- Purpose is to identify significant risk in an agency
- Review of each divisions and processes
- Likelihood and impact
- Create the risk profile
- Risk-based audit plan is created from risk assessment



Audit Lifecycle

Engagements emphasize continuous communication with management and the Audit Committee, ensuring findings, recommendations, and risk insights are timely, relevant, and actionable.

Planning

- Research, information gathering, and identification of scope

Fieldwork

- Interviews, process review, and testing and verification

Reporting

- Draft report, exit meeting, management responses, and final report

Fraud Hotline

Administered through Eide Bailly

Alerts:

- Audit Committee Chair
- Executive Director
- Supervisor of Internal Audit



866.91.ALERT



NORTH
Dakota
Be Legendary.

Retirement & Investment

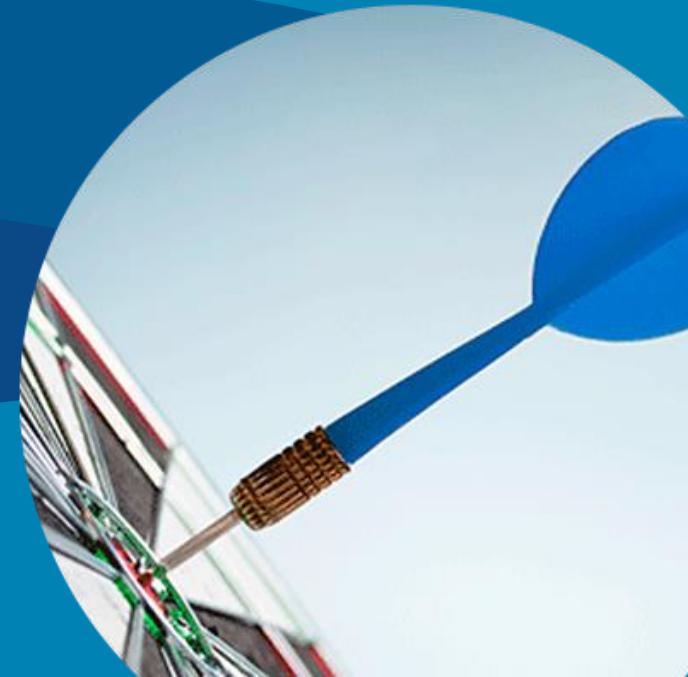


GASB 67 & 68

Fiscal Year Ending June 30, 2025

January 22, 2026

Dana Woolfrey, FSA



GASB Purpose

- GASB establishes accounting and financial reporting standards for US state and local governments
- Statement Nos. 67 and 68 address accounting and financial reporting for Pension Plans
- Focus on employer's pension obligation – not funding policies
- Determines obligations reported in sponsors' Annual Comprehensive Financial Reports

Terminology

- **Total Pension Liability (TPL)**
 - Entry Age actuarial cost method
 - blended discount rate
- **Plan Fiduciary Net Position**
 - Fair Value of Assets
 - Volatile from year to year (vs. using a smoothed value)
- **Net Pension Liability (NPL)**
 - Total Pension Liability (TPL) – Fair Value of Assets (FVA)
 - NPL is similar to Unfunded Actuarial Accrued Liability (UAAL) based on the fair value of assets
 - Required disclosure – including NPL sensitivities to changes in discount rate

Total Pension Liability

Blended Single Discount Rate

- Based on Projection of Plan Fiduciary Net Position
- If the plan's fiduciary net position and future contributions are projected to be sufficient to finance future benefit payments, then the GASB single discount rate is equal to the investment return assumption
 - if not, a blended discount rate must be used
 - excludes service cost contributions for future employees
 - can result in different determination of contribution sufficiency as compared to funding valuation
- As of June 30, 2025 contributions/assets projected to be sufficient
 - Total Pension Liability is based on investment return assumption (7.15%)

Comparison of Funding and Accounting Results

Comparison of Funding and Accounting Results			
	Funding	Accounting	
Actuarial Accrued Liability - Beginning of Year	\$ 4,758,417,607	\$ 4,758,417,607	Total Pension Liability (TPL) - Beginning of Year
Normal Cost	107,902,578	107,902,578	Service Cost
Interest on Actuarial Accrued Liability	338,717,108	338,717,108	Interest on the Total Pension Liability
Benefit Payments, Including Refunds of Employee Contributions	(283,896,831)	(283,896,831)	Benefit Payments, Including Refunds of Employee Contributions
Assumption Changes	44,164,102	44,164,102	
(Gain)/Loss on Actuarial Accrued Liability	(38,086,951)	(38,086,951)	Difference between Expected and Actual Experience
Actuarial Accrued Liability - End of Year	\$ 4,927,217,613	\$ 4,927,217,613	Total Pension Liability - End of Year
Actuarial Value of Assets	\$ 3,618,106,006	\$ 3,648,749,437	Plan Fiduciary Net Position
Unfunded Actuarial Accrued Liability	\$ 1,309,111,607	\$ 1,278,468,176	Net Pension Liability
Funded Ratio	73.43%	74.05%	Plan Fiduciary Net Position as a Percentage of TPL

Net Pension Liability Results (\$ in millions)

	7/1/2025	7/1/2024
Total Pension Liability	\$ 4,927	\$ 4,758
Plan Fiduciary Net Position (FVA)	<u>3,649</u>	<u>3,351</u>
Net Pension Liability (NPL)	1,278	1,407
NPL as a % of Payroll	147%	166%
Sensitivity to changes in discount rate		
Current discount rate less 1%	\$ 1,883	\$ 1,982
Current discount rate	1,278	1,407
Current discount rate plus 1%	778	927

**total may not add due to rounding*

Pension Expense (\$ in millions)

- Change in NPL each year with deferred recognition of certain changes to NPL
- Differences due to changes in actuarial assumptions and actuarial gains and losses
 - Smoothed over the average expected remaining service lives of members
 - Recognition of Outflow (Inflow) of resources due to Liabilities
- Differences between actual and projected investment returns over the past year
 - Smoothed over 5 years
 - Recognition of Outflow (Inflow) of Resources due to Assets

Expense	
1. Service Cost	\$ 107,902,578
2. Interest on the Total Pension Liability	338,717,108
3. Current-Period Benefit Changes	0
4. Employee Contributions	(102,186,364)
5. Projected Earnings on Plan Investments	(240,344,534)
6. Pension Plan Administrative Expense	4,086,995
7. Other Changes in Plan Fiduciary Net Position	(1,707,602)
8. Recognition of Outflow (Inflow) of Resources due to Liabilities	(363,073)
9. Recognition of Outflow (Inflow) of Resources due to Assets	<u>(42,379,069)</u>
10. Total Pension Expense	\$ 63,726,039

Cost-Sharing

10 largest participating employers:

Employer Name	Covered Payroll	Employer's Proportionate Share Allocation	Net Pension Liability	Total Employer Pension Expense
Bismarck Public Schools	95,127,745	10.92766800%	139,706,758	7,272,090
Fargo Public Schools	92,204,540	10.59187400%	135,413,735	6,965,911
West Fargo School	86,534,524	9.94053800%	127,086,615	8,208,857
Grand Forks School	61,917,327	7.11267000%	90,933,222	4,928,617
Minot School	54,695,945	6.28312400%	80,327,741	3,514,507
Williston Basin School Dist #7	33,863,241	3.88999500%	49,732,348	9,155,969
Mandan Public Schools	28,644,821	3.29053600%	42,068,456	2,684,127
Dickinson School	26,743,051	3.07207200%	39,275,463	2,192,562
Jamestown School	14,545,481	1.67089300%	21,361,835	579,503
Devils Lake School	12,489,610	1.43472700%	18,342,528	793,583
Remaining 212 employers	363,755,244	41.78590300%	534,219,475	17,430,313
Grand Totals:	\$ 870,521,530	100.000000%	\$ 1,278,468,176	\$ 63,726,039

Disclaimers

- This presentation is intended to be used in conjunction with the valuation report issued in October. This presentation should not be relied on for any purpose other than the purpose described in the valuation report.
- This presentation shall not be construed to provide tax advice, legal advice or investment advice.

MEMORANDUM

TO: TFFR Board

FROM: Scott Anderson, Chief Investment Officer and Eric Chin, Deputy Chief Investment Officer

DATE: January 22, 2026

RE: Updated Investment Policy Statement

Background:

Following approval of the new asset allocation by the TFFR Board, as presented by NEPC and RIO, Staff is bringing the updated Investment Policy Statement (IPS) for TFFR for review and approval. The updated IPS reflects the approved asset allocation, and both a redline and a clean version of the document are included.

While the redline version may appear to reflect numerous changes, the majority of the edits are attributable to RIO's development of a new IPS template designed to enhance clarity and promote consistency across client IPS documents.

In addition to seeking approval from the TFFR Board, Staff is also seeking approval from the State Investment Board (SIB) at its January 16 meeting. Upon approval by both boards, Staff will begin transitioning the portfolio to the new asset allocation.

Board Action Requested: Approval of the updated IPS for TFFR.

1. PLAN CHARACTERISTICS AND FUND CONSTRAINTS

INVESTMENT POLICY STATEMENT

North Dakota Teachers' Fund for Retirement

I. Plan and Fund Overview

The North Dakota Teachers' Fund for Retirement (TFFR) is a ~~successor~~ pension benefit plan ~~to the Teachers' Insurance and Retirement Fund (TIRF). TIRF was~~ established ~~in 1913, 24 years after North Dakota became a state,~~ to provide retirement income to ~~all~~ public school ~~and certain state teachers and administrators in the state of North Dakota. TIRF became TFFR in 1971.~~ ~~educators~~. The plan is administered by a ~~seven-member~~ Board of Trustees ~~comprised of~~ ~~two active teachers, two retired teachers and one school administrator appointed by the Governor of North Dakota and two elected officials—the State Treasurer and the State Superintendent of Public Instruction.~~ ~~(the "Board").~~

The TFFR plan is a multi-employer defined benefit public pension plan that provides retirement, disability, and death benefits in accordance with Chapter 15-39.1 of the North Dakota Century Code (NDCC). Monthly retirement benefits are based on the formula: Number of Years of service X 2.0% X Final Average Salary. Adjustments to the basic formula are made depending on the retirement option selected. North Dakota Century Code (NDCC) § 15-39.1.

~~Funding is provided by monthly employee and employer contributions scheduled to increase as follows:~~

	7/1/11	7/1/12	7/1/14
Employee	7.75%	9.75%	11.75%
Employer	8.75%	10.75%	12.75%

~~Employee and employer contributions will be reduced to 7.75% each when TFFR reaches 100% funded level on an actuarial value basis.~~

The TFFR Board has an actuarial valuation performed annually and an Experience Study and Asset Liability Study performed every ~~five~~ 5 years. ~~The~~As of July 1, 2025, the actuarial assumed rate of return on assets ~~was reduced to~~ ~~is 7.25% from 7.75% as of July 1, 2020.~~ 15% Key plan and financial statistics are recorded in the most recent valuation report on file at the North Dakota Retirement and Investment ~~office~~Office (RIO).

2. FUND GOALS

The Client Investment Objectives

Plan benefits are financed through both statutory employer and employee contributions and the investment earnings on assets held in the Fund.

Policy Type: TFFREnds**Policy Title: Investment Policy Statement**

The TFFR Board recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- As a result, the Fund goals are to: Improve the Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.
- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

Policy Type: TFFREnds

Policy Title: Investment Policy Statement

The Board acknowledges the material impact that funding the pension plan has on the State/School District's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The Board places a greater emphasis on the strategy of improving the funding status and reducing the contributions that must be made to the Fund, as it is most consistent with the long-term goal of conserving money to apply to other important state/local projects.

II. RESPONSIBILITIES AND DISCRETION OF THE STATE INVESTMENT BOARD

Responsibilities and Discretion of the State Investment Board

3. The State Investment Board (SIB)

The TFFR Board is charged by law established under NDCC 21-10-02.1 with the responsibility of establishing policies on investment goals and asset allocation of the Fund. The SIB § 21-10 and is charged with implementing these policies and investing and managing the assets of the Fund in the manner provided funds enumerated in NDCC § 21-10-07-06, including the prudent investor rule. Under funds of this rule, the fiduciaries shall exercise the judgment and care, under the circumstances then prevailing, that an institutional investor of ordinary prudence, discretion, Plan. The SIB acts as a fiduciary and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds, considering probable safety of capital as well as probable income. The Fund must be invested exclusively for the benefit of the members invest, reinvest, and their beneficiaries manage such assets in accordance with this investment policy the Prudent Investor Rule and the policies adopted by each fund's governing body.

Management responsibility for the Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment program not assigned to the SIB in Chapter 21-10 policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of the North Dakota Century Code (NDCC) is hereby delegated to the SIB, who must establish securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies for the operation of the investment program, consistent with this on investment policy goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

Policy Type: TFFREnds

Policy Title: Investment Policy Statement

The SIB may delegate investment responsibility for all or part of a fund to professional money managers. Where a money manager has been retained that meet established qualifications. When such delegation occurs, the SIB's SIB's role in determining investment strategy and security selection is supervisory, not rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

At the discretion of the SIB, the Fund's The SIB may also pool assets may be pooled of this Fund with other funds-
having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB may establish whatever asset class pools it deems necessarymust ensure compliance with specific quality, diversification, restrictions, and performance objectives appropriate to the prudent investor rulethe Prudent Investor Rule and the objectives of the fundsall participating in the poolsfunds.

The SIB is responsible for establishing criteria, procedures, and making decisions with respect to hiring, keeping, and terminating money managers. SIB investment responsibility also includes selecting performance measurement services, consultants, report formats, and frequency of meetings with managers.

The SIB will implement changes to this policy as promptly as is prudent.

Policy Type: TFFREnds

Policy Title: Investment Policy Statement

4. RISK TOLERANCE

The Board is unwilling to undertake investment strategies that might jeopardize the ability of the Fund to finance the pension benefits promised to plan participants.

However, funding the pension promise in an economical manner is critical to the State/School Districts ability to continue to provide pension benefits to plan participants. Thus, the Board actively seeks to lower the cost of funding the Plan's pension obligations by taking on risk for which it expects to be compensated over the long term. The Board understands that a prudent investment approach to risk taking can result in periods of under performance for the Fund in which the funding status may decline. These periods, in turn, can lead to higher required contribution rates. Nevertheless, the Board believes that such an approach, prudently implemented, best serves the long-run interests of the State/School District and, therefore, of plan participants.

5. INVESTMENT OBJECTIVES

III. Investment Performance Objective

The Board's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

- The fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of ~~five~~5 years.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of ~~five~~5 years.

IV. Asset Allocation

1) The ~~risk-adjusted performance of the fund, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of five years.~~

6. POLICY ASSET MIX

Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and Board establishes the Fund's asset allocation policy for, with input from consultants and RIO, based on an asset-liability study. Based on the most recent study, the management of fund assets. Asset following allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are ~~was~~ established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal. The asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and

Policy Type: TFFREnds

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contribution rates. After consideration of all the inputs and a discussion of its own collective risk tolerance, the Board approves the will be reviewed periodically and updated when appropriate **policy asset mix for the Fund**.

B-5.2

Policy Type: TFFREnds

Policy Title: Investment Policy Statement

Asset Class	Policy Target (%) Allocation	Minimum Allocation	Maximum Allocation
Global Equity	55%	45%	65%
–Public Equity	<u>45</u> <u>40</u> %	<u>34</u> %	<u>46</u> %
–Private Equity	<u>15</u> %	10%	<u>20</u> %
Global Fixed Income	26%	19%	33%
–Investment Grade <u>Fixed</u> <u>Income</u>	<u>18</u> <u>16</u> %	<u>11</u> %	<u>21</u> %
–Non-Investment Grade <u>Fixed Income</u>	<u>82</u> . <u>5</u> %	<u>0</u> %	<u>6</u> %
Global Real Assets <u>Private Credit</u>	187.5%	5%	10%
Global Real Estate Assets	919%	10%	25%
–Other Real Estate	<u>9</u> <u>11</u> %	<u>5</u> %	<u>15</u> %
Cash & Equivalents <u>Other</u> <u>(Infrastructure/ Timber)</u>	18%	0%	10%
Total Cash and Cash Equivalents	1000%	0%	2%

An allocation to Global Alternatives of up to 10% is authorized but shall not increase the expected volatility of the portfolio as measured in Section 5; and if utilized, all other targets will be adjusted pro rata. The Board does not endorse tactical asset allocation; therefore, it is anticipated the portfolio be managed as close to the policy target as is prudent and practicable while minimizing rebalancing costs. Rebalancing of the Fund to this target will be done in accordance with the SIB's rebalancing policy.

7. RESTRICTIONS

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

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Policy Type: TFFREnds**Policy Title: Investment Policy Statement**

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk-return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity.
- Private credit will be proxied with half public equity and half public investment grade fixed income.
- Private real assets will be proxied with half public equity and half public investment grade fixed income

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

V. General Restrictions and Guidelines

While the SIB is responsible for establishing specified determines quality, diversification, and performance standards for investments, the following restrictions, and performance objectives for the investment vehicles in which the Fund's assets will be invested, it is understood that apply:

1. Futures and options Derivatives may be used to hedge or manage and replicate underlying index exposure, but not systematic exposures, for fund rebalancing, and for speculation risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
- 2.3 Derivatives use will be monitored to ensure that undue risks are not taken by the money managers.
- 3.4 No transaction shall be made which threatens investment may jeopardize the tax-exempt status of the Fund.
- 4.5 All assets will must be held in custody by the SIB's SIB's master custodian or such other custodians as are acceptable to the SIB an approved sub-custodian.
 - a. No unhedged short sales or speculative margin purchases shall be made.
- 5.6 Social investing Investing is prohibited unless it meets the Exclusive Benefit Rule and it can be substantiated that the investment must provide an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk (NDCC § 21-10-08.1).

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Policy Type: TFFREnds

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- a. ~~For the purpose of this document, Social Investing~~Investment is defined as "~~The~~ investment or commitment of public ~~pension fund money~~funds for the purpose of obtaining an effect other than a maximized return ~~to the intended beneficiaries~~at a prudent level of risk to the state." (NDCC § 21-10-08.1)

~~6.7 Economically targeted investing~~Targeted Investing is prohibited unless ~~the investment~~ it meets the Exclusive Benefit Rule.

- a. ~~For the purpose of this document economically targeted investment~~Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved, ~~as well as to and~~ create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Also, for Exclusive Benefit Rule

For the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

1. The cost does not exceed the fair market value at the time ~~of investment~~of investment.
2. The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar ~~task~~risk.
3. Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the ~~plan~~Plan.
4. The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity, are equivalent, the Board's policy favors investments ~~which that~~ will have a positive impact on the economy of North Dakota.

8. INTERNAL CONTROLS

~~All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.~~

VI. Internal Controls

The SIB shall maintain a system of internal controls ~~must be in place by the SIB designed~~ to prevent ~~losses~~loss of public funds arising from fraud ~~or employee~~, error, ~~Such, or~~ mismanagement.

Key controls ~~deemed most important are the separation of~~include the segregation of duties, which ensures that ~~no single individual has authority or control over all phases of an investment transaction. Specifically, the~~ responsibilities for ~~initiating~~ investment purchases ~~from the~~, recording ~~of~~ and reconciling investment activity, and custodial safekeeping; ~~of assets are separated among different staff, functional areas, or service providers to provide~~ independent checks and balances.

Other critical controls include maintaining written ~~confirmation of~~or electronic confirmations of all investment transactions; and ~~established~~establishing formal criteria for broker relationships. ~~The annual~~ and trading

Policy Type: TFFREnds

Policy Title: Investment Policy Statement

counterparties. Annual financial audit must audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with the investment policy this Investment Policy.

9. EVALUATION AND REVIEW

VII. Investment management of the Fund Evaluation and Review

The Fund's performance will be evaluated against the Fund's its investment objectives. Emphasis will be placed with emphasis on five rolling 5 year results. Evaluation should include an assessment of the continued feasibility of achieving the investment objectives and the appropriateness of the Investment Policy Statement for achieving those objectives.

Performance reports will be provided Reports to the TFFR Board periodically, but not less than annually. Such reports will include asset returns and allocation data as well as information regarding all will include:

Policy Type: TFFREnds

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significant and/or material matters and changes pertaining to the investment of the Fund, including but not limited to:

- 1) A list of the advisory services managing investments for the board.
- 2) A list of investments at market value, compared to previous reporting period, of each fund managed by each advisory service.

1. A list of investment managers and their performance relative to benchmarks net of fees.

1.2 Earnings, percentage earned; and change in market value of each fund's investments and mandate.

3) Comparison of the performance of each fund managed by each advisory service to other funds under the board's control and to generally accepted market indicators.

3. Current portfolio allocations and performance summaries by asset class.

2.4 All material legal or legislative proceedings affecting the SIB.

3.5 Compliance with this/these investment policy statement goals, objectives and policies. A general market overview and market expectations.

TFFR Board Adopted: May 25, 1995.

Amended: November 30, 1995; August 21, 1997; July 15, 1999; July 27, 2000; September 18, 2003; July 14, 2005; September 21, 2006; September 20, 2007; October 27, 2011; September 26, 2013; January 21, 2016; September 21, 2017; January 25, 2018; November 19, 2020; April 22, 2021; July 22, 2021.

Approved by SIB: November 18, 2011; February 26, 2016; September 22, 2017; February 23, 2018; November 20, 2020; May 21, 2021; October 28, 2022.

ND Teachers' Fund for Retirement _____ ND State Investment Board

11/07/2022

Date:

11/07/2022

Date:



Chad Roberts

Deputy Executive Director/ Chief Retirement Officer

Policy Type: TFFREnds

Janilyn K. Murtha

Janilyn K. Murtha (Nov 7, 2022 13:20 CST)

Policy Title: Investment Policy Statement

Jan Murtha
Executive Director

B-5.5

Policy Type: TFFR Ends

Policy Title: Investment Policy Statement

TFFR IPS Update 22-10-28

Final Audit Report

2022-11-07

Created: 2022-11-01
By: Emmalee Riegler (eriegler@nd.gov) Signed
Status: CBJCHBCAABAAtajS6FJM_PjodDrEwpdxK0XKIts0z-j

"TFFR IPS Update 22-10-28" History

 Document created by Emmalee Riegler (eriegler@nd.gov)

2022-11-01 2:28:51 PM GMT

 Document emailed to chad.roberts@nd.gov for signature

2022-11-01 2:29:44 PM GMT

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 Signer chad.roberts@nd.gov entered name at signing as Chad R Roberts

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 Document e-signed by Chad R Roberts (chad.roberts@nd.gov)

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 Document emailed to janilynmurtha@nd.gov for signature

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 Signer janilynmurtha@nd.gov entered name at signing as Janilyn K. Murtha

Policy Type: TFFREnds

Policy Title: Investment Policy Statement

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 Document e-signed by Janilyn K. Murtha (janilynmurtha@nd.gov)

Signature Date: 2022-11-07-7:20:26 PM GMT Time Source: server

 Agreement completed.

2022-11-07-7:20:26 PM GMT

6. A review of fund progress and its asset allocation strategy.

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7. Provide details of fees and costs (annually).
8. Changes/additions to benchmarks utilized to monitor the funds.

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may withdraw up to 0.55% of total fund assets per month with a minimum of 3 business days' notice, subject to standard settlement timelines.
2. **Larger Withdrawals:** Withdrawals greater than 0.55% and up to 5% require 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
3. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

North Dakota Teachers' Fund for Retirement

Scott M. Anderson,
Chief Investment Officer
North Dakota Retirement and Investment
Office

Policy Type: TFFR Ends

Policy Title: Investment Policy Statement

Date:

Date:

INVESTMENT POLICY STATEMENT

North Dakota Teachers' Fund for Retirement

I. Plan and Fund Overview

The North Dakota Teachers' Fund for Retirement (TFFR) is a pension benefit plan established to provide retirement income to public school educators. The plan is administered by a Board of Trustees (the "Board").

The TFFR plan is a multi-employer defined benefit public pension plan that provides retirement, disability, and death benefits in accordance with North Dakota Century Code (NDCC) § 15-39.1.

The TFFR Board has an actuarial valuation performed annually and an Experience Study and Asset Liability Study performed every 5 years. As of July 1, 2025, the actuarial assumed rate of return on assets is 7.15%. Key plan and financial statistics are recorded in the most recent valuation report on file at the North Dakota Retirement and Investment Office (RIO).

Client Investment Objectives

Plan benefits are financed through both statutory employer and employee contributions and the investment earnings on assets held in the Fund.

The TFFR Board recognizes that a sound investment program is essential to meet the pension obligations. As a result, the Fund goals are to:

- Improve the Plan's funding status to protect and sustain current and future benefits.
- Minimize the employee and employer contributions needed to fund the Plan over the long term.
- Avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status.
- Accumulate a funding surplus to provide increases in retiree annuity payments to preserve the purchasing power of their retirement benefit.

The Board acknowledges the material impact that funding the pension plan has on the State/School District's financial performance. These goals affect the Fund's investment strategies and often represent conflicting goals. For example, minimizing the long-term funding costs implies a less conservative investment program, whereas dampening the volatility of contributions and avoiding large swings in the funding status implies a more conservative investment program. The Board places a greater emphasis on the strategy of improving the funding status and reducing the contributions that must be made to the Fund, as it is most

consistent with the long-term goal of conserving money to apply to other important state/local projects.

II. Responsibilities and Discretion of the State Investment Board

The State Investment Board (SIB) is established under NDCC § 21-10 and is charged with investing and managing the assets of the funds enumerated in NDCC § 21-10-06, including the funds of this Plan. The SIB acts as a fiduciary and must invest, reinvest, and manage such assets in accordance with the Prudent Investor Rule and the policies adopted by each fund's governing body.

Pursuant to NDCC § 21-10-02 and NDCC § 21-10-02.1, the SIB shall:

- Implement investment policies and asset allocations established by each fund's governing body.
- Approve investment guidelines, procedures, and permissible securities for the funds under its management.
- Serve as custodian of securities purchased on behalf of such funds or designate a qualified custodian.
- Establish written policies on investment goals, objectives, and asset allocation, including liquidity requirements, diversification, and acceptable levels of risk.
- Develop procedures for the selection, retention, evaluation, and termination of professional money managers, consultants, and custodians.

Delegation and Oversight

The SIB may delegate investment responsibility for all or part of a fund to professional money managers that meet established qualifications. When such delegation occurs, the SIB's role is supervisory rather than advisory, ensuring that each manager operates within approved guidelines and performance expectations.

The SIB may also pool assets of this Fund with other funds having similar objectives and time horizons to enhance diversification, reduce costs, and improve returns. In pooling fund assets, the SIB must ensure compliance with the Prudent Investor Rule and the objectives of all participating funds.

III. Investment Performance Objective

The Board's investment objectives are expressed in terms of reward and risk expectations relative to investable, passive benchmarks. The Fund's policy benchmark is comprised of policy mix weights of appropriate asset class benchmarks as set by the SIB.

- The fund's rate of return, net of fees and expenses, should at least match that of the policy benchmark over a minimum evaluation period of 5 years.
- The fund's risk, measured by the standard deviation of net returns, should not exceed 115% of the policy benchmark over a minimum evaluation period of 5 years.

IV. Asset Allocation

The TFFR Board establishes the Fund's asset allocation, with input from consultants and RIO, based on an asset-liability study. Based on the most recent study, the following allocation was established. The asset allocation will be reviewed periodically and updated when appropriate.

	Target Allocation	Minimum Allocation	Maximum Allocation
Global Equity	55%	45%	65%
Public Equity	40%	34%	46%
Private Equity	15%	10%	20%
Global Fixed Income	26%	19%	33%
Investment Grade Fixed Income	16%	11%	21%
Non-Investment Grade Fixed Income	2.5%	0%	6%
Private Credit	7.5%	5%	10%
Global Real Assets	19%	10%	25%
Real Estate	11%	5%	15%
Other (Infrastructure/Timber)	8%	0%	10%
Cash and Cash Equivalents	0%	0%	2%

Corridor Benchmark/Allocations: Long-term target allocations utilizing alternative asset classes can take several years to implement prudently. To ensure portfolio exposures remain aligned with the Fund's strategic objectives during this period, the SIB may employ a corridor methodology. Under this approach, allocations to private market asset classes (such as private equity, private credit, or real assets) that cannot be immediately adjusted—due to the illiquid

nature of the assets—will be temporarily reallocated to corresponding public market asset classes that serve as suitable proxies. Both the target and ranges are adjusted based on the corridor methodology.

The proxy allocations are utilized such that the overall portfolio continues to reflect, as closely as practical, the intended risk–return characteristics around the long-term targets, until private market commitments are fully funded and capital is called.

Corridor Guidelines:

- Private equity will be proxied with public equity.
- Private credit will be proxied with half public equity and half public investment grade fixed income.
- Private real assets will be proxied with half public equity and half public investment grade fixed income

Rebalancing: The need to rebalance the portfolio can arise from a new asset allocation or because market activity has driven the actual distribution of assets away from the desired mix. To minimize transaction costs from rebalancing, RIO develops appropriate ranges around the target mix (which are specified in the policy statement). Rigidly adhered to, such a policy is a valuable risk control tool. By maintaining asset mix within reasonably tight ranges, the SIB avoids making unintentional "bets" in the asset mix and avoids market-timing decisions.

All funds the SIB oversees have an asset allocation with minimum and maximum limits assigned. RIO's rebalancing policy requires the asset mix to be determined at the end of each month and that appropriate rebalancing takes place.

V. General Restrictions and Guidelines

While the SIB determines quality, diversification, and performance standards for investments, the following restrictions apply:

1. Derivatives may be used to manage and replicate systematic exposures, for fund rebalancing, and for risk management, which includes overlays (i.e. cash overlay program).
2. Derivatives, short selling, and security margining may be used in a manner consistent with approved manager guidelines.
3. Derivatives use will be monitored to ensure that undue risks are not taken.
4. No investment may jeopardize the tax-exempt status of the Fund.
5. All assets must be held by the SIB's master custodian or an approved sub-custodian.
6. Social Investing is prohibited unless it meets the Exclusive Benefit Rule (NDCC § 21-10-08.1).

- a. Social Investment is defined as "the investment or commitment of public funds for the purpose of obtaining an effect other than a maximized return at a prudent level of risk to the state." (NDCC § 21-10-08.1)
- 7. Economically Targeted Investing is prohibited unless it meets the Exclusive Benefit Rule.
 - a. Economically Targeted Investment is defined as an investment designed to produce a competitive rate of return commensurate with risk involved and create collateral economic benefits for a targeted geographic area, group of people, or sector of the economy.

Exclusive Benefit Rule

For the purpose of this document, the Exclusive Benefit Rule is met if the following four conditions are satisfied:

1. The cost does not exceed the fair market value at the time of investment.
2. The investment provides the Fund with an equivalent or superior rate of return for a similar investment with a similar time horizon and similar risk.
3. Sufficient liquidity is maintained in the Fund to permit distributions in accordance with the terms of the Plan.
4. The safeguards and diversity that a prudent investor would adhere to are present.

Where investment characteristics, including yield, risk, and liquidity, are equivalent, the Board's policy favors investments that will have a positive impact on the economy of North Dakota.

All investments shall be made in compliance with applicable laws, regulations, and policies governing the State Investment Board.

VI. Internal Controls

The SIB shall maintain a system of internal controls designed to prevent loss of funds arising from fraud, error, or mismanagement.

Key controls include the segregation of duties, which ensures that no single individual has authority or control over all phases of an investment transaction. Specifically, the responsibilities for initiating investment purchases, recording and reconciling investment activity, and custodial safekeeping of assets are separated among different staff, functional areas, or service providers to provide independent checks and balances.

Other critical controls include maintaining written or electronic confirmations of all investment transactions and establishing formal criteria for broker relationships and trading counterparties. Annual financial audits will include a comprehensive review of the portfolio, accounting procedures for security transactions, and verification of compliance with this Investment Policy.

VII. Evaluation and Review

The Fund's performance will be evaluated against its investment objectives, with emphasis on rolling 5-year results. Reports to the TFFR Board (no less than annually) will include:

1. A list of investment managers and their performance relative to benchmarks net of fees.
2. Earnings, percentage earned and change in market value of each mandate.
3. Current portfolio allocations and performance summaries by asset class.
4. All material legal or legislative proceedings affecting the SIB.
5. Compliance with these investment goals, objectives and policies. A general market overview and market expectations.
6. A review of fund progress and its asset allocation strategy.
7. Provide details of fees and costs (annually).
8. Changes/additions to benchmarks utilized to monitor the funds.

VIII. Withdrawals

1. **Routine Withdrawals:** The Client may withdraw up to 0.55% of total fund assets per month with a minimum of 3 business days' notice, subject to standard settlement timelines.
2. **Larger Withdrawals:** Withdrawals greater than 0.55% and up to 5% require 15 business days' notice to ensure appropriate liquidity planning and transaction coordination. These withdrawals will generally be processed as of month-end, unless otherwise approved by the Chief Financial Officer or Deputy Chief Financial Officer.
3. **Extraordinary Withdrawals:** Withdrawals greater than 5% may materially impact the Fund's asset allocation and/or liquidity position. Such withdrawals should be discussed in advance with the Chief Financial Officer or Deputy Chief Financial Officer to determine the appropriate timing and execution plan.

North Dakota Teachers' Fund for Retirement

Date:

Scott M. Anderson,
Chief Investment Officer
North Dakota Retirement and Investment
Office

Date:

MEMORANDUM

TO: TFFR Board
FROM: Jodi Smith, Executive Director
DATE: January 22, 2026
RE: Delinquent Accounts Update

As of January 20, 2026, multiple employers responsible for reporting teacher salaries and submitting employer and employee contributions to the Teachers' Fund for Retirement (TFFR) are delinquent in one or more reporting periods.

The following school districts currently have outstanding delinquent reports:

School District Name	Due Aug	Due Sep	Due Oct	Due Nov	Due Dec	Due Jan
Carrington						X
Fordville Lankin School			X	X	X	X
Fort Ransom	X	X	X	X	X	X
Fort Totten					X	X
James River Multidistrict						X
North Border						X
Starkweather						X

Failure to report earnings and submit required contributions adversely affects member retirement accounts due to delayed service crediting and lost investment earnings.

RIO staff continue outreach efforts to bring these employers into compliance, including direct communication with business managers and district leadership. Enforcement actions and coordination with the Attorney General's Office and the Department of Public Instruction remain available if compliance does not improve.

Board Action Requested: Information only.

MEMORANDUM

TO: TFFR
FROM: Jodi Smith, Executive Director
DATE: January 22, 2026
RE: Administrative Rules Update

Since the September memorandum, RIO, in coordination with the Attorney General's Office, has drafted an administrative rule to strengthen enforcement related to delinquent employer reporting and contributions. In addition, staff completed a comprehensive review of existing administrative rules and determined that further updates are necessary to align them with the new pension administration system and current operational practices.

The proposed rule establishes clear, legally enforceable procedures for addressing noncompliance, including earlier intervention triggers and defined escalation steps. Staff are now seeking Board approval to proceed with formal rulemaking, including proposed amendments and adoption of the new rule governing delinquent accounts, which will initiate the public notice and hearing process required under NDCC Chapter 28-32 and strengthen member protections statewide. The proposed additions and amendments are available for review in the redlined attachment provided.

Board Action Requested: The TFFR authorizes staff to proceed with the proposed administrative rule amendments and the new rule addressing delinquent employer reporting, as presented, and to initiate the formal rulemaking process in accordance with NDCC Chapter 28-32, including public notice and hearing requirements.

ARTICLE 82-01 GENERAL ADMINISTRATION

Chapter

82-01-01 Organization of the Teachers' Fund for Retirement

CHAPTER 82-01-01 ORGANIZATION OF THE TEACHERS' FUND FOR RETIREMENT

Section

82-01-01-01 Organization of the Teachers' Fund for Retirement

82-01-01-01. Organization of the teachers' fund for retirement.

1. Organization and administration.

- a. History. The 1913 legislative assembly created the teachers' insurance and retirement fund by legislation codified as North Dakota Century Code chapter 15-39. This chapter provided a retirement program for public, nonpublic, and certain college teachers. In 1971, the legislative assembly repealed North Dakota Century Code chapter 15-39 and enacted North Dakota Century Code chapter 15-39.1 which created the present teachers' fund for retirement. The 1973 legislative assembly provided for teacher retirement options by enacting North Dakota Century Code chapter 15-39.2. The primary objective of the teachers' fund for retirement is to provide income security to retired teachers.
- b. Board of trustees. A seven-member board of trustees, as established by North Dakota Century Code section 15-39.1-05.1, is responsible for managing the fund.
- c. Qualified tax status of fund.
 - (1) Qualified plan. The fund is a qualified employee pension plan under sections 401 and 501 of the Internal Revenue Code of 1986, as amended [U.S.C. title 26].
 - (2) Exclusive benefit and purpose. As a qualified employee pension plan, all assets of the fund are held in trust for the exclusive benefit of members and their beneficiaries. Fund assets may not be diverted or used for any purpose other than to provide pension benefits and other incidental benefits allowed by law.
- d. Investment of the fund. The assets of the fund are invested and managed by the North Dakota state investment board. The state investment board invests the fund's assets in accordance with the "prudent investor" rule.
- e. Accrued benefits nonforfeitable. Upon plan termination or complete discontinuance of contributions under the fund, the rights of all participants to benefits accrued to the date of such termination or discontinuance will become nonforfeitable to the extent funded.

2. Description of portion of organization and functions subject to North Dakota Century Code chapter 28-32.

- a. Overview. The teachers' fund for retirement is an "administrative agency" within the definition of that term under subsection 1 of North Dakota Century Code section 28-32-01.
- b. Rulemaking. North Dakota Century Code section 15-39.1-07 authorizes the board of trustees to adopt rules as may be necessary to fulfill the responsibilities of the board. The board follows the procedures established in North Dakota Century Code chapter 28-32 in

adopting rules. The rules adopted by the board implement various statutory provisions set forth in North Dakota Century Code chapter 15-39.1.

- c. Administration. Administration rules for the state retirement and investment office as they pertain to the teachers' fund for retirement are contained in North Dakota Administrative Code title 103.
- 3. **Inquiries.** General inquiries and questions relating to policies of the board may be sent to the address listed on the funds website at www.rio.nd.gov.

History: Amended effective August 1, 1983; November 1, 1985; September 1, 1990; November 1, 1994; January 1, 1998; May 1, 1998; May 1, 2000; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-05.2, 54-52.5-02

ARTICLE 82-02 DEFINITIONS

Chapter
82-02-01 Definitions

CHAPTER 82-02-01 DEFINITIONS

Section
82-02-01-01 Definitions

82-02-01-01. Definitions.

Unless made inappropriate by context, all words used in this title have the meanings given to them under North Dakota Century Code chapter 15-39.1. The following definitions are not established by statute and apply for the purpose of this title:

1. "Acceptance of benefit" means the benefit payment date that is the first calendar day of each month for benefits paid by paper check or electronic funds transfer to a financial institution.
2. "Account balance" or "value of account" means the member's accumulated contributions or assessments, plus the sum of any member purchase or repurchase payments, plus interest at an annual rate of six percent compounded monthly.
3. "Administrative" means to manage, direct, or superintend a program, service, or school district or other participating employer.
4. "Benefit payment date" means the date the member is paid a benefit which is the first day of the month. Benefits may be paid retroactive to a member's retirement date.
5. "Benefit service credit" means employment service used to determine benefits payable under the fund.
6. "Bonus" means an amount paid to a member in addition to regular contract salary which does not increase the member's base rate of pay, is not expected to recur or continue in future fiscal years, or is not expected to be a permanent salary increase. A bonus is not considered eligible retirement salary and is not subject to payment of member and employer contributions.

Bonuses include the following:

- a. Recruitment or contract signing payments defined in North Dakota Century Code section 15.1-09-33.1.
- b. Retention, experience, or service-related payments.
- c. Early retirement incentive payments, severance payments, or other payments conditioned on or made in anticipation of a member's retirement or termination.
- d. Payments made to recognize or reward a member's accomplishments or service.
- e. Other special or irregular payments which the board determines to be bonuses using criteria and documentation described in section 82-04-02-01.

7. "Cessation of employment" means severance or termination of employment.
8. "Contributions" means the assessments or payments made to the fund.

9. "Covered employment" means employment as a teacher in a North Dakota state agency, state institution, school district, special education unit, regional education association, or other governing body of a school district.
10. "Covered payroll" means all amounts included in payroll, salary, or compensation paid to active members on which contributions to and benefits from the pension plan are based according to the definition of salary in subsection 10 of North Dakota Century Code section 15-39.1-04. Covered payroll may also be referred to as pensionable or eligible payroll, salary, compensation, or earnings.
11. "Dual member" is a member who is also a member of an alternative plan as defined in North Dakota Century Code section 15-39.1-10.3.
12. "Eligibility service credit" means employment service used to determine vesting and benefit eligibility for dual members and qualified veterans under the Uniformed Services Employment and Reemployment Rights Act of 1994. Eligibility service credit is not used for benefit calculation purposes.
13. "Extracurricular services" means outside of the regular curriculum of a school district or other participating employer which includes advising, directing, monitoring, or coaching athletics, music, drama, journalism, and other supplemental programs.
14. "Member" is a teacher as defined in North Dakota Century Code section 15-39.1-04 who is a participant in the fund.
15. "Participating employer" means the employer of a teacher, including a North Dakota state agency, state institution, school district, special education unit, area career and technology center, regional education association, or other governing body of a school district who contributes to the teachers' fund for retirement.
16. "Performance or merit pay" means an amount paid to a member pursuant to a written compensation plan or policy that links a member's compensation to attainment of specific performance goals and duties. The specific goals, duties, and performance measures under which performance pay is expected to be made must be determined in advance of the performance period and documented in writing. Performance or merit pay may be in addition to regular salary or may replace regular salary increases. Performance or merit pay is considered eligible retirement salary and subject to payment of member and employer contributions, unless the teachers' fund for retirement board determines the payments are ineligible salary using criteria and documentation described in section 82-04-02-01.
17. "Plan year" means the twelve consecutive months commencing July first of the calendar year and ending June thirtieth of the subsequent year.
18. "Referee" means all sporting and nonsporting event judges and officials, including referees, umpires, line judges, scorekeepers, timekeepers, ticket takers, ushers, and other judges or officials.
19. "Retirement date" means the date selected by the member to begin retirement benefits. The benefit is calculated as of the retirement date and can be no earlier than the first day of the month following eligibility for retirement benefits or the first day of the month following eligibility for disability or death benefits. Notwithstanding the foregoing a member's retirement will not be effective until the member accepts the first benefit payment.
20. "Salary reduction or salary deferral amounts under 26 U.S.C. section 125, 132(f), 401(k), 403(b), or 457" means amounts deducted from a member's salary, at the member's option, to these plans. These reductions or deferrals are part of salary when calculating retirement contributions. Employer contributions to plans specified in 26 U.S.C. section 125, 132(f),

401(k), 403(b), or 457 which are made for the benefit of the member will not be counted as retirement salary when calculating retirement contributions. Member contributions paid by the employer under IRC section 414(h) pursuant to a salary reduction agreement do not reduce salary when calculating retirement contributions.

21. "Special teachers" include licensed special education teachers, guidance and school counselors, speech and language pathologists, social workers, school psychologists, librarians, media specialists, technology coordinators, program coordinators, and other staff members licensed by the education standards and practices board provided they are under contract with a school district or other participating employer to provide teaching, supervisory, administrative, or extracurricular services.
22. "Supervisory" means to have general oversight or authority over students or teachers, or both, of a school district or other participating employer.
23. "Teaching" means to impart knowledge or skills to students or teachers, or both, by means of oral or written lessons, instructions, and information.
24. "Vested" means the status attained by a teacher when the teacher has earned three years of service credit for a tier one member or five years of service credit for a tier two member for covered employment in this state.
25. "Written agreement" means a teaching contract, school board minutes, or other official document evidencing a contractual relationship between a teacher and participating employer.

History: Effective September 1, 1990; amended effective May 1, 1992; May 1, 1998; May 1, 2000; May 1, 2004; July 1, 2008; July 1, 2012; April 1, 2016; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1

ARTICLE 82-03

PARTICIPATION

Chapter	
82-03-01	Membership in the Fund

CHAPTER 82-03-01 MEMBERSHIP IN THE FUND

Section

82-03-01-01	Teachers' Withdrawal From Fund - Refund
82-03-01-02	Nonvested Teachers' Withdrawal From Fund - Refund [Repealed]
82-03-01-03	Termination of Participation
82-03-01-04	Repurchase of Forfeited Service Credit
82-03-01-05	Purchase of Benefit Service Credit
82-03-01-06	Veterans' Rights
82-03-01-07	Nonrecognition of Waived Service Credit
82-03-01-08	Dual Membership - Receipt of Retirement Benefits While Contributing to the Public Employees Retirement System or the Highway Patrolmen's Retirement System
82-03-01-09	Employer Service Purchase
82-03-01-10	Veteran's Exemption - Proof of Qualified Military Retirement

82-03-01-01. Teachers' withdrawal from fund - Refund.

When a teacher terminates covered employment, the teacher may claim a refund of assessments paid to the fund during membership. A teacher wishing to claim a refund of assessments must ~~request an application from the administrative office, complete the form, and return it for processing~~submit an application for withdrawal through the agency pension administration system. Once the application has been processed, the refund will be paid the first day of the month following the expiration of one hundred twenty calendar days from the last date of covered employment.

The waiting period may be waived by the board if the teacher produces evidence that the teacher will not be returning to covered employment in North Dakota. The following written evidence is required before the board will grant a waiver:

1. Proof of resignation or nonrenewal of contract;
2. Proof that the teacher's employer has accepted the resignation, i.e., letter or copy of official school board minutes; and
3. Proof that the individual has either accepted noncovered employment or permanently relocated out of state, or a medical statement from a medical provider attesting to nonemployment during the upcoming school year for medical reasons.

No refund can be issued to a teacher who has terminated a teaching position only for the summer months or for a leave of absence.

History: Effective September 1, 1990; amended effective April 1, 1994; May 1, 1998; May 1, 2000; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-20

82-03-01-02. Nonvested teachers' withdrawal from fund - Refund.

Repealed effective July 1, 2008.

82-03-01-03. Termination of participation.

A teacher who terminates covered employment and receives a refund of the teacher's account

balance forfeits all benefit service credit under the fund.

History: Effective September 1, 1990.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-20

82-03-01-04. Repurchase of forfeited service credit.

An individual who has forfeited service credit under section 82-03-01-03 may repurchase such service upon returning to teach or becoming an active dual member in accordance with the following:

1. An active teacher may immediately repurchase forfeited service credit upon returning to TFFR-covered employment.
2. A dual member may repurchase withdrawn service credit from the fund.
3. The cost of the repurchased service credit will be calculated on an actuarial equivalent basis.
4. The cost may be paid in a lump sum or in installments. Installments may be made monthly, quarterly, semiannually, or annually for up to five years. Interest is charged on the unpaid balance based on the actuarially assumed investment return rate in effect at the time the member signs the installment agreement.
5. If a teacher retires prior to full payment of the repurchase amount, service credit will be granted in proportion to the actual principal payments made or the teacher may elect to make a lump sum payment to complete the purchase or elect to have the payments included in a refund of the account balance.
6. If a teacher passes away prior to full payment of the repurchase amount, service credit will be granted in proportion to the actual principal payments made or the designated beneficiary may elect to make a lump sum payment to complete the purchase or elect to have the payments included in a refund of the account balance.

History: Effective September 1, 1990; amended effective May 1, 1992; April 1, 1994; May 1, 1998; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-10.3, 15-39.1-15, 15-39.1-24

82-03-01-05. Purchase of benefit service credit.

A teacher may purchase additional eligible benefit service credit in accordance with the following:

1. Out-of-state teaching service at a public, private, or parochial school must be verified by the out-of-state employer or retirement system, or both, where the service was earned.
2. Military service must be verified by submitting military service discharge documents.
3. Professional education organization service must be certified by the teacher's participating employer.
4. Legislative service must be certified by the teacher's participating employer and must indicate the number of uncompensated days and salary information as required by the fund.
5. Government agency service as an administrator or teacher must be verified by the federal agency which employed the teacher.
6. Leave of absence from teaching service must be verified by the employer who granted such leave.
7. Nonpublic teaching service at a North Dakota private or parochial school must be verified by

the employer or the retirement system, or both, where the service was earned.

In all cases, the purchase cost must be on an actuarial equivalent basis determined by applying the actuarial factors adopted by the board.

The cost may be paid in a lump sum or in installments. Installments may be made monthly, quarterly, semiannually, or annually for up to five years. Interest is charged on the unpaid balance at the actuarial assumption rate for investment earnings.

If a teacher retires prior to full payment of the purchase amount, service credit will be granted in proportion to the actual principal payments made, or the teacher may elect to make a lump sum payment to complete the purchase or elect to have the payments included in a refund of the account balance.

If a teacher passes away prior to full payment of the purchase amount, service credit will be granted in proportion to the actual principal payments made or the designated beneficiary may elect to make a lump sum payment to complete the purchase or elect to have the payments included in a refund of the account balance.

History: Effective September 1, 1990; amended effective May 1, 1992; April 1, 1994; May 1, 1998; May 1, 2000.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-24

82-03-01-06. Veterans' rights.

A member may be entitled to eligibility service credit for military service under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) [Pub. L. 103-353; 108 Stat. 3150; 38 U.S.C. 4301 et seq.] provided that the member received an honorable discharge and had the member's North Dakota teaching service interrupted by military duty after December 31, 1994. Interruption of service requires the member to enter military service within ninety days of leaving covered teaching employment and reenter covered employment within ninety days of the member's honorable discharge. Notwithstanding the preceding sentence, effective for deaths occurring on or after January 1, 2007, if a member dies while performing qualified military service (as defined in the Internal Revenue Code section 414(u)(5)), the fund shall provide all applicable benefits required in accordance with Internal Revenue Code section 401(a)(37), as if the member had resumed covered employment on the day preceding death and terminated employment as of the actual date of death. For benefit calculation purposes, the fund will treat a member who dies or becomes disabled (as defined under the terms of the fund) while performing qualified military service as if the member resumed employment in accordance with the member's reemployment rights under USERRA on the day preceding death or disability and terminated employment on the actual date of death or ~~disability~~disability. A member eligible to receive military credit under USERRA will have the service credit recognized for vesting and benefit eligibility purposes.

In addition to having the service credit recognized for vesting and benefit eligibility purposes, at the member's option, a member eligible to receive military credit under USERRA may pay an amount calculated by the fund to allow the credit to be used for benefit calculation purposes. A member may purchase up to five years of military credit and must apply for and complete the purchase prior to retirement. The member must provide a copy of the member's military discharge papers (DD214) as proof of eligibility. The time frame to purchase military service under USERRA begins with reemployment and is equal to three times the length of the military service but may not exceed five years.

The cost to purchase USERRA military credit for benefit calculation purposes is the member and employer contributions required under North Dakota Century Code section 15-39.1-09 had the member's employment not been interrupted by military service. The member contributions must be applied to the member's annual salary at the time of the military leave. The member contributions must be paid by the member if the employer is withholding contributions under a salary reduction plan. If the employer is paying all of the member contributions as a salary supplement, the employer is responsible for payment of any member contributions owed. If the employer is paying a portion of the member contributions as a salary supplement, both the member and employer are responsible for payment of the member

contributions. The employer is required to pay the employer contributions. No interest is charged if the credit is purchased within the time frame allowed under USERRA.

Effective January 1, 2009, compensation shall include military differential wage payments, as defined in Internal Revenue Code section 3401(h), for purposes of calculation of contributions and benefits.

If the credit is not purchased within the USERRA time frame, the cost becomes the responsibility of the member and six percent interest is charged beginning with the date the USERRA time frame elapsed.

History: Effective May 1, 1992; amended effective May 1, 1998; May 1, 2000; July 1, 2012; April 1, 2016.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-24, 15-39.2-01.2; 26 USC 401(a)(37), 26 USC 414(u)(12)(A)

82-03-01-07. Nonrecognition of waived service credit.

The teachers' fund for retirement will not recognize for any purpose service credit from another retirement system that the member waived as a result of the member's participation in the public employees retirement system's defined contribution retirement plan.

History: Effective May 1, 2000.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-24

82-03-01-08. Dual membership - Receipt of retirement benefits while contributing to the public employees retirement system or the highway patrolmen's retirement system.

1. Dual members may select one of the following options at retirement eligibility:
 - a. Begin receiving retirement benefits from one plan prior to ceasing employment covered by the alternate plan, unless the continued employment is with the same employer.
 - b. Begin receiving retirement benefits from one plan and begin work in a job covered by the alternate plan if for a different employer.
 - c. Continue participating as a dual member and begin receiving retirement benefits from both plans after ceasing employment.
2. The following limitations apply when a member elects an option under subsection 1:
 - a. Eligible service credit may be used for vesting purposes and determining when the dual member may begin drawing normal retirement benefits. A member may begin drawing retirement benefits from one fund and use the same years, and any additional years, for reaching retirement from the alternate fund so long as service credit does not exceed one year in any fiscal year.
 - b. If a dual member elects to receive retirement benefits as provided in subdivision a or b of subsection 1, the final average salary, service credit, and member's age used to calculate the benefit that is applicable at the time retirement benefits begin may not be adjusted after the benefit effective date.
 - c. The salary used in calculating the retirement benefit must be provided in writing by the alternate retirement system.

History: Effective May 1, 2004; amended effective April 1, 2016.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-10.3

82-03-01-09. Employer service purchase.

An employer may elect to purchase up to three years of service credit for an active employee. In order to make the purchase, an employer must develop an employer service purchase program as outlined below:

1. The program must be in writing and meet all the conditions and member eligibility requirements in North Dakota Century Code section 15-39.1-33.
2. The program must be in compliance with the federal Age Discrimination in Employment Act and other federal and state laws.
3. The program must include specific guidelines for determining for whom the employer will purchase service credit.
4. The employer must not give the employee the option of a cash payment in lieu of the employer service purchase.
5. The employer must certify in writing that the program meets the necessary legal requirements prior to making the employer service purchase.
6. The teachers' fund for retirement will provide the purchase price amount to the employer.
7. If the service is purchased, the teachers' fund for retirement will credit the service to the member.

History: Effective May 1, 2004.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-33

82-03-01-10. Veteran's exemption - Proof of qualified military retirement.

A teacher applying for an exemption to membership in the teachers' fund for retirement for retired military personnel shall provide proof of at least twenty years of service in any branch of the armed forces of the United States on full-time active duty and proof of retirement with full military retirement benefits. The following documents are accepted as proof of service and proof of military retirement benefits: military record of service, commonly referred to as DD214.

History: Effective April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-19.3

ARTICLE 82-04 CONTRIBUTIONS

Chapter	
82-04-01	Contributions
82-04-02	Eligible Salary Determinations

CHAPTER 82-04-01 CONTRIBUTIONS

Section	
82-04-01-01	Employer Contributions and Member Contributions
82-04-01-02	Employer Payment of Member Contributions
82-04-01-03	Taxation of Contributions and Benefits
82-04-01-04	Rollover Contributions Permitted for Service Purchases

82-04-01-01. Employer contributions and member contributions.

Employer and member contributions must be paid to the fund administrative office by the fifteenth day of the month following collection of the member contributions.

History: Effective September 1, 1990; amended effective July 1, 2012.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-09

82-04-01-02. Employer payment of member contributions.

Section 414(h) of the Internal Revenue Code of 1986, as amended, allows the employer to pay its employees' contributions to a retirement plan. A participating employer that elects to pay the member contributions may reduce the members' current salaries or offset future salary increases by an amount equal to the member contributions paid by the employer. Employer payment of member contributions to the fund is allowed only if the following conditions are satisfied:

1. The participating employer must specify in writing that the contributions are being paid by the employer in lieu of contributions paid by the member.
2. Members must not have the option of choosing to receive the contributed amounts directly instead of having them paid by the participating employer to the retirement fund.
3. All members of a participating employer must be covered by the plan for employer payment of member contributions.
4. All members covered under such a plan must be treated equally.
5. The participating employer's plan to pay member contributions must comply with the fund's "plan for employer payment of member contributions to the fund" or other instructions prepared by the fund.
6. Eligible salary and member and employer contributions paid by the participating employer must be certified by the disbursing official on the required fund reports.
7. Participating employers implementing the plan must report the payment of member contributions to the fund ~~on forms provided by the fund through the agency pension administration system~~. The employer payment plan must be implemented at the beginning of the fiscal year. ~~The employer payment plan will remain in effect until a notice of cancellation or a new form is filed with the fund.~~
8. Participating employers must file a new employer payment plan form ~~at the beginning of each fiscal~~

year, regardless of whether the selected plan remains the same from year to year, if:

- a. The employer changes the model or amount of member contributions paid.
- b. The legislative assembly approves a change to the contribution rate.
- c. The teachers' fund for retirement board changes the models.

History: Effective September 1, 1990; amended effective July 1, 2012.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-09

82-04-01-03. Taxation of contributions and benefits.

Contributions to the fund by participating employers are not subject to taxation as income or wages under state or federal law. Benefits paid by the fund to a member are subject to taxation as income under state and federal law when distributed.

History: Effective September 1, 1990.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-07, 15-39.1-09(2), 21-10-07

82-04-01-04. Rollover contributions permitted for service purchases.

Teachers are permitted to roll over or transfer to the fund any tax-deferred moneys from other eligible retirement plans that meet the requirements of IRC section 402(c) to repurchase refunded service credit and to purchase additional service credit.

The amount rolled over or transferred to TFFR cannot exceed the cost of the credit to be purchased. The transferring trustee or custodian and the teacher must complete authorization forms provided by the fund prior to transfer or rollover. Copies of the original distribution paperwork must be submitted with rollover funds received from a member.

History: Effective September 1, 1990; amended effective May 1, 1998; May 1, 2004.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-24(11)

CHAPTER 82-04-02 ELIGIBLE SALARY DETERMINATIONS

Section

82-04-02-01 Criteria for Eligible Salary Determinations

82-04-02-01. Criteria for eligible salary determinations.

The teachers' fund for retirement board will consider the following criteria and documentation to determine whether benefits or payments made to a teachers' fund for retirement member is eligible retirement salary as authorized in subsection 9 of North Dakota Century Code section 15-39.1-04:

1. Written authorization made in advance of payment. Examples include:
 - a. Master contract or negotiated agreement.
 - b. Individual employment contract.
 - c. Written agreement between employee and employer.
 - d. Minutes of school board or participating employer.
 - e. Policy of school board or participating employer.
 - f. Other information the board deems relevant.
2. Written documentation describing payment details, including:
 - a. Duration of payment or whether payment is recurring or nonrecurring in future years.
 - b. Frequency and date of payment.
 - c. Relation of payment to base or contract salary.
 - d. Reason or intent of payment.
 - e. Description of duties or services to be performed.
 - f. Description of employees who are eligible for payment.
 - g. Amount of payment expressed as either a fixed dollar amount or percentage of known contract amount (not fixed percent of unknown amount).
 - h. Funding source for payment.
3. Other pertinent information the board deems relevant. Examples include:
 - a. Employee salary history.
 - b. Retirement eligibility.
 - c. Other information the board deems relevant.

History: Effective July 1, 2012.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-04

82-04-01-03. Employer contributions - Delinquency withholding state funds.

An employer is delinquent if the employer fails to timely submit required payroll reporting, fails to timely remit required member and employer contributions, or submits incomplete reporting or payments that prevent accurate posting of service credit or contributions as required under section 82-04-01-01. Upon identification of a delinquency, the fund administration office shall issue written notice to the employer's designated officials specifying the deficiencies and the deadline to cure and require correction within thirty calendar days unless otherwise stated.

Any sum not paid when due is delinquent and is subject to a delinquency penalty pursuant to NDCC 15-39.1-23. Where authorized by law, the fund may coordinate with other state agencies regarding enforcement mechanisms available for delinquent participating employers.

History: Effective XX, 2026

General Authority: NDCC 15-39.1-07

ARTICLE 82-05 RETIREMENT BENEFITS

Chapter	
82-05-01	Procedural Requirements
82-05-02	Forms of Benefit Payments
82-05-03	Payment of Benefits
82-05-04	Actuarial Factors
82-05-05	Deferred Retirement Eligibility
82-05-06	Retiree Return to Work Program

CHAPTER 82-05-01 PROCEDURAL REQUIREMENTS

Section	
82-05-01-01	Application for Benefits
82-05-01-02	Proof of Age
82-05-01-03	Designation of Beneficiary
82-05-01-04	Proof of Marriage [Repealed]
82-05-01-05	Benefit Eligibility Calculation

82-05-01-01. Application for benefits.

A member or beneficiary must make ~~written~~ application for benefits ~~on enrollment forms provided through the pension administration system maintained~~ by the fund before benefits can be paid. The enrollment form must be signed by the member or beneficiary and notarized or witnessed by a plan representative. The form of payment option selected may not be changed after the first benefit payment has been accepted by the member or beneficiary except as allowed under sections 82-05-01-03 and 82-05-02-02. If the member dies before accepting the first benefit payment, the member's beneficiary is eligible for death benefits the first day of the month following the member's death.

Retirement benefits may not be issued to a member who has terminated a teaching position only for the summer months or for a leave of absence.

History: Effective September 1, 1990; amended effective April 1, 1994; May 1, 2000; July 1, 2012; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-10, 15-39.1-17

82-05-01-02. Proof of age.

A teacher applying for a retirement benefit and each beneficiary entitled to a continuing annuity under the joint and survivor option must provide proof of age. The following documents will be accepted as proof of age: REAL ID, birth certificate, baptismal certificate, passport, or official military record.

History: Effective September 1, 1990; amended effective July 1, 2021.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-10; The REAL ID act of 2005 [Pub. L. 109-13; 119 Stat. 311; 49 U.S.C. § 30301 note]

82-05-01-03. Designation of beneficiary.

A member ~~may shall~~ designate a beneficiary ~~in writing on forms provided through the pension administration system maintained~~ by the fund prior to the beginning of benefit payments.

After benefit payments have begun, the member may not change the designated beneficiary, except under the following circumstances:

1. Members who select the single life, five-year term certain and life (option no longer available to new retirees), twenty-year term certain and life, or ten-year term certain and life annuity plans may change their beneficiary at any time.
2. Members who select the one hundred percent joint and survivor or fifty percent joint and survivor annuity plans may only name one beneficiary and may not change their beneficiary after retirement, except under the following circumstances:
 - a. If the member's designated beneficiary precedes the member in death; or
 - b. If the marriage of a member and the designated beneficiary is dissolved and the divorce decree provides for sole retention of the retirement benefits by the member.

In these cases, the form of benefits shall automatically revert to the standard form of benefit payment under section 82-05-02-01 and a new beneficiary may be designated. The member, upon remarriage, may designate the new spouse as the primary beneficiary and may elect a joint and survivor benefit option under section 82-05-02-02.

History: Effective September 1, 1990; amended effective April 1, 1994; May 1, 2000; May 1, 2002; May 1, 2004; July 1, 2012.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-04, 15-39.1-16, 15-39.1-17

82-05-01-04. Proof of marriage.

Repealed effective May 1, 2000.

82-05-01-05. Benefit eligibility calculation.

In determining eligibility for benefits under North Dakota Century Code chapter 15-39.1, the calculations for age and service credit are rounded to the nearest one thousandth (.000).

History: Effective July 1, 2012.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-10, 15-39.1-27

CHAPTER 82-05-02

FORMS OF BENEFIT PAYMENTS

Section

82-05-02-01	Standard Form of Benefit Payments
82-05-02-02	Optional Forms of Benefit Payments
82-05-02-03	Level Income Option [Repealed]
82-05-02-04	Retroactive Retirement Eligibility
82-05-02-05	Partial Lump Sum Distribution Option

82-05-02-01. Standard form of benefit payments.

The standard form of benefit payments under article 82-05 is an annuity payable for the life of the teacher with no survivor annuity.

History: Effective September 1, 1990.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-10

82-05-02-02. Optional forms of benefit payments.

1. A teacher may elect to receive benefits under article 82-05 in any one of the following forms:
 - a. A one hundred percent joint and survivor annuity.
 - b. A fifty percent joint and survivor annuity.
 - c. An annuity payable to the teacher or the teacher's designated beneficiary for the life of the teacher or two hundred forty months, whichever is longer.
 - d. An annuity payable to the teacher or the teacher's designated beneficiary for the life of the teacher or one hundred twenty months, whichever is longer.
2. A married member's spouse, if designated as beneficiary, must consent in writing to the form of payment option elected by the member at retirement. If spousal consent is not obtained, the form of benefit payment option will be the fifty percent joint and survivor option.
3. Benefits under the optional forms of payment must be determined on an actuarially equivalent basis. The teacher's choice of benefit under this section is irrevocable once the teacher has begun receiving benefits except under the following circumstances:
 - a. Under the single life, five-year term certain and life (option no longer available to new retirees), twenty-year term certain and life, and ten-year term certain and life annuity options, if a retired teacher marries, that teacher may change that teacher's beneficiary under section 82-05-01-03 and form of benefit payment to a joint and survivor option.
 - b. Under the one hundred percent joint and survivor and fifty percent joint and survivor annuity options, if a retired teacher's designated beneficiary precedes the teacher in death, or if the marriage of a teacher and the designated beneficiary is dissolved and the divorce decree provides for sole retention of the retirement benefits by the teacher, the form of benefits shall automatically revert to the standard form of benefit payment under section 82-05-02-01 and a new beneficiary may be designated under section 82-05-01-03. The teacher, upon remarriage, may designate the new spouse as the primary beneficiary and may elect a joint and survivor option.
4. The teacher must provide proof of the teacher's good health before the board can permit a change in the designated beneficiary under the joint and survivor options. A medical examination conducted by a licensed medical doctor is required.

5. The teacher is required to provide proof of age for the new beneficiary. The board must adjust the monthly retirement benefit to the actuarially equivalent amount based on the new designated beneficiary's age.

History: Effective September 1, 1990; amended effective April 1, 1994; May 1, 2000; May 1, 2002; May 1, 2004.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-16

82-05-02-03. Level income option.

Repealed effective April 1, 2024.

82-05-02-04. Retroactive retirement eligibility.

Upon application, a teacher is entitled to receive benefits retroactive to the date of initial eligibility in accordance with the benefit option selected. Teachers may not collect interest on retroactive back benefits.

History: Effective September 1, 1990; amended effective April 1, 1994.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-10, 15-39.1-16

82-05-02-05. Partial lump sum distribution option.

A member who is eligible for an unreduced service retirement annuity may receive a portion of the retirement annuity paid in a lump sum distribution as provided in North Dakota Century Code section 15-39.1-16. The lump sum distribution may be paid in a direct rollover as outlined in North Dakota Century Code section 15-39.1-20.

History: Effective May 1, 2004.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-16

CHAPTER 82-05-03 PAYMENT OF BENEFITS

Section

82-05-03-01	When Benefit Payments Begin - Direct Deposit
82-05-03-02	Death Benefits - Proof of Death
82-05-03-03	Overpayment of Retirement Benefits - Write-Offs
82-05-03-04	Interest Payments - Interest Accrual on Account - Preretirement Death
82-05-03-05	Erroneous Payment of Benefits - Overpayments
82-05-03-06	Erroneous Payment of Benefits - Underpayments
82-05-03-07	Erroneous Payment of Benefits - Appeals

82-05-03-01. When benefit payments begin - Direct deposit.

If the teacher terminates covered employment and becomes eligible for retirement benefits, retirement benefits are paid on the first day of the month following the official date of retirement. If a teacher terminates covered employment or becomes eligible for retirement benefits after the first fifteen days of the month, retirement benefits are paid beginning the first day of the following month.

Annuity payments will be directly deposited to a teacher's account in a bank, credit union, savings and loan, or other financial institution provided that the financial institution is an automated clearing house (ACH) financial participant. The teacher must complete the official direct deposit form provideddirect deposit information through the pension administration system maintained by the fund.

History: Effective September 1, 1990; amended effective May 1, 1998; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-10

82-05-03-02. Death benefits - Proof of death.

Death benefits will be paid after proof of the member's death is submitted to the fund office. Proof of death includes a death certificate or other documentation approved by the executive director. If death benefits are required to be paid to the member's estate, documentation naming the administrator or personal representative of the estate must also be submitted to the fund office prior to payment.

History: Effective September 1, 1990; amended effective April 1, 1994; May 1, 1998; July 1, 2012.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-17

82-05-03-03. Overpayment of retirement benefits - Write-offs.

All overpayments must be collected using the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like gains. If the cost of recovering the amount of the overpayment of retirement benefits is estimated to exceed the overpayment, the teachers' fund for retirement may consider the repayment to be unrecoverable and written off. Any and all write-offs of the fund must be presented to and approved by the board of trustees.

History: Effective April 1, 2016; amended effective April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-29, 15-39.1-31

82-05-03-04. Interest payments - Interest accrual on account - Preretirement death.

The preretirement death benefit paid to any beneficiary shall be equal to the account value included accumulated interest up to the date of death. No interest shall continue to accrue to the account beyond the time of death of the member.

History: Effective April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-17

82-05-03-05. Erroneous payment of benefits - Overpayments.

1. An "overpayment" means a payment of money by the teachers' fund for retirement that results in a person receiving a higher payment than the person is entitled to under the provision of the retirement plan of membership.
2. A person who receives an overpayment is liable to refund those payments upon receiving a written explanation and request for the amount to be refunded.
3. If the overpayment of benefits was not the result of any wrongdoing, negligence, misrepresentation, or omission by the recipient, the recipient may make repayment arrangements subject to the executive director's approval within sixty days of the written notice of overpayment with the minimum repayment amount no less than fifty dollars per month. If repayment arrangements are not in place within sixty days of the date of the written notice of overpayment, the executive director shall offset the amount of the overpayment from the amount of future retirement benefit payments so that the actuarial equivalent of the overpayment is spread over the benefit payment period.
4. If the overpayment of benefits was the result, in whole or in part, of the wrongdoing, negligence, misrepresentation, or omission of the recipient, the recipient is liable to pay simple interest charges at the rate of six percent on the outstanding balance to compensate the fund for lost earnings, from the time the erroneous benefit was paid through the time it has been refunded in full. Recovered funds are first applied to interest and, if any amount is left over, that amount is applied to principal. The recipient may make repayment arrangements, subject to the executive director's approval, within sixty days of the written request for refund with the minimum repayment amount no less than fifty dollars per month. If repayment arrangements are not in place within sixty days of the date of the written notice of overpayment, the executive director shall offset the amount of the overpayment from the amount of future retirement benefit payments so that the actuarial equivalent of the overpayment is spread over the benefit payment period.
5. If an individual dies prior to fully refunding an erroneous overpayment of benefits, the teachers' fund for retirement may make application to the estate of the deceased to recover the remaining balance.

History: Effective April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-17

82-05-03-06. Erroneous payment of benefits - Underpayments.

1. An "underpayment" means a payment of money by the teachers' fund for retirement that results in a person receiving a lower payment than the person is entitled to under the provisions of the retirement plan of membership.
2. If an underpayment occurs, the amount of the lump sum payment must be paid within sixty days of the discovery of the error.
3. If the underpayment of benefits was not the result of any wrongdoing, negligence, misrepresentation, or omission by the employer or recipient, the underpayment of benefits is to include simple interest at the rate of six percent from the time the underpayment occurred.
4. If the underpayment of benefits was the result, in whole or in part, of the wrongdoing, negligence, misrepresentation, or omission of the employer or recipient, the underpayment of

benefits will not include simple interest.

5. If an individual dies prior to receiving the underpayment of benefits, the teachers' fund for retirement shall pay the designated beneficiary on record or, in the absence of a designation of beneficiary, to the estate.

History: Effective April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-17

82-05-03-07. Erroneous payment of benefits - Appeals.

1. A person not satisfied with repayment arrangements made under section 82-05-03-05 may appeal the executive director's decision in writing to the board. The written request must explain the basis of the appeal and must be received in the office within sixty days of the executive director's written decision.
2. The board may release a person from liability to refund an overpayment, in whole or in part, if it determines:
 - a. The receipt of overpayment is not the fault of the recipient.
 - b. It would be contrary to equity and good conscience to collect the refund.

History: Effective April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-17

CHAPTER 82-05-04 ACTUARIAL FACTORS

Section

82-05-04-01	Actuarial Factors - Early Retirement
82-05-04-02	Actuarial Factors - Optional Payment Forms
82-05-04-03	Actuarial Factors - Maximum Benefits Under Section 415
82-05-04-04	Actuarial Factors - Purchase of Service

82-05-04-01. Actuarial factors - Early retirement.

In determining early retirement benefits under North Dakota Century Code section 15-39.1-12, the benefits to which a member is entitled shall be reduced 0.5 percent for each month that the early retirement date precedes the first day of the month coincident with or next following the earlier of the member's sixty-fifth birthday or the date at which current service plus the member's age will equal eighty-five for a tier one grandfathered member. Effective July 1, 2013, for members who are either tier one nongrandfathered or tier two, in determining the early retirement benefit under North Dakota Century Code section 15-39.1-12, the benefits to which a member is entitled shall be reduced 0.6667 percent for each month that the early retirement date precedes the first day of the month coincident with or next following the earlier of the member's sixty-fifth birthday or the date at which current service plus the member's age will equal ninety, with a minimum age of sixty.

History: Effective September 1, 1990; amended effective May 1, 2000; July 1, 2008; April 1, 2016.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-16, 15-39.1-24

82-05-04-02. Actuarial factors - Optional payment forms.

Under the optional joint and survivor, term certain and life, and partial lump sum forms of annuity payment shall be based on the following actuarial assumptions:

1. Interest rate - 7.25 percent per year, compounded annually.
2. Member's mortality (used for nondisabled members) - A mortality table constructed by blending thirty percent of the mortality rates under a combination of PubT-2010 employee and PubT-2010 healthy retiree tables for males, adjusted by one hundred four percent for ages fifty-five and older, and projected to 2022 using projection scale MP-2019, with seventy percent of the mortality rates under a combination of PubT-2010 employee and PubT-2010 healthy retiree tables for females, adjusted by one hundred four percent for ages fifty-five and older, and projected to 2022 using projection scale MP-2019.
3. Beneficiary's mortality - A mortality table constructed by blending seventy percent of the mortality rates under a combination of PubT-2010 employee and Pub-2010 contingent survivor tables for males, adjusted by ninety-five percent for ages forty-five and older, and projected to 2022 using projection scale MP-2019, with thirty percent of the mortality rates under a combination of PubT-2010 employee and Pub-2010 contingent survivor tables for females, adjusted by ninety-five percent for ages forty-five and older and projected to 2022 using projection scale MP-2019. Mortality tables for survivors under age eighteen use the RP-2014 juvenile tables with fifty percent blending of the male/female rates and projected to 2022 using projection scale MP-2019.
4. Disabled member's mortality - A mortality table constructed by blending thirty percent of the mortality rates under the PubNS-2010 non-safety disabled mortality table for males, projected to 2022 using projection scale MP-2019, with seventy percent of the mortality rates under the PubNS-2010 non-safety disabled mortality table for females, projected to 2022 using projection scale MP-2019.

In addition, the above actuarial assumptions shall be used to determine actuarial equivalence for other

purposes not covered by sections 82-05-04-01, 82-05-04-03, and 82-05-04-04, such as the determination of the reduction to a member's benefit because of the existence of a qualified domestic relations order.

History: Effective May 1, 2000; amended effective May 1, 2004; July 1, 2008; April 1, 2016; July 1, 2021; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-16, 15-39.1-24

82-05-04-03. Actuarial factors - Maximum benefits under section 415.

In computing the maximum benefits under Internal Revenue Code section 415, as required under North Dakota Century Code section 15-39.1-10.6, the following actuarial assumptions must be used:

1. Interest rate - the interest rate assumption must be the same as the rate that is used in computing actuarially equivalent optional payment forms under section 82-05-04-02 except that:
 - a. The interest rate assumption may not be less than five percent for the purposes of converting the maximum retirement income to a form other than a straight life annuity with no ancillary benefits;
 - b. The interest rate assumption may not be greater than five percent for the purposes of adjusting the maximum retirement income payable to a member who is over age sixty-five so that it is actuarially equivalent to such a retirement income commencing at age sixty-five; and
 - c. The factor for adjusting the maximum permissible retirement income to a member who is less than age sixty-two years so that it is actuarially equivalent to such a retirement income commencing at age sixty-two years shall be equal to the factor for determining actuarial equivalence for early retirement under section 82-05-04-01 or an actuarially computed reduction factor determined using an interest rate assumption of five percent and the mortality assumptions specified in this section (except that the mortality decrement must be ignored if a death benefit at least equal to the single-sum value of the member's accrued benefit would be payable under the fund on behalf of the member if the member remained in service and the member's service was to be terminated by reason of the member's death prior to the member's normal retirement date), whichever factor will provide the greater reduction. The factor for determining actuarial equivalence for early retirement under the fund for any given age below age sixty-two years must be determined by dividing the early retirement adjustment factor that applies under section 82-05-04-01 at such given age by the early retirement adjustment factor that applies under the fund at age sixty-two years. The actuarial adjustment provided in this subdivision does not apply for limitation years beginning after 1994 to income received as a pension, annuity, or similar allowance as a result of a member's disability due to personal injuries or sickness, or amounts received as a result of a member's death by the member's beneficiaries, survivors, or estate.
2. Mortality - the mortality assumptions must be based upon the mortality table prescribed by the secretary of the treasury of the United States pursuant to Internal Revenue Code section 415(b)(2)(E).

History: Effective May 1, 2000; amended effective May 1, 2004.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-16, 15-39.1-24

82-05-04-04. Actuarial factors - Purchase of service.

Whenever the North Dakota Century Code permits a member to purchase service on an actuarially equivalent basis, the following actuarial assumptions shall be used:

1. Interest rate - 7.25 percent per year, compounded annually.
2. Mortality rates - the same table specified in section 82-05-04-02 for nondisabled members.
3. Retirement - the member will be assumed to retire at the age at which the member is first eligible for an unreduced retirement benefit. Such unreduced retirement date will be determined taking into account any purchased service and assuming the member continues in full-time covered service.
4. Salary increase rate - Increases are assumed to occur once each year. The following table shows the increase rates indexed by the member's service (excluding any service being purchased):

Years From Hire	Percentage Increase at End of Year
1	14.80%
2	6.80%
3	6.55%
4-5	6.30%
6-7	5.80%
8-9	5.55%
10-12	5.30%
13-14	5.05%
15-16	4.80%
17-19	4.55%
20-23	4.30%
24-30	4.05%
31 and over	3.80%

History: Effective May 1, 2000; amended effective July 1, 2008; April 1, 2016; July 1, 2021.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-16, 15-39.1-24

**CHAPTER 82-05-05
DEFERRED RETIREMENT ELIGIBILITY**

Section
82-05-05-01 Deferred Retirement Eligibility

82-05-05-01. Deferred retirement eligibility.

A teacher who is vested and terminates covered employment must apply for deferred retirement benefits on an official agency form through the pension administration system maintained by the fund.

History: Effective September 1, 1990.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-10, 15-39.1-11

CHAPTER 82-05-06 RETIREE RETURN TO WORK PROGRAM

Section
82-05-06-01 Retiree Reemployment Reporting Requirements

82-05-06-01. Retiree reemployment reporting requirements.

Participating employers ~~and retirees~~ must enroll a reemployed retiree through the pension administration system maintained~~complete and submit a form required~~ by the fund and a copy of the employment contract within thirty days of the retired member's return to covered employment.

Time spent performing extracurricular duties and attending professional development sessions is excluded from the annual hour limit.

History: Effective July 1, 2008; amended effective July 1, 2012; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-19.1, 15-39.1-19.2

ARTICLE 82-06 SUSPENSION OF BENEFITS

Chapter
82-06-01 Suspension of Benefits

CHAPTER 82-06-01 SUSPENSION OF BENEFITS

Section
82-06-01-01 Suspension of Benefits [Repealed]
82-06-01-02 Participation Upon Suspension - Prior Elections Frozen

82-06-01-01. Suspension of benefits.

Repealed effective May 1, 1998.

82-06-01-02. Participation upon suspension - Prior elections frozen.

A teacher who subsequently retires following suspension of benefits is entitled to resume receiving the suspended annuity in accordance with the retirement benefit option previously selected. The retirement option previously selected cannot be modified at the subsequent retirement.

History: Effective September 1, 1990.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-19.1

ARTICLE 82-07 DISABILITY BENEFITS

Chapter	
82-07-01	Disability Retirement Eligibility
82-07-02	Right to Formal Hearing and Appeal [Repealed]
82-07-03	Forms of Disability Benefits
82-07-04	Suspension of Disability Benefits

CHAPTER 82-07-01 DISABILITY RETIREMENT ELIGIBILITY

Section	
82-07-01-01	Definitions
82-07-01-02	Disability Retirement Eligibility
82-07-01-03	Determination of Disability - Procedures

82-07-01-01. Definitions.

The following definitions govern the determination of disability benefits under the fund:

1. "Medical examination" means an examination conducted by a licensed medical provider or a psychologist that includes a diagnosis of the disability, the treatment being provided for the disability, the prognosis and classification of the disability, and a statement indicating how the disability prevents the individual from performing the duties of a teacher.
2. "Permanent and total disability" means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than twelve months and results in the individual's inability to perform the duties of a teacher.
3. "Temporary disability" means a condition of "total disability" that is expected to last at least twelve months, but is not considered permanent.

History: Effective September 1, 1990; amended effective May 1, 1998; July 1, 2008; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-18

82-07-01-02. (Effective through June 30, 2013) Disability retirement eligibility.

A member, with at least one year of service credit, who has a "total disability" is eligible for disability retirement benefits if the member became totally disabled while employed as a teacher and otherwise complies with the requirements of article 82-07.

(Effective after June 30, 2013) Disability retirement eligibility. A member, with at least five years of service credit, who has a "total disability" is eligible for disability retirement benefits if the member became totally disabled while employed as a teacher and otherwise complies with the requirements of article 82-07.

History: Effective September 1, 1990; amended effective May 1, 1998; July 1, 2012.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-18

82-07-01-03. Determination of disability - Procedures.

The following procedures govern the determination of disability benefits under the fund:

1. **Application process.**

- a. Application for disability benefits must be made within thirty-six months from the last date of covered employment ~~on the form provided through the pension administration system maintained~~ by the fund. On a case-by-case basis, the board may extend the thirty-six month period.
- b. If the fund member is unable or unwilling to file an application, the member's employer or legal representative may file the member's disability application.
- c. The application must describe the disability, explain the cause of the disability, the limitations caused by the disability, the treatment being followed, the efforts by the employer and the member to implement reasonable accommodations, and the effect of the disability on the individual's ability to perform as a teacher.
- d. The employer's statement of disability must provide information about the member's sick leave benefits, explain how the disability affects the performance of the teaching duties, include a detailed listing of job duties, and describe efforts to provide reasonable accommodation for the member.

2. Medical examination process.

- a. The applicant for disability retirement must provide the fund with medical examination reports.
- b. An initial medical examination should be completed by the member's medical provider on the medical examination form provided by the fund. If deemed necessary by the fund's medical consultant, an additional examination must be completed by a specialist in the disability involved. Available medical or hospital reports may be accepted in lieu of a medical examination report if deemed acceptable by the fund's medical consultant.
- c. The fund is not liable for any costs incurred by the applicant in undergoing medical examinations and completing and submitting the necessary medical examination reports, medical reports, and hospital reports.
- d. A medical examination report is not necessary if the applicant provides written proof documenting eligibility for disability benefits under the Social Security Act. In such cases, the applicant is eligible for disability benefits under North Dakota Century Code section 15-39.1-18 without submitting further medical information to the fund but is subject to recertification requirements specified in this chapter.

3. Medical consultant review.

- a. The fund shall retain a medical provider to act as its consultant and evaluate and make recommendations on disability retirement applications.
- b. The medical consultant shall review all medical information provided by the applicant.
- c. The medical consultant shall advise the board regarding the medical diagnosis and whether the condition is a "permanent and total disability" or "temporary disability".

4. Decision.

- a. The board shall consider applications for disability retirement at regularly scheduled board meetings. The discussion concerning disability applications must be confidential and closed to the general public.
- b. The applicant must be notified of the time and date of the meeting and may attend or be represented.
- c. The executive director or designee shall provide to the board for its consideration a case

history brief that includes membership history, medical examination summary, and the medical consultant's conclusions and recommendations.

- d. The board shall make the determination for eligibility at the meeting unless additional evidence or information is needed.
- e. The executive director or designee may make an interim determination concerning eligibility for disability retirement benefits when the medical consultant's report verifies that a permanent and total or temporary disability exists. However, the board must review the interim determination and make a final determination at its next regularly scheduled board meeting unless additional evidence or information is needed.
- f. The applicant shall be notified in writing of the decision.
- g. If the applicant is determined to be eligible for disability benefits, the disability annuity is payable on, or retroactive to, the first day of the month following the member's last day of paid employment.
- h. If the applicant is determined not to be eligible for disability benefits, the executive director or designee shall advise the applicant of the appeal procedure.

5. **Redetermination and recertification.**

- a. A disabled annuitant is subject to redetermination and recertification to maintain eligibility. The schedule for redetermination and recertification must be as follows:
 - (1) Temporary disability. Following the first anniversary date of disability retirement, and every two years thereafter (unless normal retirement is reached). No further recertification is required after the fourth recertification of temporary disability has been filed and accepted. Basis recovery will begin when the member reaches normal retirement age.
 - (2) Permanent and total disability. Following the second anniversary date of disability retirement, and five years thereafter unless normal retirement is reached. No further recertification is required after the second recertification of permanent disability has been filed and accepted. Basis recovery will begin when the member reaches normal retirement age.
- b. The fund may require additional recertifications, or waive the necessity for a recertification, if the facts warrant this action.

When a member who is drawing disability benefits is also eligible for normal retirement benefits at the time disability benefits commence, recertification will cease according to the following schedule:

Before age 60	Age 65
At or after age 60, before age 65	5 years
At or after age 65, before age 69	Age 70
At or after age 69	1 year

Basis recovery will also begin according to the above schedule.

- c. The fund will send a recertification form to the disabled annuitant to be completed and sent back to the fund.
- d. The fund may require the disabled annuitant to be reexamined by a medical provider at the annuitant's own expense. The submission of medical reports by the member, and the

review of those reports by the fund's medical consultant, may satisfy the reexamination requirement.

- e. The executive director must make the redetermination and recertification decision and bring the matter to the board only if warranted. The disability annuitant may appeal an adverse recertification decision to the board in the same manner as the initial determination.
- f. If it is determined that the disability annuitant was not eligible for benefits during any time period when benefits were provided, the executive director may do all things necessary to recover the erroneously paid benefits.

History: Effective September 1, 1990; amended effective April 1, 1994; May 1, 1998; May 1, 2000; July 1, 2012; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-18

CHAPTER 82-07-03

FORMS OF DISABILITY BENEFITS

Section
82-07-03-01 Forms of Disability Benefits

82-07-03-01. Forms of disability benefits.

Except for the partial lump sum distribution option, all optional forms of retirement benefits are available to members entitled to disability retirement annuities.

History: Effective September 1, 1990; amended effective May 1, 1998; July 1, 2012; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-18

CHAPTER 82-07-04 **SUSPENSION OF DISABILITY BENEFITS**

Section

82-07-04-01 Suspension of Disability Benefits

82-07-04-01. Suspension of disability benefits.

1. When a member receiving disability retirement benefits is not recertified as eligible for continued benefits, the board shall presume the member does not have a "total disability" and the disability benefits must cease on the first day of the month following the date the member is not recertified eligible for continued benefits.
2. When a member receiving disability retirement benefits returns to active teaching in North Dakota or out of state, the board shall do one of the following:
 - a. Presume the member does not have a "total disability" and, pursuant to subsection 3 of North Dakota Century Code section 15-39.1-18, suspend the member's disability benefits on the first day of the month following the date the member returns to active teaching.
 - b. If the member consents, allow continued payment of the disability benefit for up to six months to permit a member who has partially recovered from the disability to return to active teaching on a trial basis. If the member terminates employment prior to the end of the trial period as set by the board, the board shall not deem the member recovered under North Dakota Century Code section 15-39.1-18, and the member's benefits must continue as permitted under North Dakota Century Code chapter 15-39.1 and this title. If, at the end of the trial period, the member has not terminated employment, the board shall presume the member does not have a qualified disability and shall suspend the member's disability benefits on the first day of the month following the date the member's trial period ends pursuant to North Dakota Century Code section 15-39.1-18. A member who has had the member's disability benefit terminated under this section shall reapply to receive any future disability benefit after the conclusion of any trial period.

History: Effective September 1, 1990; amended effective May 1, 1998; July 1, 2008; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-18, 15-39.1-19.1

ARTICLE 82-08

QUALIFIED DOMESTIC RELATIONS ORDERS

Chapter
82-08-01 Qualified Domestic Relations Orders

CHAPTER 82-08-01

QUALIFIED DOMESTIC RELATIONS ORDERS

Section
82-08-01-01 Payment in Accordance With Qualified Domestic Relations Orders [Repealed]
82-08-01-02 Qualified Domestic Relations Order Procedures
82-08-01-03 Format for a Qualified Domestic Relations Order

82-08-01-01. Payment in accordance with qualified domestic relations orders.

Repealed effective May 1, 2000.

82-08-01-02. Qualified domestic relations order procedures.

Upon receipt of a domestic relations order, the plan shall:

1. Send an initial notice to each person named therein, together with an explanation of the procedures followed by the fund.
2. If the teacher or alternate payee receives any distribution that should not have been paid per the order, the teacher or alternate payee is designated a constructive trustee for the amount received and shall immediately notify the retirement and investment office and comply with written instructions as to the distribution of the amount received.
3. Review the domestic relations order to determine if it follows the model language format in section 82-08-01-03.
4. Forward the domestic relations order to the fund's legal counsel and actuarial consultant for their review and recommendation to the board.
5. The board shall review the domestic relations order and make the final determination of a qualified order.
6. The domestic relations order must be considered a qualified order when the plan notifies the parties the order is approved by the board and a certified copy of the court order has been submitted to the fund office.
7. If the order is determined to be qualified within eighteen months of receipt:
 - a. Send notice to all persons named in the order and any representatives designated in writing by such person that a determination has been made that the order is a qualified domestic relations order.
 - b. Comply with the terms of the order.
 - c. Distribute the amounts as outlined in the order.
8. In the event that the order is determined not to be a qualified domestic relations order or a determination cannot be made as to whether the order is qualified or not qualified within eighteen months of receipt of such order:
 - a. Send written notification of such to all parties.

b. Apply the qualified domestic relations order prospectively only if determined after the expiration of the eighteen-month period the order as modified, if applicable, is a qualified domestic relations order.

History: Effective September 1, 1990; amended effective May 1, 1992; April 1, 1994; May 1, 1998; May 1, 2004.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-12.2

82-08-01-03. Format for a qualified domestic relations order.

A qualified domestic relations order must be substantially in the following form:

ACTIVE OR INACTIVE MEMBERS

STATE OF NORTH DAKOTA	IN DISTRICT COURT
COUNTY OF _____	JUDICIAL DISTRICT
_____,)	
)	
Plaintiff,)	
)	QUALIFIED DOMESTIC
)	RELATIONS ORDER
-vs-)	
)	Case No. _____
)	
_____,)	
Defendant.)	

.....

This Order is intended to meet the requirements of a "Qualified Domestic Relations Order" relating to the North Dakota Teachers' Fund for Retirement, hereafter referred to as the "Plan". The Order is made pursuant to North Dakota Century Code section 15-39.1-12.2. The Order is an integral part of the judgment entered on [DATE OF DIVORCE] granting a divorce to the above-entitled parties. [This Order is also drawn pursuant to the laws of the state of North Dakota relating to the equitable distribution of marital property between spouses and former spouses in actions for dissolution of a marriage.] or [This Order is drawn pursuant to the laws of the state of North Dakota relating to the provision of child support to a minor child in actions for dissolution of a marriage.]

BACKGROUND INFORMATION

[MEMBER'S NAME AND SOCIAL SECURITY NUMBER] is the participating member whose last-known address is [MEMBER'S ADDRESS]. The member's date of birth is [MEMBER'S D.O.B.].

[ALTERNATE PAYEE'S NAME AND SOCIAL SECURITY NUMBER] is the alternate payee whose last-known address is [ALTERNATE PAYEE'S ADDRESS]. The alternate payee's date of birth is [ALTERNATE PAYEE'S D.O.B.].

The participating member and the alternate payee were married on [DATE OF MARRIAGE].

IT IS HEREBY ORDERED THAT:

I. BENEFITS

Benefits under the plan are distributed as follows: (Choose one)

1. The alternate payee is awarded [_____ %] of the member's accrued monthly annuity benefit as of [DATE OF DIVORCE]; (OR)
2. The alternate payee is awarded [\$_____] of the member's accrued monthly annuity benefit as of [DATE OF DIVORCE].

If payments to the alternate payee begin prior to the member's sixty-fifth birthday, such benefits shall be reduced actuarially, except that if the member retires or dies prior to the member's sixty-fifth birthday, the alternate payee shall receive a commensurate share of any early retirement subsidy, beginning as of the date of the member's retirement or death. Such increase shall be determined actuarially.

II. TIME OF BENEFIT RECEIPT

Benefit payments to the alternate payee will begin: (Choose one)

1. When the participating member qualifies for normal retirement benefits under the plan. (OR)
2. When the participating member qualifies for early retirement. (OR)
3. When the alternate payee reaches [DATE OR EVENT]. The date or event must be after the date participating member would qualify for early retirement. (OR)
4. When the participating member retires and begins receiving retirement benefits from the plan.

Benefits to the alternate payee are payable even if the member has not separated from covered employment. In all cases, the payment will not begin later than when the participating member retires.

If the participating member begins receiving disability retirement benefits, the alternate payee will also begin receiving the benefits awarded in section I of this Order. The alternate payee's benefit will begin when the member's benefits begin and will be actuarially reduced to reflect the earlier disability payment start date.

III. DURATION OF PAYMENTS TO ALTERNATE PAYEE OVER THE LIFE OF THE ALTERNATE PAYEE (Choose one)

1. The payments shall be made to the alternate payee on a monthly basis over the life of the alternate payee and shall cease upon the alternate payee's death and will not revert back to the member. The payment shall be calculated on the basis of a single life annuity and will be actuarially adjusted based upon the plan's assumptions to reflect the life expectancy of the alternate payee.

(OR)

2. The payments shall be made to the alternate payee on a monthly basis over the life of the alternate payee and calculated on the basis of:

(Choose one)

- (a) a 20-year term certain and life option; (OR)
- (b) a 10-year term certain and life option.

The payment will be actuarially adjusted based upon the plan's assumptions to reflect the life expectancy of the alternate payee.

Upon the alternate payee's death, payments will not revert back to the member, but will

continue to the alternate payee's designated beneficiary under the term certain and life option identified above.

IV. MEMBER WITHDRAWS FROM RETIREMENT SYSTEM (Choose one)

- A. If the participating member discontinues employment and withdraws the member account in a lump sum, the alternate payee shall receive [%] of the member's account balance as of [DATE OF DIVORCE] accumulated with interest as required by the Plan from the divorce date until the refund is paid; (OR)
- B. If the participating member discontinues employment and withdraws the member account in a lump sum, the alternate payee shall receive [\$] from the member's account balance accumulated with interest as required by the Plan from [DATE OF DIVORCE] until the refund is paid. [Note: The dollar amount in this option cannot exceed the member's account balance.]

V. LIMITATIONS OF THIS ORDER (Order must reflect all provisions of this section.)

- A. This Order recognizes the existence of the right of the alternate payee to receive all OR a portion of the benefits payable to the participating members as indicated above.
- B. Nothing contained in this Order shall be construed to require any Plan or Plan administrator:
 1. To provide to the alternate payee any type or form of benefit or any option not otherwise available to the participating member under the Plan.
 2. To provide the alternate payee benefits, as determined on the basis of actuarial value, not available to the participating member.
 3. To pay any benefits to the alternate payee which are required to be paid to another alternate payee under another order previously determined by the Plan administrator to be a qualified domestic relations order.
 4. To provide to the alternate payee any increased benefit due to the participating member under the disability provisions of this plan.
- C. If the alternate payee dies prior to beginning receipt of benefits under this Order, the entire amount that may be due to the alternate payee reverts to the participating member.
- D. If the participating member dies prior to retirement and before the alternate payee begins benefits, the alternate payee will receive [%] share of the member's survivor benefits based on service as of [DATE OF DIVORCE]. The alternate payee and any other beneficiaries will each select their own form of survivor benefit.

If the alternate payee is already in payment, the benefits will continue and the value of the benefits to the alternate payee will reduce any survivor payment to other beneficiaries.

- E. The benefit enhancements provided by the North Dakota legislature for service during the marital relationship which are adopted after the end of the marital relationship apply to the alternate payee's portion of benefits under this Order.
- F. If participant or alternate payee receives any distribution that should not have been paid per this Order, the participant or alternate payee is designated a constructive trustee for the amount received and shall immediately notify RIO and comply with written instructions as to the distribution of the amount received.
- G. Alternate payee is ORDERED to report any payments received on any applicable income tax return in accordance with Internal Revenue Code provisions or regulations in effect at the time any payments are issued by RIO. The plan is authorized to issue Form 1099R, or other applicable form on any direct payment made to alternate payee. Plan participant and alternate

payee must comply with Internal Revenue Code and any applicable regulations.

- H. Alternate payee is ORDERED to provide the plan prompt written notification of any changes in alternate payee's mailing address. RIO shall not be liable for failing to make payments to alternate payee if RIO does not have current mailing address for alternate payee at time of payment.
- I. Alternate payee shall furnish a certified copy of this Order to RIO.
- J. The Court retains jurisdiction to amend this Order so that it will constitute a qualified domestic relations order under the plan even though all other matters incident to this action or proceeding have been fully and finally adjudicated. If RIO determines at any time that changes in the law, the administration of the plan, or any other circumstances make it impossible to calculate the portion of a distribution awarded to alternate payee by this Order and so notifies the parties, either or both parties shall immediately petition the Court for reformation of the Order.

Signed this _____ day of _____, 20____.

(Judge Presiding)

OR
RETIRED MEMBERS

This Order is intended to meet the requirements of a "Qualified Domestic Relations Order" relating to the North Dakota Teachers' Fund for Retirement, hereafter referred to as the "Plan". The Order is made pursuant to North Dakota Century Code section 15-39.1-12.2. The Order is an integral part of the judgment entered on [DATE OF DIVORCE] granting a divorce to the above-entitled parties. [This Order is also drawn pursuant to the laws of the state of North Dakota relating to the equitable distribution of marital property between spouses and former spouses in actions for dissolution of a marriage.] or [This Order is drawn pursuant to the laws of the state of North Dakota relating to the provision of child support to a minor child in actions for dissolution of a marriage.]

BACKGROUND INFORMATION

[MEMBER'S NAME AND SOCIAL SECURITY NUMBER] is the participating member whose last-known address is [MEMBER'S ADDRESS]. The member's date of birth is [MEMBER'S D.O.B.].

[ALTERNATE PAYEE'S NAME AND SOCIAL SECURITY NUMBER] is the alternate payee whose last-known address is [ALTERNATE PAYEE'S ADDRESS]. The alternate payee's date of birth is [ALTERNATE PAYEE'S D.O.B.].

The participating member and the alternate payee were married on [DATE OF MARRIAGE].

IT IS HEREBY ORDERED THAT:

I. BENEFITS

Benefits to the participating member under the plan are distributed as follows: (Choose one)

1. The alternate payee is awarded [%] of the monthly retirement benefit as of [DATE OF DIVORCE]; (OR)
2. The alternate payee is awarded [\$] of the monthly retirement benefit as of [DATE OF DIVORCE].

II. TIME OF BENEFIT RECEIPT.

The benefits are payable to the alternate payee in the month following receipt of this signed Order

by the plan or plan administrator as the participating member is currently retired and receiving benefits under the Plan.

III. DURATION OF BENEFITS TO ALTERNATE PAYEE OVER THE LIFE OF THE PARTICIPATING MEMBER

The payments shall be made to the alternate payee on a monthly basis over the life of the participating member and, if applicable, a continuing monthly annuity will be payable to the surviving alternate payee after the member's death. The amount of the payments to the alternate payee will be calculated on the basis of: (Choose the annuity option in existence at the time of the divorce or legal separation.)

- (1) Single life annuity option (OR)
- (2) 100% joint and survivor option (OR)
- (3) 50% joint and survivor option (OR)
- (4) 20-year term certain and life option (OR)
- (5) 10-year term certain and life option.

If the alternate payee is the designated beneficiary, the alternate payee must remain as the beneficiary under the joint and survivor options.

IV. LIMITATIONS OF THIS ORDER (Order must reflect all provisions of this section.)

- A. This Order recognizes the existence of the right of the alternate payee to receive all OR a portion of the benefits payable to the participating members as indicated above.
- B. Nothing contained in this Order shall be construed to require any Plan or Plan administrator:
 1. To provide to the alternate payee any type or form of benefit or any option not otherwise available to the participating member under the Plan.
 2. To provide the alternate payee benefits, as determined on the basis of actuarial value, not available to the participating member.
 3. To pay any benefits to the alternate payee which are required to be paid to another alternate payee under another order previously determined by the Plan administrator to be a qualified domestic relations order.
- C. If the provisions of this Order are applied to disability benefits, the benefits will cease to all parties upon the member's recovery. The parties will then need to submit a new order to allow for the equitable distribution of any future benefits payable from the plan.
- D. Upon the alternate payee's death, if the member is still surviving, the entire amount that may be due to the alternate payee reverts to the participating member. Upon the member's death, if the alternate payee is still surviving, the entire benefit will cease under a single life option.

Under a joint and survivor option, the alternate payee will receive the one hundred percent or fifty percent survivor benefit for the remainder of the alternate payee's life, since the alternate payee is the joint annuitant. If a term certain option was selected, and the member passes away before the term certain period has expired while the alternate payee is still living, then the benefit to the alternate payee will continue and the member's portion will continue to the member's designated beneficiary to complete the term certain period. If in the last case, the alternate payee dies before all payments due under the certain period have been made, the alternate payee's share will continue to the alternate payee's designated beneficiary.

- E. The benefit enhancements provided by the North Dakota legislature for service during the

marital relationship which are adopted after the end of the marital relationship apply to the alternate payee's portion of benefits under this Order.

- F. If the participant or alternate payee receives any distribution that should not have been paid per this Order, the participant or alternate payee is designated a constructive trustee for the amount received and shall immediately notify RIO and comply with written instructions as to the distribution of the amount received.
- G. Alternate payee is ORDERED to report any payments received on any applicable income tax return in accordance with Internal Revenue Code provisions or regulations in effect at the time any payments are issued by RIO. The plan is authorized to issue Form 1099R, or other applicable form on any direct payment made to alternate payee. Plan participant and alternate payee must comply with the Internal Revenue Code and any applicable regulations.
- H. Alternate payee is ORDERED to provide the plan prompt written notification of any changes in alternate payee's mailing address. RIO shall not be liable for failing to make payments to alternate payee if RIO does not have current mailing address for alternate payee at time of payment.
- I. Alternate payee shall furnish a certified copy of this Order to RIO.
- J. The Court retains jurisdiction to amend this Order so that it will constitute a qualified domestic relations order under the plan even though all other matters incident to this action or proceeding have been fully and finally adjudicated. If RIO determines at any time that changes in the law, the administration of the plan, or any other circumstances make it impossible to calculate the portion of a distribution awarded to alternate payee by this Order and so notifies the parties, either or both parties shall immediately petition the Court for reformation of the Order.

Signed this _____ day of _____, 20 ____.

(Judge Presiding)

History: Effective April 1, 1994; amended effective January 1, 1998; May 1, 1998; May 1, 2002; May 1, 2004; April 1, 2024.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-12.2

ARTICLE 82-10
RIGHT TO FORMAL HEARING AND APPEAL

Chapter
82-10-01 Right to Formal Hearing and Appeal

CHAPTER 82-10-01
RIGHT TO FORMAL HEARING AND APPEAL

Section
82-10-01-01 Right to Formal Hearing and Appeal

82-10-01-01. Right to formal hearing and appeal.

Any applicant aggrieved by a decision of the board may initiate a formal administrative action against the board in accordance with North Dakota Century Code chapter 28-32. The applicant must file a request for a formal hearing within thirty days after notice of the initial decision has been mailed. If an appeal is not filed within the thirty-day period, the initial decision of the board is final. If a request for a formal hearing is timely filed, notice of the hearing must be served at least thirty days before the date set for the hearing. The board shall request appointment of an administrative law judge from the office of administrative hearings to conduct the hearing and make recommended findings of fact, conclusions of law, and order. The board shall either accept the administrative law judge's recommended findings of fact, conclusions of law, and order or adopt its own findings of fact, conclusions of law, and order. The applicant may appeal the final decision resulting from this procedure to the district court in accordance with North Dakota Century Code chapter 28-32.

History: Effective May 1, 2002; amended effective July 1, 2008.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 15-39.1-07

ARTICLE 102-01 GENERAL ADMINISTRATION

Chapter
102-01-01 Organization of the State Investment Board

CHAPTER 102-01-01 ORGANIZATION OF THE STATE INVESTMENT BOARD

Section
102-01-01-01 Organization of the State Investment Board

102-01-01-01. Organization of the state investment board.

1. Organization and administration.

- a. History. The state investment board was created by the 1963 legislative assembly. A five-member board managed the investment of five state trust funds. Chapter 667 of the 1989 Session Laws, chapter 628 of the 1991 Session Laws, and chapter 245 of the 1993 Session Laws assigned administration of the investment program to the state retirement and investment office, which is a component unit of the state.
- b. Board of trustees. An eleven-member board, as established by North Dakota Century Code section 21-10-01, is responsible for the investment of various state trust funds. Those trust funds are listed in North Dakota Century Code section 21-10-06. That section also allows the state investment board to provide investment services and invest money for other state agencies, institutions, or political subdivisions. These services must be provided under contract.
- c. Investment of the funds. The state investment board invests trust fund assets in accordance with the prudent investor rule as defined in North Dakota Century Code section 21-10-07.

2. Description of portion of organization and functions subject to North Dakota Century Code.

- a. Overview. The state investment board is an administrative agency under subsection 1 of North Dakota Century Code section 28-32-01.
- b. Administration. Administration rules for the state retirement and investment office as they pertain to the state investment board are contained in title 102.

3. Inquiries. General inquiries and questions relating to the policies of the board may be addressed to:

State Investment Board
1930 Burnt Boat Drive
P.O. Box 7100
Bismarck, ND 58507-7100

Telephone: 701-224-4885
 800-952-2970
Fax: 701-224-4897

History: Effective September 1, 1994.

General Authority: NDCC 28-32-02

Law Implemented: NDCC 28-32-02.1

ARTICLE 103-01 GENERAL ADMINISTRATION

Chapter
103-01-01 Organization of the State Retirement and Investment Office

CHAPTER 103-01-01 ORGANIZATION OF THE STATE RETIREMENT AND INVESTMENT OFFICE

Section
103-01-01-01 Organization of the State Retirement and Investment Office

103-01-01-01. Organization of the state retirement and investment office.

1. Organization and administration.

- a. History. Chapter 667 of the 1989 Session Laws created the state retirement and investment office with the law expiring on June 30, 1991. Chapter 628 of the 1991 Session Laws extended the expiration date until June 30, 1993. In 1993, the legislative assembly repealed the expiration date creating North Dakota Century Code chapter 54-52.5. The office was created to coordinate the activities of the state investment board and the teachers' fund for retirement.
- b. Governing authority. The state investment board is the governing authority of the state retirement and investment office. This authority is established by North Dakota Century Code section 54-52.5-02. The board is responsible for overseeing and operating the agency to coordinate the activities of the state investment board and the teachers' fund for retirement.

2. **Description of portion of organization and functions subject to North Dakota Century Code chapter 28-32.** The state retirement and investment office is an administrative agency under subsection 2 of North Dakota Century Code section 28-32-01.
3. **Inquiries.** General inquiries and questions may be sent to the address listed on the agency website at www.rio.nd.gov.

History: Effective September 1, 1994; amended effective April 1, 2024.

General Authority: NDCC 28-32-02

Law Implemented: NDCC 28-32-02

MEMORANDUM

TO: TFFR Board
FROM: Sarah Mudder, communications and outreach director
DATE: Jan. 22, 2026
RE: FY2026, Q2 Communications and Outreach Report

MEDIA INQUIRIES – Date, Subject, and Publication

- Oct. 7, 2025, quantitative portfolio manager, With Intelligence
- Oct. 17, 2025, governance review, ND Monitor
- Oct. 23, 2025, in-state investment program, ND Monitor
- Oct. 24, 2025, governance review, ND Monitor
- Nov. 11, 2025, open records opinion, InForum
- Nov. 13, 2025, open records opinion, Tribune
- Nov. 20, 2025, manager selection, Pensions & Investments
- Nov. 21, 2025, incentive compensation, ND Monitor
- Nov. 21, 2025, performance and consultant search, Fin News
- Nov. 24, 2025, pension system COLAs, ND Monitor
- Nov. 28, 2025, incentive compensation, Tribune
- Dec. 3, 2025, open records opinion, InForum
- Dec. 10, 2025, pension award, KX News

MEETINGS – Date and Activity

- Oct. 10, 2025, SIB Investment Committee
- Oct. 15, 2025, SIB Executive Review & Compensation Committee
- Oct. 22, 2025, Legacy and Budget Stabilization Fund Advisory Board
- Oct. 24, 2025, SIB Board
- Oct. 24, 2025, SIB Governance & Policy Review Committee
- Oct. 29, 2025, Grand Forks Park District Board
- Oct. 30, 2025, Employee Benefits Program Committee
- Nov. 5, 2025, SIB Executive Review & Compensation Committee

- Nov. 6, 2025, SIB Governance & Policy Review Committee
- Nov. 6, 2025, TFFR Governance & Policy Review Committee
- Nov. 14, 2025, SIB Investment Committee
- Nov. 18, 2025, SIB Audit Committee
- Nov. 20, 2025, TFFR Board
- Nov. 21, 2025, SIB Board
- Nov. 25, 2025, Public Employees Retirement System Subcommittee
- Dec. 2, 2025, Emergency Commission
- Dec. 9, 2025, Public Employees Retirement System Board
- Dec. 17, 2025, SIB Investment Committee

OUTREACH – Date, Activity and Attendance

SIB Stakeholders

- Oct. 23, 2025, Investment Seminar, 111 registered

TFFR Member

- Oct. 7, 2025, Group Benefit Presentation, Fargo, 47 attended
- Oct. 8, 2025, Group Benefit Presentation, Grand Forks, 30 attended
- Nov. 5, 2025, Group Benefit Presentation, Virtual, 75 attended

TFFR Business Partner

- Oct. 1, 2025, MyTFFR Office Hours: Open Forum, 52 attended
- Nov. 19, 2025, TFFR Reporting 101, 42 attended
- Dec. 3, 2025, MyTFFR Office Hours: Open Forum, 30 attended

Partner Event

- Oct. 8, 2025, Scott Anderson (presenter), UND: Burgum Alternative Assets Seminar, Grand Forks, ND
- Oct. 9-10, 2025, Tami Volkert and Deneen Gathman (tradeshow), NDSBA Conference, Bismarck, ND
- Oct. 16, 2025, Jayme Heick (tradeshow), NDCEL Conference, Bismarck, ND
- Oct. 18-21, 2025, Denise Weeks and Denise Leingang-Sargent, NPEA Conference, Salt Lake City, UT
- Oct. 26-29, 2025, Tami Volkert (presenter) and Deneen Gathmen, P2F2 Conference, Phoenix, AZ
- Nov. 17-19, 2025, Scott Anderson and Chirag Ghandhi (presenters), Markets Group Institutional Fall Retreat, Amelia Island, FL

PUBLICATIONS – Date, Bulletin and open rate

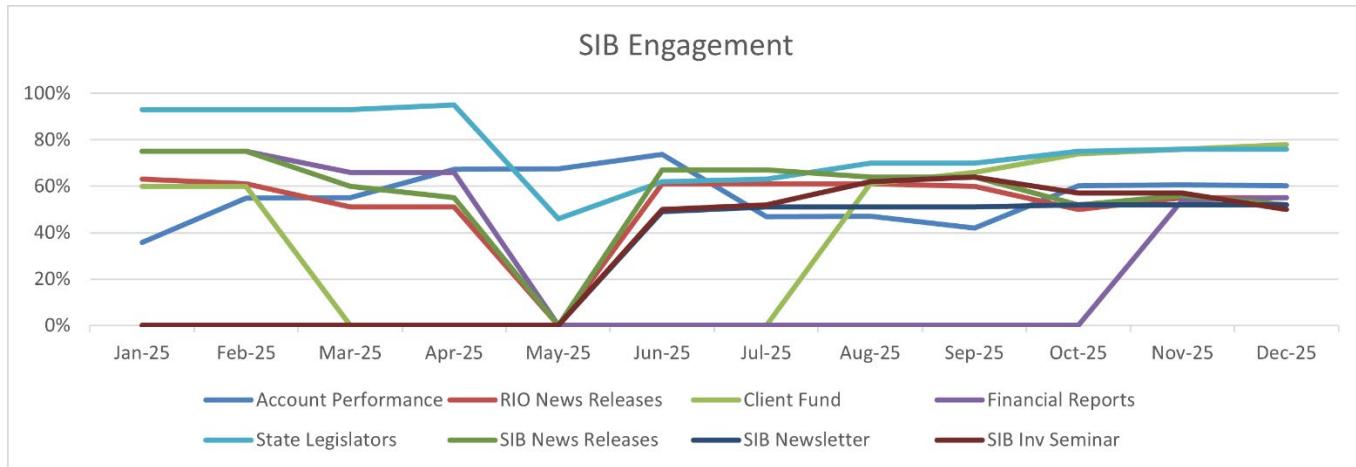
GovDelivery

SIB/Fiscal News Releases, Newsletters and Updates

- Oct. 1, 2025, “Investment Newsletter,” 907 recipients (52% open rate)

- Oct. 7, 2025, “The Insights... Investment Seminar” to 933 recipients (36% open rate)
- Oct. 17, 2025, “Last Chance... Investment Seminar” to 934 recipients (35% open rate)
- Nov. 21, 2025, “SIB... modernize governance Press Release,” 1,171 recipients (40% open rate)

SIB/Fiscal Engagement Rate Monthly Metrics



From Oct. 1 to Dec. 31, most to least engaged SIB topics were Client Funds 78%, State Legislators at 76%, RIO News Releases and Financial Reports at 55% and SIB News Releases 52%. Per GovDelivery, the median engagement rate for Finance & Commerce communications in 2024 was 53%. The median engagement rate for government emails overall was 61%.

TFFR News Releases and Reports

- Nov. 25, 2025, “TFFR Actuarial Valuation Report Released” to 623 recipients (50% open rate)
- Dec. 10, 2025, “TFFR earns national recognition” to 980 recipients (40% open rate)

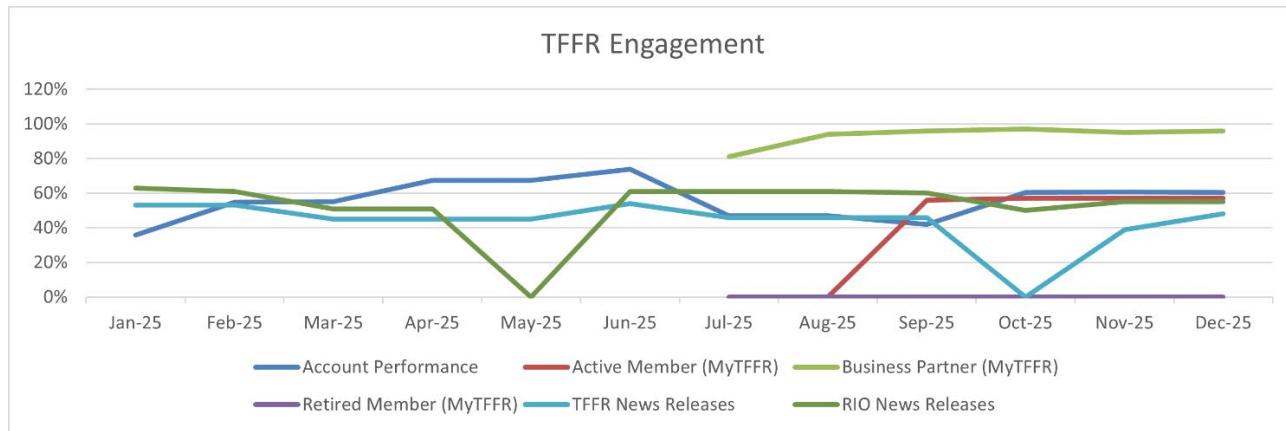
TFFR Business Partner Newsletters and Updates

- Nov. 5, 2025, “Are you new... TFFR Reporting 101” to 621 recipients (63% open rate)
- Nov. 13, 2025, “Business Partner Newsletters” to 622 recipients (63% open rate)
- Nov. 18, 2025, “Register Now... TFFR Reporting 101” to 633 recipients (59% open rate)
- Nov. 19, 2025, “MyTFFR Office Hours: Open Forum” to 633 recipients (60% open rate)
- Dec. 2, 2025, “Last chance... MyTFFR Open Forum,” to 633 recipients (56% open rate)
- Dec. 3, 2025, “TFFR Reporting 101 Recap,” to 631 recipients (64% open rate)
- Dec. 17, 2025, “MyTFFR Office Hours: Open Forum” to 631 recipients (59% open rate)

TFFR Active Member Newsletters and Events

- Oct. 28, 2025, “Last chance for live... Group Benefit Presentation” to 2,249 recipients (42% open rate)

TFFR Engagement Rate Monthly Metrics



From Oct. 1 to Dec. 31, the most to least engaged topics were Business Partner at 96%, Active Members at 57% and TFFR News Releases at 48%. Retired Members have dropped off due to lack of communication. Per GovDelivery, the median engagement rate for education communications in 2024 was 65%. The median engagement rate for government emails overall was 61%.

SOCIAL MEDIA

LinkedIn

Page Views	Unique Visitors	New Followers
841	370	68

Most Popular Posts (Engagement Rate)

	Impressions	Clicks	Likes
Thank you...Investment Seminar 2025	907	93	80
NDRIO is hiring Investment Analyst	2047	169	30
Market Group's Retreat – Anderson and Gandhi	2716	241	28

YouTube

Views	Watch Hours	New Subscribers
427	23.8	2

Top Content

	Views	Average Duration
MyTFFR Member Login Instructions	111	2:15
TFFR Program Overview	46	10:32
MyTFFR: How to update beneficiaries		

Board Action Requested: Board acceptance

Performance Review

Scott M Anderson, CFA – Chief Investment Officer
January 22, 2026

Market

Performance Benchmark Indices – September 2025

Summary of Returns September 30, 2025						
Benchmark Indices (% change, annualized)	YTD	1 Yr	5 Yr	10 Yr	Volatility	10 Yr
Russell 3000	14.4%	17.4%	15.7%	14.7%	18.5%	
Russell 1000	14.6%	17.7%	16.0%	15.0%	18.4%	
Russell 2000	10.4%	10.8%	11.6%	9.8%	23.4%	
S&P 500	14.8%	17.6%	16.5%	15.3%	18.2%	
MSCI ACWI IMI Net	18.3%	16.8%	13.3%	11.6%	14.5%	
MSCI World ex US	25.3%	16.0%	11.6%	8.4%	14.6%	
MSCI Emerging Markets	27.5%	17.3%	7.0%	8.0%	15.8%	
Bloomberg Aggregate	6.1%	2.9%	-0.4%	1.8%	4.8%	
Bloomberg Gov/Credit	5.9%	2.7%	-0.6%	2.0%	5.1%	
Bloomberg US High Yield	7.2%	7.4%	5.5%	6.2%	5.2%	
NCREIF Property Index	3.7%	4.6%	3.8%	5.0%	4.0%	

Source: Bloomberg

Performance Benchmark Indices – January 2026

Summary of Returns						
January 20, 2026						
Benchmark Indices (% change, annualized)	YTD	10 Yr				
		1 Yr	5 Yr	10 Yr	Volatility	
Russell 3000	-0.1%	14.4%	12.4%	15.4%	18.4%	
Russell 1000	-0.4%	14.2%	12.8%	15.7%	18.3%	
Russell 2000	6.6%	17.8%	5.5%	11.7%	23.4%	
S&P 500	-0.6%	14.8%	13.7%	15.8%	18.1%	
MSCI ACWI IMI Net	1.2%	21.1%	10.2%	12.8%	14.4%	
MSCI World ex US	2.5%	32.1%	9.4%	10.2%	14.4%	
MSCI Emerging Markets	5.5%	40.1%	3.6%	10.5%	15.7%	
Bloomberg Aggregate	-0.3%	7.0%	-0.3%	1.9%	4.8%	
Bloomberg Gov/Credit	-0.4%	6.5%	-0.5%	2.0%	5.0%	
Bloomberg US High Yield	0.4%	8.1%	4.4%	7.0%	5.0%	
NCREIF Property Index (09/30/2025)	3.7%	4.6%	3.8%	5.0%	4.0%	

Source: Bloomberg

Risks – January 2026

Macro & Economic Risks	Market Risks	Geopolitical & Policy Risks
<ul style="list-style-type: none">Core CPI sticky: 2.7% YoY (Dec 2025)Fed policy rate restrictive: ~3.5–3.75%Powell term ends May 15, 2026Growth resilient but uneven	<ul style="list-style-type: none">Stocks Expensive Shiller CAPE ~39Top 10 Stocks = ~40% of S&P 500HY spreads low ~280–300 bpsEarnings translation risk:<ul style="list-style-type: none">DXY ~98–99 (~-9% YTD)	<ul style="list-style-type: none">Europe & Middle East conflictsWestern Hemisphere geopolitical tensionsTariffs & industrial policyFiscal deficits & issuance

Performance

TFFR Asset Allocation – September 2025

Asset Class	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Policy Allocation (\$)	Difference (\$)
Domestic Equity All Cap	\$51,684,808	1.4%	1.3%	\$49,339,519	\$51,684,808
Domestic Equity Large Cap	\$923,389,483	25.0%	24.2%	\$894,320,355	\$923,389,483
Domestic Equity Small Cap	\$34,297,702	0.9%	1.1%	\$39,360,740	\$34,297,702
International Equity	\$600,547,375	16.2%	15.6%	\$577,475,640	\$600,547,375
Investment Grade Fixed Income	\$707,897,076	19.2%	18.9%	\$697,368,823	\$707,897,076
Below Investment Grade	\$316,772,764	8.6%	8.4%	\$309,933,486	\$316,772,764
Real Estate	\$296,555,022	8.0%	8.3%	\$305,461,515	\$296,555,022
Timber	\$28,409,196	0.8%	0.8%	\$31,045,090	\$28,409,196
Infrastructure	\$230,389,603	6.2%	6.4%	\$235,905,729	\$230,389,603
Private Equity	\$496,426,440	13.4%	14.0%	\$518,674,761	\$496,426,440
Cash and Equivalents	\$9,474,041	0.3%	1.0%	\$36,958,441	\$9,474,041
Total	\$3,695,844,099	100.0%	100.0%	\$3,695,844,099	\$3,695,844,099

TFFR Performance – September 2025

TFFR \$3.7 Billion

Total Fund Return - Net

Policy Benchmark Return

Total Relative Return¹

Year to Date						Risk
	1 Year	3 year	5 Year	10 Year	(5 Year)	
11.5%	11.3%	11.7%	8.7%	8.5%	7.9%	
10.9%	10.1%	11.4%	8.3%	8.1%	8.3%	
0.6%	1.2%	0.3%	0.4%	0.4%		

Asset Class Performance of TFFR– September 2025

Asset Class	Market Value	% of Portfolio	1 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	\$ 3,695,844,099	100.0%	3.8%	3.8%	11.5%	11.3%	11.7%	8.7%
Corridor Target Index		0.0%	4.0%	4.0%	10.9%	10.1%	11.4%	8.3%
Public Equity	\$ 1,605,381,135	43.4%	7.9%	7.9%	19.5%	18.7%	22.9%	13.8%
MSCI AC World IMI Index (Net)		0.0%	7.7%	7.7%	18.3%	16.8%	22.5%	13.3%
Private Equity	\$ 496,426,440	13.4%	-1.1%	-1.1%	5.9%	8.2%	6.6%	15.5%
Private Equity Benchmark		0.0%	0.0%	0.0%	6.8%	9.4%		
Investment Grade	\$ 1,024,669,840	27.7%	2.1%	2.1%	6.6%	5.1%	6.9%	2.1%
Blmbg. U.S. Aggregate Index		0.0%	2.2%	2.2%	6.5%	4.3%	4.9%	-0.4%
Below Investment Grade	\$ 707,897,076	19.2%	2.3%	2.3%	6.8%	4.0%	5.8%	0.2%
Blmbg. U.S. High Yield - 2% Issuer Cap		0.0%	2.0%	2.0%	6.1%	2.9%	4.9%	-0.4%
Total Real Assets	\$ 316,772,764	8.6%	1.7%	1.7%	5.9%	7.4%	9.2%	7.5%
Total Real Assets Blend		0.0%	2.5%	2.5%	7.2%	7.4%	11.1%	5.5%
Other Real Assets	\$ 555,353,821	15.0%	0.3%	0.3%	4.2%	5.6%	-1.6%	4.2%
Other Real Assets Blend		0.0%	0.9%	0.9%	3.0%	3.2%		
Cash and Equivalents	\$ 9,474,041	0.3%	3.4%	3.4%	6.1%	7.4%	5.9%	3.6%
90 Day U.S. Treasury Bill		0.0%	1.1%	1.1%	3.2%	4.4%	4.8%	3.0%

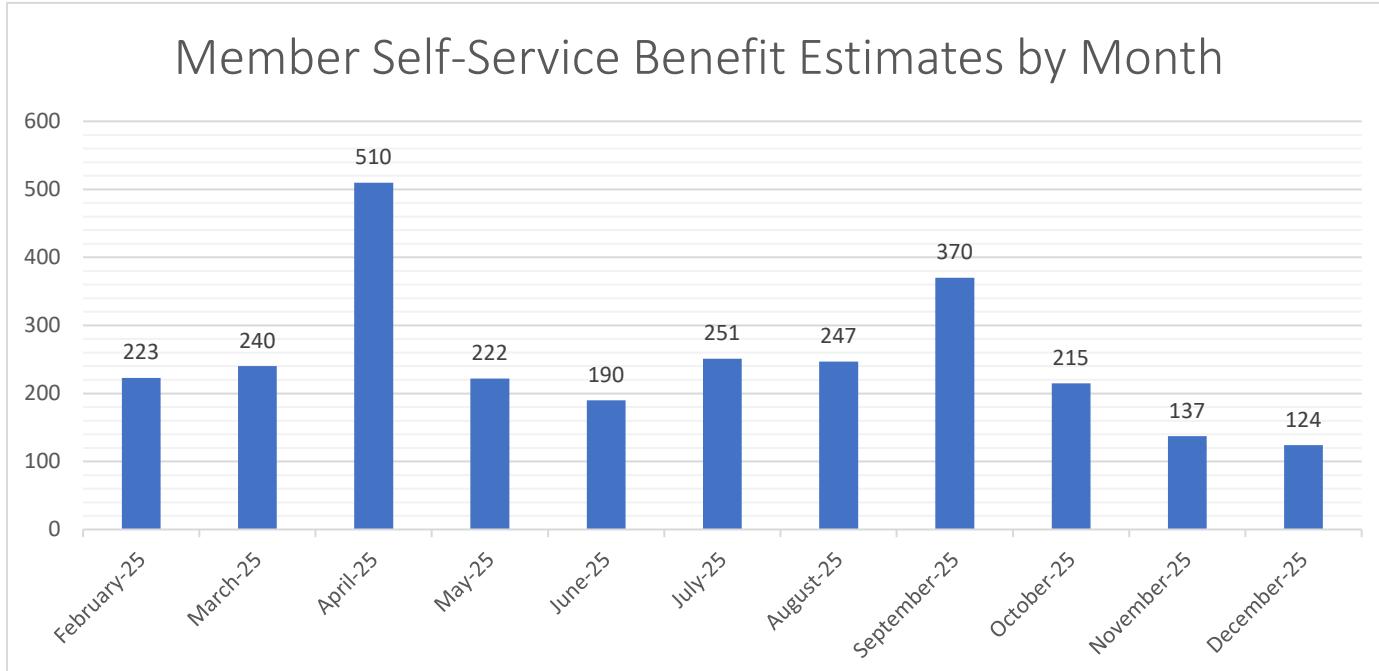
MEMORANDUM

TO: TFFR
FROM: Jodi Smith, Executive Director
DATE: January 22, 2026
RE: TFFR Quarterly Ends Report

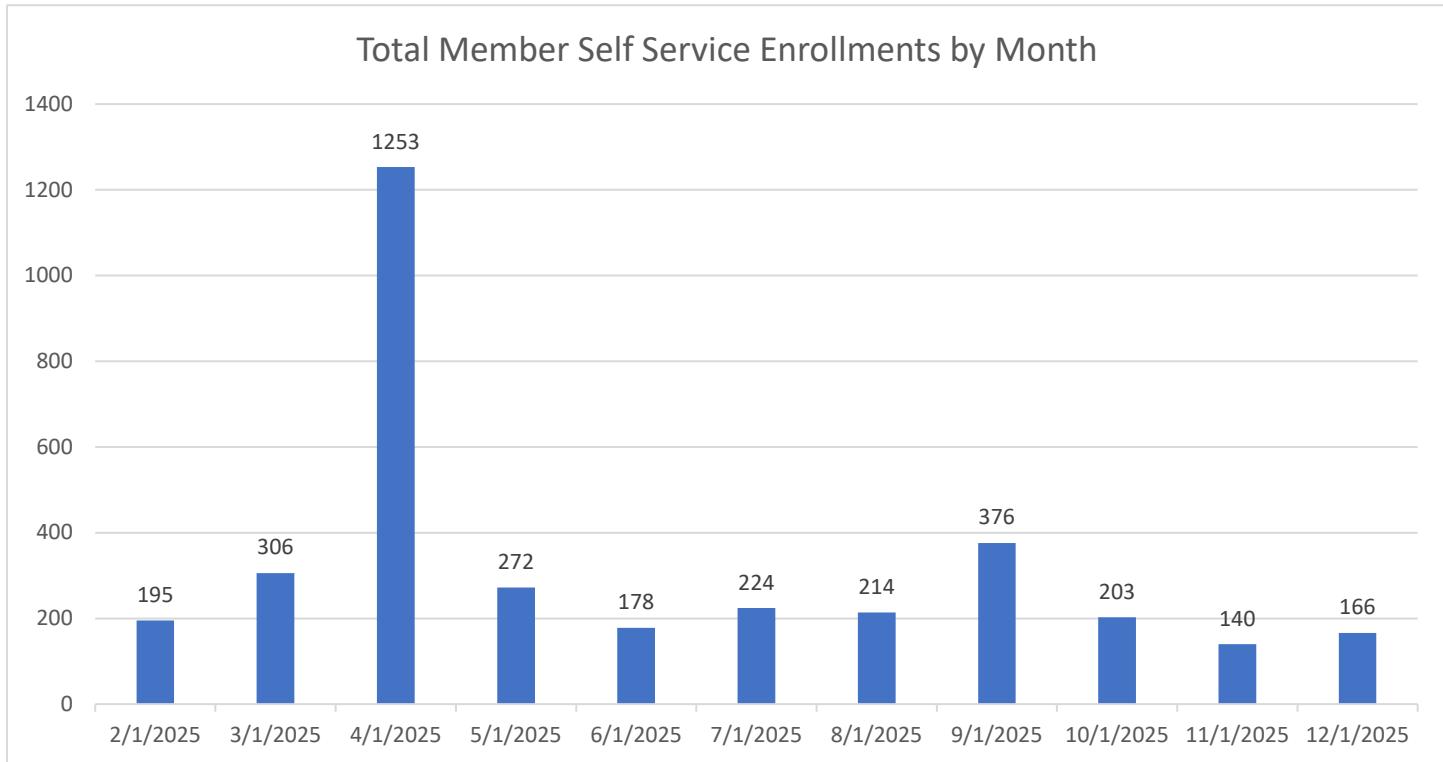
The TFFR Ends Report assesses whether the organization is meeting Board-established goals, focusing on outcomes rather than operations. TFFR, a qualified defined benefit public pension plan under Section 401(a) of the Internal Revenue Code, is governed by North Dakota Century Code Chapter 15-39.1 and supplemented by Title 82 of the North Dakota Administrative Code.

As of July 1, 2024 valuation, the funded ratio increased to 71.63%, with total actuarial liabilities of \$4.76 billion and an unfunded liability of \$1.35 billion. The projected year of full funding improved from 2043 in the 2024 valuation to 2042 in the 2025 valuation, demonstrating the plan remains on track to meet Board funding objectives.

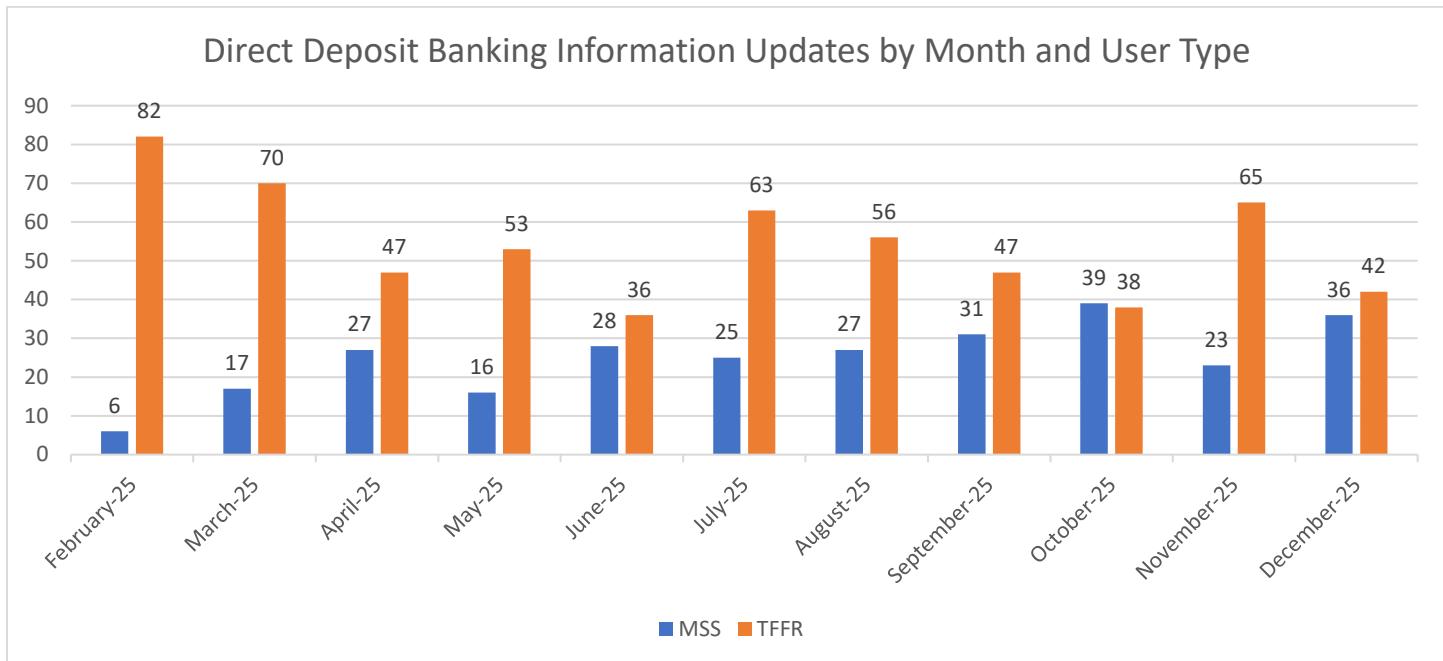
Since the system went live in February 2025, 2,729 benefit estimates have been generated through Member Self Service by 1,360 individual members, as illustrated in the table below.



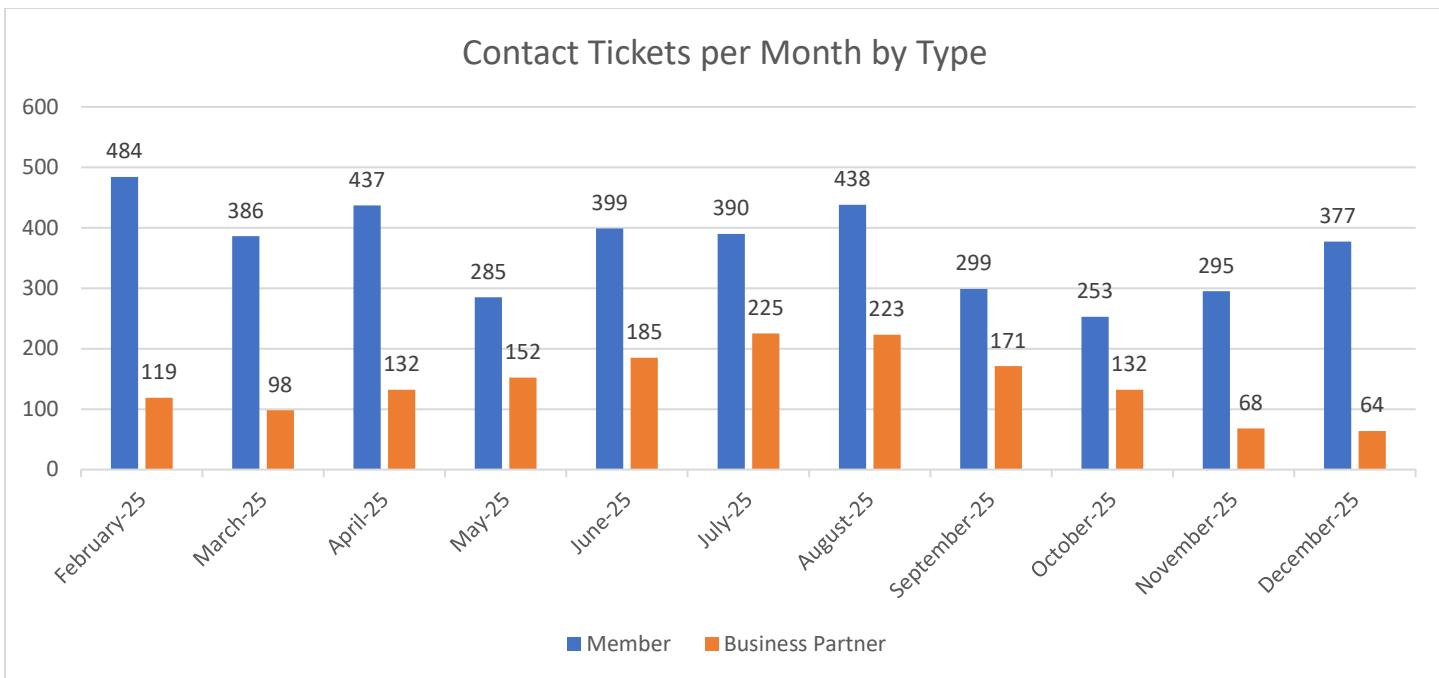
Additionally, the system has processed 3,527 member self-enrollments. Month-by-month activity is detailed in the table below.



The data on direct deposit banking information illustrates an increasing level of member self-sufficiency, with a clear shift from TFFR Member Services completing these updates to members managing them independently.



TFFR is beginning to see a decline in contact tickets from business partners. This positive trend reflects increased system proficiency among business partners, expanded education and training opportunities provided by the TFFR team, and ongoing improvements to system functionality.



Board Action Requested: Information only.

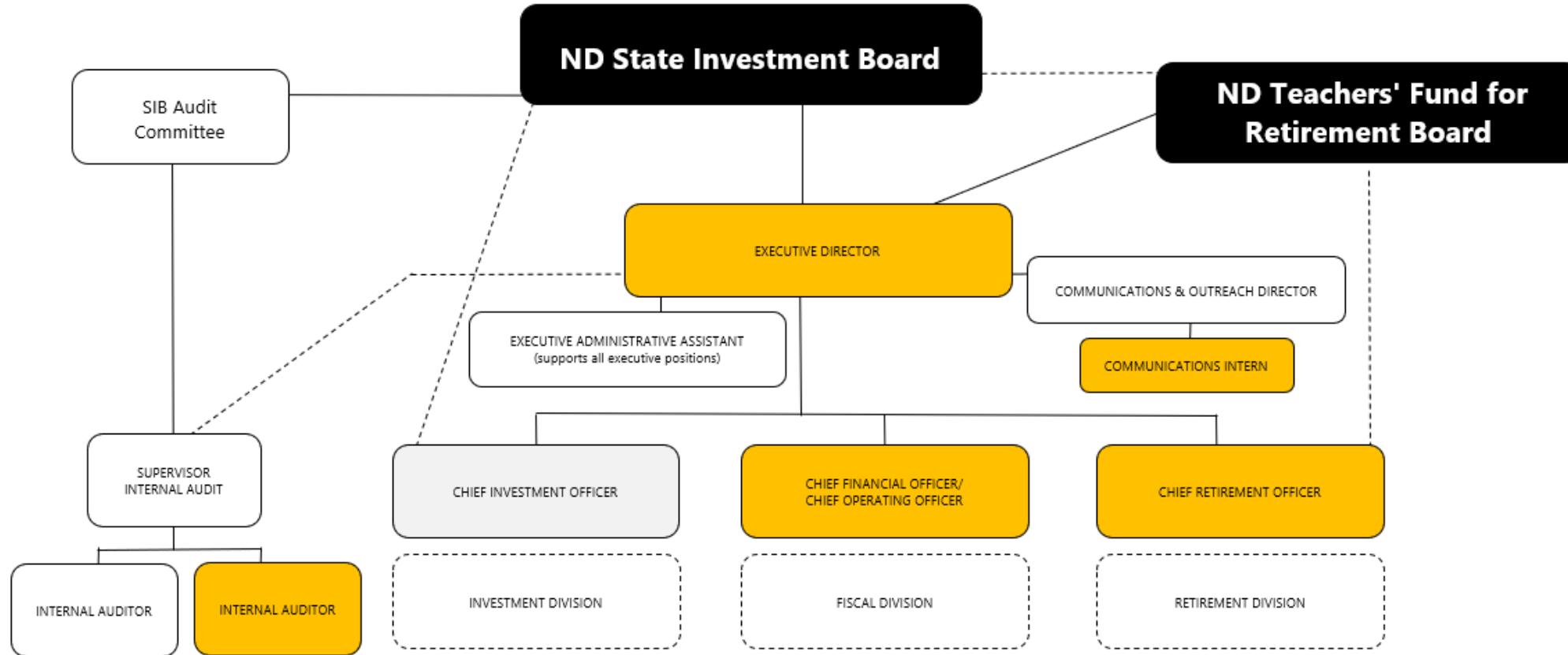
Executive Limitations

Jodi Smith – Executive Director
January 16, 2026

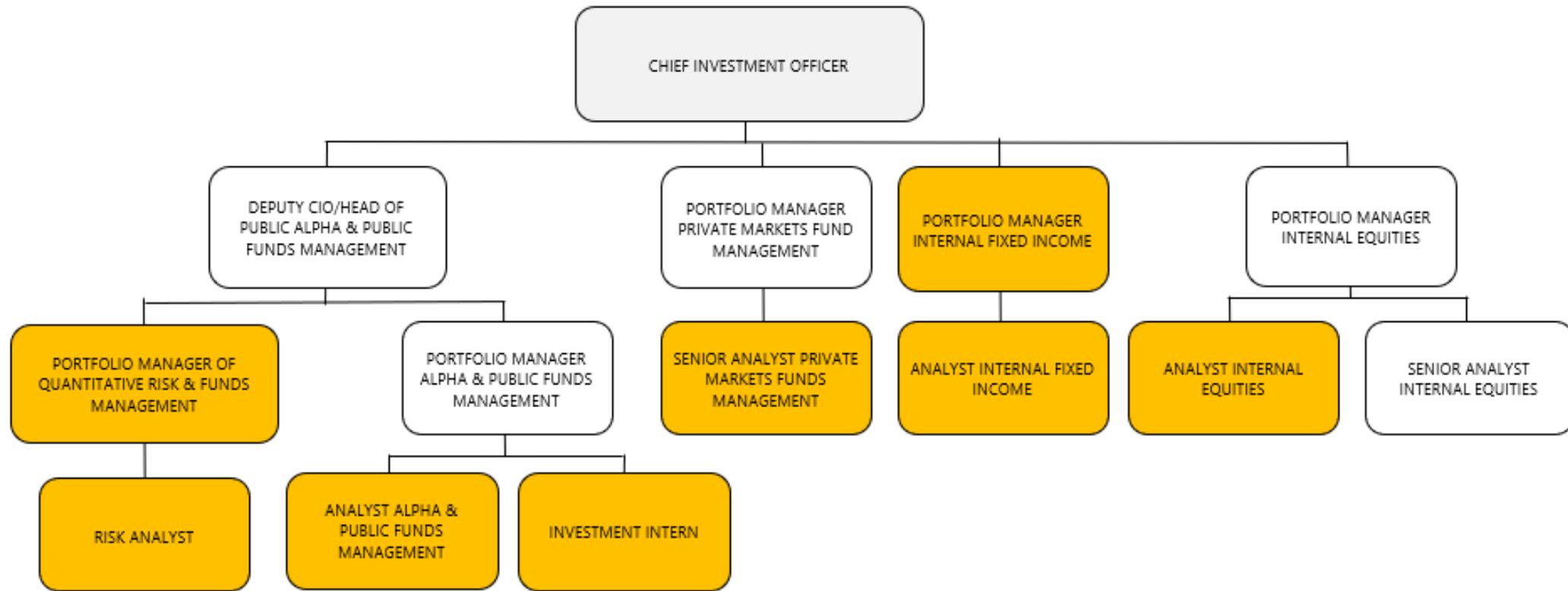
Workforce Changes & Staffing Status

Position Title	Status
Internal Auditor	Posted
Investment Analyst	Interviewing
Administrative Assistant	Posting Pending

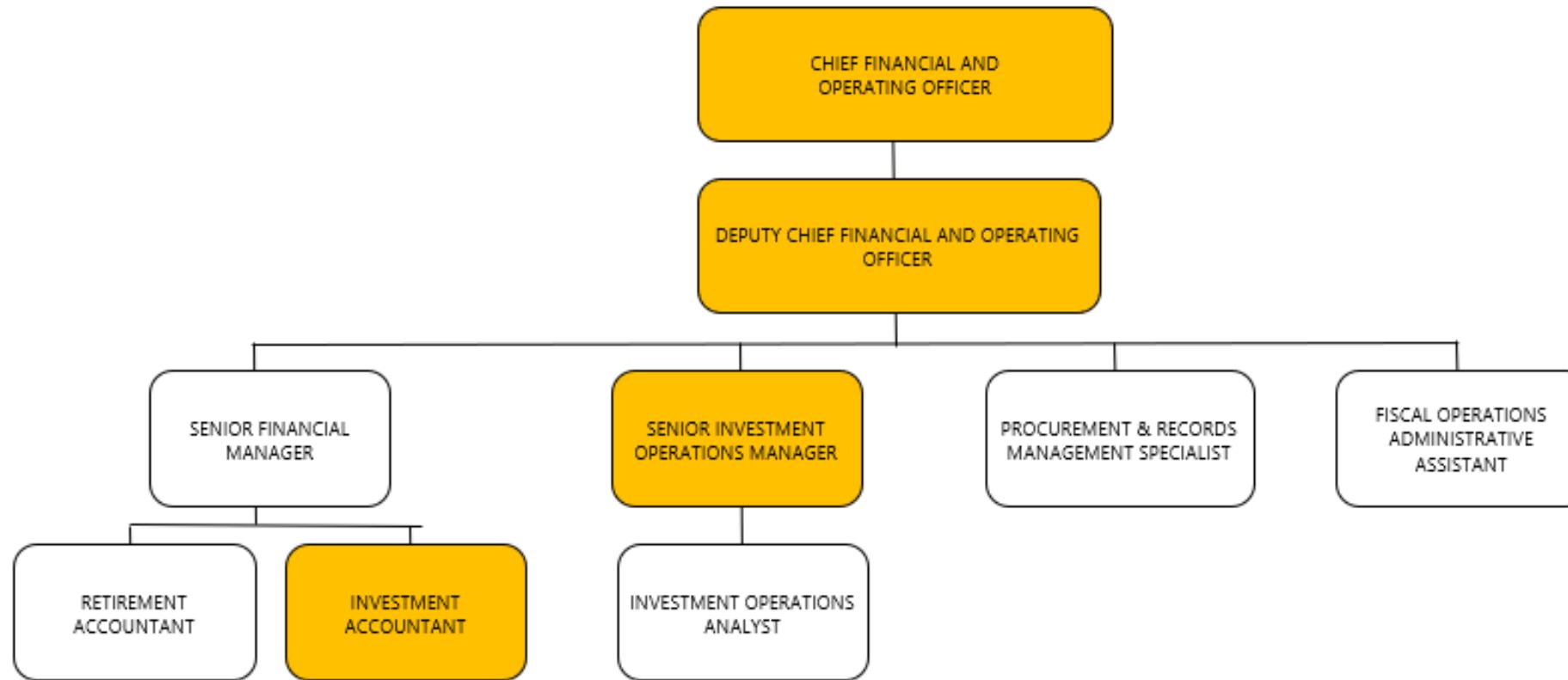
Executive Organization Chart



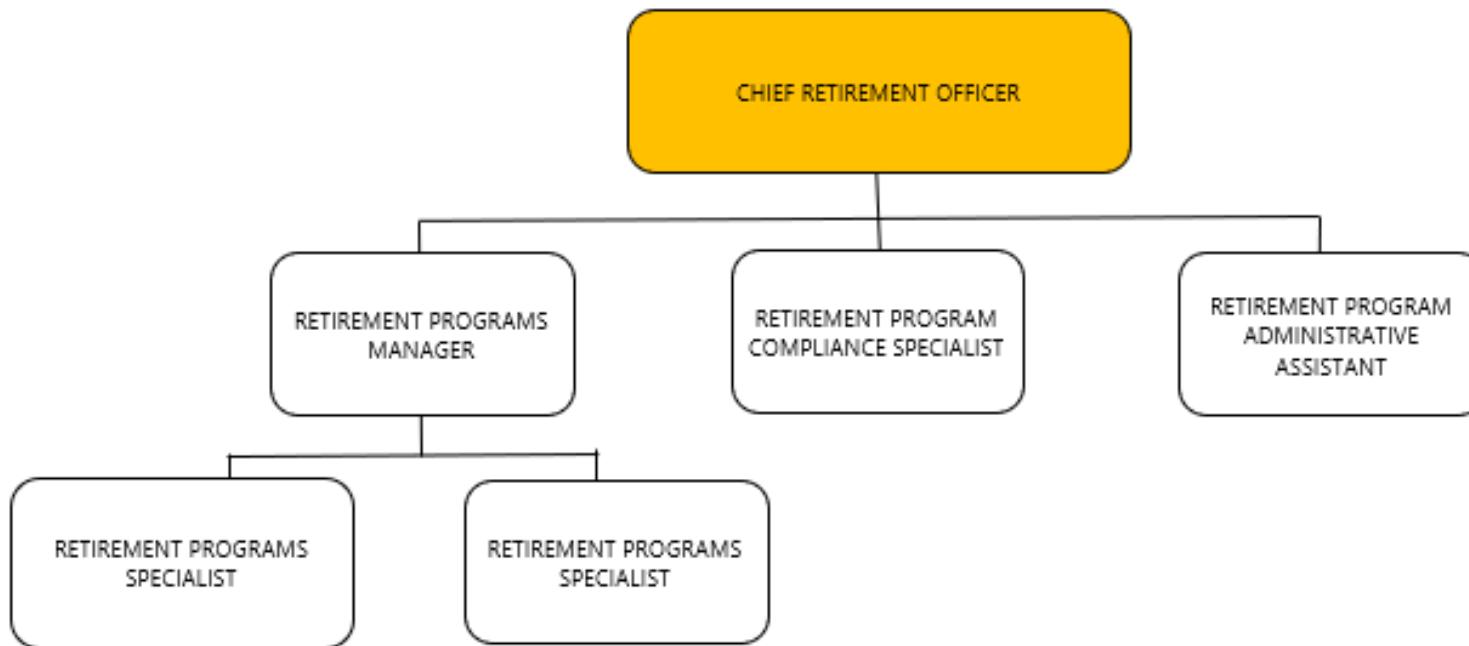
Investments Organization Chart



Fiscal & Operations Organization Chart



Retirement Organization Chart



2025 Strategic Goals

Industry Leader Initiative – Innovation in operations to excel in education, technology, and talent

Succession & Business Continuity Planning

Alignment thru Continuous Improvement

Strategic Implementation of New Statues

Industry Leader Initiative

Recruitment and Onboarding of ED & CFOO

Executive Director –
Hired 06/2025

Chief Financial Officer –
Hired 09/2025

Chief Retirement Officer –
Hired 01/2026

Status: Complete

Transition from network folders and Teams to SharePoint

Status: Not started

Implementation of investment operations compliance plan

Code of Ethics Policy
Attestations Forms Adopted
Trade Errors Procedure Implemented
Rebalancing Policy being Drafted
Status: In Progress

Succession & Business Continuity Planning

**Create Succession Plans
for the ED, CFOO, and
CIO**

Status: Complete

**Create a business
continuity plan**

Status: In Progress

Alignment thru Continuous Improvement

Identify pockets of innovation across the organization during regular check-ins. Small, compounding changes and innovations add up to outsized results over time.

Business Process Mapping

RFP Development for new accounting system (Bold & the Balanced)

Status: Complete

Identification and Implementation of Quick Wins

Status: Complete

Strategic Planning Sessions with TFFR Team

Realignment of job descriptions

Status: Complete

Alignment thru Continuous Improvement cont.

Identify pockets of innovation across the organization during regular check-ins. Small, compounding changes and innovations add up to outsized results over time.

Strategic Planning with Investment and Fiscal Teams

Status: Complete

Month	Custodian Close	Actual Close	Financial Stmt	Performance
July	15 Aug	27 Oct (50)	4 Nov (45)	19 Nov (55)
August	16 Sep	7 Nov (37)	20 Nov (36)	18 Dec (56)
September	15 Oct	28 Nov (30)	11 Dec (29)	9 Jan (48)
October	18 Nov	15 Dec (18)	9 Jan (24)	[24]
November	15 Dec	23 Dec (6)	[7]	[7]
December	16 Jan			

AI Team Meeting

Process documentation

Vyond video

Status: In Progress

Governance Review

Status: In Progress

Strategic Implementation Of New Statutes

HB 1319 – Creation of Legacy Fund Transparency Website

Status: In Progress

RFP posted

Responded to 168 questions
Responses due January 28th

Contract award expected in
April 2026

Attorney General Opinions

2025-O-22 CONCLUSIONS

1. RIO did not violate the open records law by denying a request for records containing certain investment manager specific information provided to RIO as confidential financial information under N.D.C.C. § 44-04-18.4.
2. RIO did not violate the open records law when it did not provide a breakdown of investments by country as RIO is not obligated under N.D.C.D. § 44-04-18 to create records that do not exist.

2025-O-23 CONCLUSION

RIO did not violate open records law when it was unable to provide a record that no longer exists

NEW Attorney General Opinion Request

Guidance on whether RIO has legal authority to provide incentive compensation payments to its employees without a specific legislative appropriation