

NDPERS BOARD MEETING

Agenda

Bismarck Location:
ND Association of Counties
1661 Capitol Way
Fargo Location:
BCBS, 4510 13th Ave SW

February 19, 2015

Time: 8:30 AM

I. MINUTES

- A. January 15, 2015
- B. January 19, 2015
- C. February 5, 2015

II. GROUP INSURANCE

- A. Health Plan Placement – Sparb (Board Action) * Executive Session
- B. Law Enforcement Retiree Health Insurance Tax Deductions – Sparb (Board Action)
- C. Silver Sneakers Program Survey Results – Rebecca (Board Action)
- D. Medicare Part D – Rebecca (Board Action)
- E. Retiree Health Insurance Credit Program RFP – Kathy (Board Action)

III. RETIREMENT

- A. Experience Study RFP – Sparb (Board Action)
- B. DC 401(a) and 457 Companion Plan Update – Bryan (Board Action)
- C. DC 401(a) Reporting – Bryan (Information)
- D. Quarterly Investment Report – Bryan (Information)

IV. MISCELLANEOUS

- A. Website Request for Proposal – Sparb (Board Action)
- B. CAFR – Sharon (Information)
- C. Legislation Update – Sparb (Information)
- D. Appeal # 237 - MaryJo (Board Action)
- E. Appeal # 238 - MaryJo (Board Action)

*Executive Session pursuant to NDCC §44-04-19.1(9) and §44-04-19.2 to discuss negotiating strategy or provide negotiating instructions to its attorney or other negotiator. (Motion is necessary)

Any individual requiring an auxiliary aid or service must contact the NDPERS ADA Coordinator at 328-3900, at least 5 business days before the scheduled meeting.



**North Dakota
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Executive Director
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1-800-803-7377

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Memorandum

TO: PERS Board
FROM: Sparb
DATE: February 11, 2015
SUBJECT: Law Enforcement Plan
Pension Protection Act of 2006

Attached is a letter that was sent to our law enforcement members several years ago about a new provision that was in the Pension Protection Act of 2006. Section 845 of the PPA'06 permits eligible retired public safety officers to transmit up to \$3,000 of their benefits from certain governmental retirement plans (such as NDPERS) each year, tax free, to cover their qualified medical insurance premiums provided the premiums are deducted from the members pension check. As a result, members of law enforcement that take the PERS health insurance coverage and have it deducted from their pension check can take advantage of this option.

I recently received the following email from a member:

Good morning,

I have just been made aware that Public law 109-280-August 17, 2006 120 STAT.1013 Section 845 was signed into law by President Bush in 2006.

In general it allows retired law enforcement officers to have their health insurance premiums deducted from their retirement account and receive up to a \$3,000 exclusion from their gross income.

In visiting with representatives from PERS they state:

1. They can only do it if it is from the State's health care.
2. Or if outside the states Healthcare system than the Legislature must authorizes PERS to do it.

For either in-state or out of state retired law enforcement personnel this is not an option when you can find cheaper insurance on the open market.

Since this is a benefit authorized by Federal law to assist retirees and it is really a no cost proposal for PERS other than assisting with the paperwork once per year I would think (if this cannot be handled with internal modification to PERS rules) that the legislature would agree with this proposal.

I would ask that if this is not already being considered and if it cannot be handled internally than it be introduced during this year's session (if nothing else at the end of the session during the OMB catch all bill).

Please email me if this is doable or if not why not.

I responded to the member with the following email:

To qualify for this benefit for public safety officers the money (up to \$3,000 annually) has to be paid directly from the pension plan to the health insurer or self-funded health plan. Today our business system is set up to provide direct payments to PERS vendors (i.e. BCBS). Our system is not programmed to provide direct payments to other vendors. To add these direct payments our system would need to be modified to provide direct payment to other companies and their system would need to set up to receive those payments. Also and for your information at the time this passed we did send the attached to all HP retirees.

I have also looked back and reviewed this internally and found the following:

1. PERS elected not to change its business system to allow for direct payments to other vendors at the time this was enacted due to other priorities and questions on the provisions of the legislation.
2. We noted the federal law did not require this and discussion with other retirement plans indicated they were not going to set this up initially either.
3. About 36% of our law enforcement retirees take the PERS health coverage and can access the provision
4. To accommodate this PERS would need to change its business system which would result in reprogramming. The cost of this has not been estimated but would be at least several thousand dollars.
5. This cost could be billed back to the HP retirement plan since it would be primarily for its members and therefore we would want to coordinate this effort with the HP.
6. With the exception of your request we have not had any other requests for this option to be added.
7. No legislative authority is required for us to go forward with; however, it would need to be approved by the board.

Since it has been several years since we last examined this option and if you would like I could put this on the February PERS Board agenda and discuss it with them to see if they would like us to add this to our work plan. I could also share your email as well.

Please let me know how you would like to proceed. If you would like to discuss this further, my direct extension is 701-328-3901 or please feel free to email directly.

The member has requested that the Board consider providing this option to our Highway Patrol members.

In talking with the Highway Patrol they have indicated that they would like to have it explored to determine if this could be done and what the cost would be. If you are interested in considering this, staff would move forward by:

1. Identifying how PERSLink would need to be modified.
2. Get an estimate of the cost of the change.
3. Bring it back to the Board for final consideration.

Board Action Requested:

Determine how PERS should proceed.



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Public Safety Officers Tax-Free Distributions for MEDICAL Premiums

On August 17th, 2006, President Bush signed The Pension Protection Act of 2006 (PPA'06). Section 845 of the PPA'06 permits eligible retired public safety officers to transmit up to \$3,000 of their benefits from certain governmental retirement plans (such as NDPERS) each year, tax free, to cover their qualified medical insurance premiums. Qualified medical insurance premiums include health, dental, vision, and long-term care plans. The medical insurance premiums must be deducted from a pension benefit. This article is for information purposes only. While we can advise of this new provision we are can not give tax advice. Therefore, you may want to consult a tax advisor.

DEFINITION OF PUBLIC SAFETY OFFICER:

The term "public safety officer" includes individuals serving a public agency in an official capacity, with or without compensation, such as the following:

1. a law enforcement officer (including a person involved in enforcement of criminal laws, such as police, corrections, probation, parole, and judicial officers);
2. a firefighter;
3. a member of a rescue squad or ambulance crew;
4. or a chaplain.

ELIGIBILITY:

Eligible retired public safety officers are permitted to transmit up to \$3,000 of their benefits from certain governmental retirement plans each year, tax free, to cover their qualified medical insurance premiums if they retire at normal retirement age or due to disability. Normal retirement age is determined by NDPERS plan provisions.

Retirement benefits attributable to service other than as a public safety officer will be eligible for this tax-free distribution provided the employee separates from service as a public safety officer.

The following employees are ineligible for the tax-free distribution:

- ▶ Those who leave before normal retirement age and who are not disabled
- ▶ Those who do not work as a public safety officer immediately prior to retirement (even if they work for the relevant governmental agency)
- ▶ Those who pay for their health insurance through automatic premium deduction
- ▶ Those who pay by personal check (direct bill)

TAX REPORTING:

It is the responsibility of the retired officer to claim the premium payments that were subtracted from their pension as a reduction in taxable income on their Form 1040 up to the eligible amount of \$3,000 per year.

NDPERS will not be doing any systematic changes for pre-taxing or any additional reporting on the form 1099R. According to federal requirements, the responsibility for claiming the tax credit is up to the retiree. Retired public safety officers will need to retain the information they are already provided through check statements or quarterly statements and report this information on their Form 1040.

Questions about tax reporting should be directed to a professional tax consultant.



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Memorandum

TO: NDPERS Board
FROM: Rebecca
DATE: February 12, 2015
SUBJECT: Silver Sneakers Program Survey

Based upon Board direction, a survey regarding the Silver Sneakers Program was sent to participants in the Dakota Retiree Plan in January. A copy of the survey is attached for your reference. As you can see, the survey requested input on adding this program to the Dakota Retiree Plan Design.

BCBS distributed the survey and compiled the results for NDPERS. As of February 10, 2015, BCBS received 2,427 responses. The total mailed were 6,382, which means the survey, had a 38% response rate.

Question 1) Would you participate in Silver Sneakers?
Yes – 25%
No – 73%
No Answer – 2%

Question 2) Would you be willing to have \$3.25 added to your premium each month to gain Silver Sneakers access? All NDPERS members would receive the premium increase, even those who do not use the program.
Yes – 24%
No – 73%
No Answer – 3%

NDPERS and BCBS staff will be available to discuss any questions that the Board may have regarding the survey or the results.

Board Action: Direction to staff on how to proceed.



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MEMBER SURVEY

The North Dakota Public Employees Retirement System (NDPERS) asks members to complete the enclosed survey. NDPERS would like to gauge member interest in NDPERS offering the Healthways SilverSneakers® Fitness Program to retirees.



Health Club Credit Program / HealthyBlue

NDPERS members are currently eligible for the Health Club Credit Program. To participate, you must visit a participating health club at least 12 days a month. Members who do, receive up to \$20 per month to help cover health club fees. All members pay \$1 more per month to fund the program, even if they do not use it.

NDPERS members also have access to the HealthyBlue program (ndpers.healthybluend.com).

Some members have asked NDPERS to add SilverSneakers®. NDPERS is looking into adding access to the program.

Survey responses will help us decide if there is enough interest in the program to make it worth the additional costs. If the program is added, all NDPERS retiree members' monthly premiums would increase by \$3.25 per person on the NDPERS Retiree Health plan. The increase would apply to all NDPERS retiree members, even those who do not use the program. Either way, NDPERS members will continue to enjoy the current benefits of HealthyBlue and Health Club Credit program.



SilverSneakers® program

SilverSneakers® helps those 65 years old or older take greater control of their health. The program promotes physical activity and social interaction.

The program includes:

- A basic membership at a participating health club. More than 12,000 health clubs in the U.S. participate in the program — including 75 in North Dakota and border communities. To find a location near you, visit: www.silversneakers.com/tools/fitness-locations.
- Group fitness classes.
- Access to HealthwaysFIT.com, a secure online community with easy to use wellness resources.
- A personalized fitness program for those who do not live close to a SilverSneakers® location.
- Health education seminars, and other events.

Please return this page only

Healthways SilverSneakers® Fitness Program

1. Would you participate in SilverSneakers®?

Yes _____ No _____

2. Would you be willing to have \$3.25 added to your premium each month to gain SilverSneakers® access? All NDPERS members would receive the premium increase, even those who do not use the program.

Yes _____ No _____

Please mail your survey answers back to us in the enclosed envelope by January 28, 2015.

Thank you!

Thank you for completing the survey. Your opinion is important to us.

We appreciate your feedback. Thank you for being an NDPERS member.

For more information on your current wellness benefits visit: www.nd.gov/ndpers/forms-and-publications/publications/health%20club%20credit%20flyer%202015.pdf



Blue Cross Blue Shield of North Dakota is an independent licensee of the Blue Cross & Blue Shield Association



Silver Sneakers Presentation

Thursday, February 19th 2015

NDPERS Board Meeting

Who We Studied

- North Dakota Public Employees Retirement System (NDPERS) Medicare Retiree members
- 6,382 mailings (survey) sent with 2,427 total responses; response rate of 38%
 - One mailing per contract



Why We Studied It

- Frequent requests from NDPERS Medicare retiree members.
- Assess demand for the Silver Sneakers program?
- Are NDPERS Medicare retiree members willing to pay for access to the Silver Sneakers program?
- Provide insight to NDPERS Board for discussion and decision on next steps



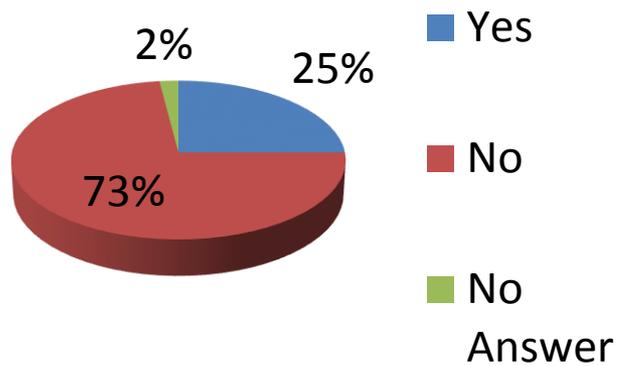
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How We Studied It

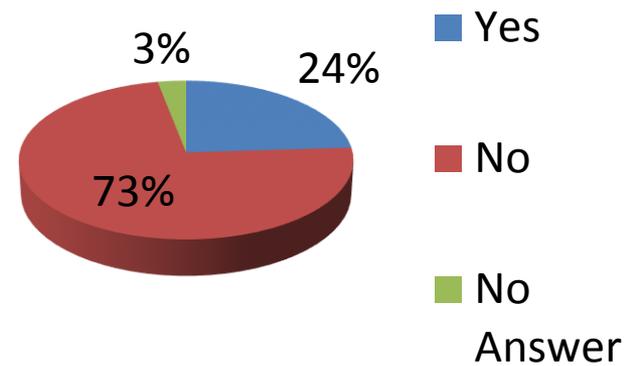
- Two-pages (letter and questionnaire)
- Mailed to targeted population on the week of January 5th
 - Cover Letter explained the Silver Sneakers program and existing Health Club Credit programs
 - 2 question survey
 - Yes/No measuring participation
 - Yes/No gauging willingness to pay



Participation



Willing to Pay



HISTORICAL COST ANALYSIS

THE SILVERSNEAKERS COST PROJECTION FOR THE NDPERS MEDICARE RETIREES

- There are currently approximately 8,309 NDPERS Medicare Retiree members (the model assumes this is a constant variable).
- The BCBSND current Silver Sneakers utilization experience in our Medicare Supplement population is the following:
 1. Average number of Enrolled Members is 10.6%
 2. Average number of Participating Members is 4.4% (41.5% of Enrolled)
 3. Average number of Visits per Participating Member per Month is 7.9 visits.
- The Per Visit Fee for this proposed population is \$5.00/Visit
- The baseline PMPM for the proposed population is \$1.50 pmpm



THE SILVERSNEAKERS COST PROJECTION FOR THE NDPEERS MEDICARE RETIREES

Month		Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Membership	8,309	8,309	8,309	8,309	8,309	8,309	8,309	8,309	8,309	8,309	8,309	8,309	8,309	8,309
pmpm	\$1.50	\$12,463.50	\$12,463.50	\$12,463.50	\$12,463.50	\$12,463.50	\$12,463.50	\$12,463.50	\$12,463.50	\$12,463.50	\$12,463.50	\$12,463.50	\$12,463.50	\$149,562.00
Participation Projection	4.40%	366	366	366	366	366	366	366	366	366	366	366	366	366
Monthly Visit Count/Participant	7.9	2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888	2,888
/visit fee	\$5.00	\$14,441.04	\$14,441.04	\$14,441.04	\$14,441.04	\$14,441.04	\$14,441.04	\$14,441.04	\$14,441.04	\$14,441.04	\$14,441.04	\$14,441.04	\$14,441.04	\$173,292.50
Monthly/Total		\$26,904.54	\$26,904.54	\$26,904.54	\$26,904.54	\$26,904.54	\$26,904.54	\$26,904.54	\$26,904.54	\$26,904.54	\$26,904.54	\$26,904.54	\$26,904.54	\$322,854.50
PMPM		\$3.24	\$3.24	\$3.24	\$3.24	\$3.24	\$3.24	\$3.24	\$3.24	\$3.24	\$3.24	\$3.24	\$3.24	\$3.24



ND

NDPERS MEDICARE RETIREES HEALTH CLUB CREDIT UTILIZATION

- There are currently approximately 8,183 NDPERS Medicare Retiree members
- The NDPERS Medicare Retiree utilization of the Health Club Credit program is:
 1. Average number of Enrolled Members is 6.1% (510 members)
 2. Average number of Members meeting 12 visits or more/month is 383 (75.1% of Enrolled)
 3. The visit counts by range for the 1st 6 months of 2014 are;

Range	Count
0	668 (10.9%)
1-5	390 (6.4%)
6-11	466 (7.6%)
12+	4,596 (75.1%)
Total	6,120

- Up to \$20/month is provided if a member goes 12 times/month or more
- There is no baseline PMPM



NDPERS MEDICARE RETIREES HEALTH CLUB CREDIT UTILIZATION

•The table below shows the incentive obtainment by NDPERS for the Health Club Credit program for 2012 and 2013

Year	Total \$
2012	\$80,936.97
2013	\$94,612.55
2014	\$89,973.96



QUESTIONS?



ND



Silver Sneakers Presentation

Thursday, February 19th



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Memorandum

TO: PERS Board
FROM: Rebecca
DATE: February 11, 2015
SUBJECT: Medicare Part D Billing Issues

NDPERS and BCBS have been working together on an ongoing project to resolve billing issues relating to the Medicare Part D Prescription Drug Plan (PDP). The issues go back to the inception of the PDP plan, which was January 1, 2006, and involve a few different scenarios, which are:

- 1) Members who disenrolled from the PDP plan but did not cancel their NDPERS health plan and therefore, the PDP premium was collected by NDPERS and paid to BCBS, but the member did not have coverage for these months in the PDP.
- 2) Members who have been enrolled in the PDP and are required to pay premium for their enrollment, but have different enrollment dates in the NDPERS health plan and therefore, the PDP required premium was not collected from the member. BCBS has paid the premium to the Centers for Medicare and Medicaid Services (CMS), but NDPERS has not paid these premiums to BCBS.
- 3) Members who were entitled to receive a Low Income Subsidy from CMS, but later, had their Low Income Subsidy removed and BCBS was not notified by CMS until months after the fact. Therefore, NDPERS and BCBS had to retroactively adjust premium. This resulted in the member being charged a lower premium than they should have been. CMS requires that the correct premium be paid to them, which BCBS has paid, even though the member did not pay the full premium to NDPERS.

As we have worked on this project, NDPERS & BCBS have determined the following:

- 1) Related to item # 1, NDPERS directed BCBS to issue refunds of the PDP premium to those members impacted. The total amount of the refunds issued was \$14,380.90. These funds were paid from the NDPERS Premium Income Account.

- 2) Related to item # 2 & # 3, the total amount of premium involved is \$10,590.16. These premiums have been paid to CMS, as required, by BCBS but NDPERS did not collect the premiums from the members and did not pay the premiums to BCBS. There are two different groups within items # 2 & # 3, those that fall under NDPERS to address and those that BCBS has addressed. Those that BCBS addressed are being written off by BCBS and are in the amount of \$5,588.53.

Those that NDPERS needs to address amount to a total of \$5,001.63, which impacts 35 members. Staff has broken these members into two categories due to NDAC 71-03-05-10, which provides guidance on determining the amount of member underpayment and states:

The amount of the health premium overpayment or underpayment will be determined by calculating the difference between the premium that was paid and the premium that should have been paid, retroactively to the month the change in premium should have occurred, or July of the earliest contract period still open, whichever is more recent.

Based upon this administrative rule, it would appear that NDPERS cannot collect premium prior to July of the earliest contract period still open. This would mean premiums before July 1, 2011.

The attachment provides information on how this categorizes the members that have underpaid the PDP premium. As noted, \$2,546.03 is for premium due prior to July 1, 2011 and \$2,455.60 is for premium due on or after July 1, 2011. Based upon the above administrative rule, staff feels that the \$2,546.03 cannot be recovered from the members but should still be paid to BCBS since they have already paid it to CMS and the members had PDP coverage for those months.

Staff is seeking your input on how to handle the \$2,455.60 in underpayments that occurred on or after July 1, 2011 and believe that the options are:

- a. Attempt to recover these amounts from the members.

If the Board elects this option, it should be noted that our current business system does not have a mechanism for the processing of these underpayments as they are “outside the system”, meaning our system collects one premium, which covers both the medical and prescription drug premiums. Since the individuals either did not have medical coverage for the applicable months or were credited with an expired low income subsidy, there is not a way to recover the amounts and have them processed through our business system.

Also, given the confusing nature of the underpayments, it is likely some members may appeal the request for the funds and the board will have opportunity to hear those appeals.

- b. Write off the underpayments and direct staff to send payment for the full amount to BCBS to reimburse them for the premium they have already paid to CMS.

It should be noted though, that these enrollment, disenrollment and low income subsidy issues can continue to occur as long as we offer the PDP and therefore, there may be future underpayments that will need to be addressed.

Given the nature of the PDP issues, the ongoing status of the PDP will be reviewed at a future board meeting. However, at this time, staff is seeking direction related to the underpayments noted above.

Board Action Requested:

Determine if staff should attempt to recover the underpayments that occurred on or after July 1, 2011 related to the PDP product.

Premium due for dates prior to 7/1/2011

Member 1	\$244.50
Member 2	\$32.79
Member 3	\$109.40
Member 4	\$193.24
Member 5	\$411.90
Member 6	\$127.00
Member 7	\$63.70
Member 8	\$69.50
Member 9	\$69.50
Member 10	\$63.70
Member 11	\$56.40
Member 12	\$63.70
Member 13	\$69.50 *
Member 14	\$127.40
Member 15	\$63.70
Member 16	\$63.70
Member 17	\$28.50
Member 18	\$191.10
Member 19	\$63.70
Member 20	\$418.50
Member 21	\$14.60
TOTAL	\$2,546.03

Premium due for dates on or after 7/1/2011

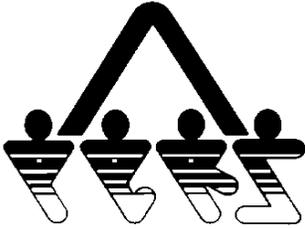
Member 1	\$114.80
Member 2	\$69.50
Member 3	\$69.50
Member 4	\$57.20
Member 5	\$57.20
Member 6	\$57.20
Member 7	\$57.20
Member 8	\$139.00 *
Member 9	\$57.20
Member 10	\$57.20
Member 11	\$459.00
Member 12	\$802.00 **
Member 13	\$171.60
Member 14	\$287.00
TOTAL	\$2,455.60

TOTAL TO BE PAID TO BCBS: \$5,001.63

(CONFIRMED AMOUNT WITH ONALEE)

* Premium due spanned both date ranges

** Recovery in progress



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Memorandum

TO: NDPERS Board
FROM: Kathy & Sparb
DATE: February 12, 2015
SUBJECT: Retiree Health Insurance Credit – RFP

At the August meeting, the Board directed staff to go out to bid and obtain a vendor for a two-year period to administer the RHIC program.

Following is the schedule of activities:

October 31, 2014	RFP issued
November 19, 2014	Bidders Conference
November 26, 2014	Deadline for RFP Questions
December 5, 2014	Answers to RFP Questions posted to NDPERS Website
December 22, 2014	RFP's Due
February 2015	NDPERS Board Selects Vendor

As of the due date, we received four proposals:

ADP (current FlexComp administrator)
ASIFlex
Discovery Benefits (current HSA administrator)
P & A Group

Staff as evaluated the four proposals based on the following criteria:

Technical Proposal:

General Background (Questions Section IV, A.1 to A.4)	10 points
Scope of Work (Questions Section IV, B.1 to B.6)	35 points
Experience	
Firm (Questions Section IV, C.1 to C.4)	7 points
Staffing (Questions Section IV, D.1 to D.3)	8 points

Cost Proposal: 40 points

Attachment 1 is the results of the evaluation which are summarized below:

	Discovery	ADP	ASIFlex	P & A Group
Technical Proposal	36.10	52.00	50.70	52.20
Cost Proposal	40.00	26.42	40.00	22.22
Per Contract	1.75	2.65	1.75	3.15
Total	76.10	78.42	90.70	74.42

ASIFlex scored the highest on its technical proposal and tied with Discovery Benefits on the cost proposal. However, ASI had the overall highest score and staff selected them as the front runner for this effort. Staff developed a list of follow-up questions that were provided to ASI for response. On January 28th we had a teleconference with staff of ASIFlex to discuss its responses. At the conclusion of the session, staff was satisfied with the responses and recommend that ASI be offered a contract for services based on the following observations:

1. Highest overall score, low pricing.
2. Flexible pricing options.
3. Competitive pricing on a pm/pm basis.
4. Are able to accommodate receipt of benefit eligibility files 3 days prior to the date the premium will be deducted from the pension check or the bank account. This will allow the vendor to process the RHIC reimbursement and issue it to the retiree within 2 days after the premium has been deducted.
5. Have several options by which a member can be reimbursed.

Board Action Requested:

Select the vendor for the retiree health insurance program.

RHIC PROPOSALS 2014-2015					
	POINTS	Total			
		Discovery	ADP	ASi Flex	P&A Group
<u>Technical Proposal</u>					
General Background (Questions Section IV, A.1 to A.4)	10	6.20	9.00	8.80	8.60
Scope of Work (Questions Section IV, B.1 to B.6)	35	19.50	30.20	28.90	30.20
<u>Experience</u>					
Firm (Questions Section IV, C.1 to C.4)	7	5.00	6.20	6.20	6.80
Staffing (Questions Section IV, D.1 to D.3)	8	5.40	6.60	6.80	6.60
Subtotal	60	36.10	52.00	50.70	52.20
<u>Cost Proposal</u>					
Per Contract		1.75	2.65	1.75	3.15
Price	40	40.00	26.42	40.00	22.22
Total	100	76.10	78.42	90.70	74.42



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Memorandum

TO: PERS Board
FROM: Sparb
DATE: February 11, 2015
SUBJECT: Experience Study

Pursuant to your direction, we recently issued an RFP for the experience study. The North Dakota Century Code requires that we do the study a least every 5 years. Our five year period ended in 2014.

Attachment #1 is copy of the list of firms we sent the RFP to and a copy of the ad that was in the paper.

We received one bid in response. Attachment #2 is a copy of two responses we received.

The one proposal received was Segal. Staff have read it and we all believe it meets the minimum requirements, demonstrates an understanding of the work effort, meets the project timelines and all other aspects of the RFP. Segal also indicated in a special note that they will address an issue that came up in the projections relating to closing the Main plan:

One particular area of concern for the year's study will be the projected benefit payments that are generated by the valuation. Recent projections have indicated that the valuation cash flows differ from the actual payment being made from the fund, especially in the first few years after the valuation date. While these differences are generally not significant in terms of the overall plan's liabilities, they are important in terms of cash flow projections. Since the Legislature has been evaluating the possibility of closing the plan, these assumptions are especially important in the analysis.

It is likely that this discrepancy is the effect either of the retirement rates or in the benefit forms that are being elected. Segal will specifically address this issue in our analysis so that the assumptions will be accurate for both liabilities and cash flow projections.

The fixed fee for the project is \$43,000. This is for an experience study of the Main, judges, law enforcement and Highway Patrol plans. Recently TFFR contracted with Segal for their experience study for \$35,000 (this price is for the one system).

As we look back the following information is from 5 years ago:

- We received 5 bids
- One did not meet the minimum requirements
- The pricing ranged from \$27,000 to \$35,000. Segal was the lowest price.

Board Action Requested

Determine if we should award the work to Segal

Experience Study Vendor List 2014

Gallagher Benefit Services, Inc.
William F. Robinson, Jr.
6399 S. Fiddler's Green Circle, Suite 200
Greenwood Village, CO 80111

303-889-2724

Email: Bill_Robinson@ajg.com

Van Iwaarden
Mark D. Meyer, FSA, JD
840 Lumber Exchange Building
Ten South 5th Street
Minneapolis, MN 55402-1010

888-596-5960

Email: markm@vaniwaarden.com

Aon Consulting
William S. Forna, FSA,MAAA
4100 E Mississippi Ave., Suite 1600
Denver, CO 80246

303-782-3304

Email: William_Forna@AON.com

The Segal Company
Brad Ramirez, FSA, MAAA, FCA, EA
5670 Greenwood Plaza Blvd., Suite 425
Greenwood Village, CO 80111-2499

303-714-9900

Email: bramirez@segalco.com

Gabriel, Roeder, Smith & Company
Leslie Thompson, FSA, FCA, EA, MAAA
7900 East Union Avenue, Suite 1100
Denver, CO 80237-2746

303-217-7604

Email: leslie.thompson@gabrielroeder.com

Doug Anderson
Area Senior Vice President
Retirement Plan Consulting | Actuarial
Arthur J. Gallagher & Co.
3600 American Blvd. W, Suite 500 | Bloomington, MN 55431

P: 952.356.3848 | F: 866.743.5313 | M: 612.270.6125

Email: Doug_Anderson@ajg.com

Website: www.ajg.com

From: [Doug Anderson](#)
To: [Stockert, Cheryl L.](#)
Subject: RE: NDPERS Request for Proposal Experience Study Questions and Answers
Date: Monday, January 12, 2015 9:25:51 AM
Attachments: [image001.png](#)

Cheryl,

Thank you for forwarding this information.

Gallagher Benefit Services, Inc. will not be responding to the Experience Study Request for Proposal.

Please keep us on your list of potential future actuarial service providers.

Sincerely,
Doug

Doug Anderson
Area Senior Vice President
Retirement Plan Consulting | Actuarial

Arthur J. Gallagher & Co.
3600 American Blvd. W, Suite 500 | Bloomington, MN 55431
P: 952.356.3848 | F: 866.743.5313 | M: 612.270.6125
www.ajg.com
Gallagher Benefit Services, Inc.

This e-mail and any files transmitted with it are intended only for the person or entity to which it is addressed and may contain confidential material and/or material protected by law. Any retransmission or use of this information may be a violation of that law. If you received this in error, please contact the sender and delete the material from any computer.

From: Stockert, Cheryl L. [mailto:cstocker@nd.gov]
Sent: Thursday, January 08, 2015 4:18 PM
To: Stockert, Cheryl L.
Cc: Knudsen, Debra F.; Reinhardt, Bryan T.
Subject: NDPERS Request for Proposal Experience Study Questions and Answers

Attached please find the questions and answers to the NDPERS Request for Proposal for Experience Study.

Cheryl Stockert
North Dakota Public Employees Retirement System
PO Box 1657
Bismarck, ND 58502-1657
(701) 328-3903
cstocker@nd.gov



January 21, 2015

Mr. Sparb Collins
Executive Director
North Dakota Public Employees Retirement System
400 E. Broadway, Suite 505
Bismarck, ND 58501

Re: RFP for NDPERS Experience Study Dated December 2014

Dear Sparb:

Van Iwaarden Associates is pleased that you included us on your list of potential vendors for the actuarial services outlined in the RFP for NDPERS Experience Study dated December 2014. It has been our pleasure to serve you in the past and we look forward to every opportunity to serve you again in the future!

Thank you for your response to our questions about the RFP and the scope of services that your Board wants. Based upon our analysis of the RFP and your responses to questions, it is clear to us that your best choice for this project is the incumbent actuary. They are the only vendor who can accurately and cost effectively complete the experience study and provide the detailed (rather than reasonable) cost estimates that your Board expects.

We respectfully suggest that the Experience Study be included as part of the on-going actuarial services as a separate cost item in the next actuarial services RFP. We would be delighted to submit a proposal for the on-going actuarial work or for any other NDPERS retirement project. Thank you for this opportunity to be of service to you and to NDPERS!

Sincerely,



Mark D. Meyer, JD, FSA, EA
Consulting Actuary



Mark W. Schulte, FSA, EA
Consulting Actuary



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: PERS Board

FROM: Bryan

DATE: February 11, 2015

SUBJECT: DC 401(a) and 457 Companion Plan Investment Policies

Here are the investment policies for the DC plans. I clarified the Large Cap Equities benchmarks in the appendix. I also replaced the Parnassus Small Cap fund with the DFA US Small Cap fund based on prior Board action.

TIAA-CREF will start to offer a new 2060 Lifecycle Fund. The NDPERS Investment Subcommittee recommends adding this fund to the core lifecycle lineup. I added this to the attached DC investment policies.

If you have any questions, I will be available at the NDPERS Board Meeting.

Board Action Requested:

Approve adding the 2060 TIAA-CREF Lifecycle Fund to the core lineup for the DC 401(a) and 457 Companion Plan and approve the updated Investment Policies.

STATE OF NORTH DAKOTA
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STATE OF NORTH DAKOTA DEFINED CONTRIBUTION PLAN STATEMENT OF INVESTMENT POLICY

INTRODUCTION

The Public Employees Retirement System Board (Board) hereby adopts this Statement of Investment Policy for the Deferred Compensation Companion Plan (Plan).

Objectives of the Plan

The Plan is a long-term retirement savings option intended as a source of retirement income for eligible participants. The investment options available from the Plan cover a broad range of investment risks and rewards typical of this kind of retirement savings program. Participants bear the risks and reap the rewards of investment returns that result from the investment options which they select.

This Statement of Investment Policy:

- Establishes the parameters of an investment program that will allow plan participants the opportunity to structure an investment strategy that meets their individual return objectives and risk tolerances.
- Defines the investment categories offered by the Plan;
- Establishes benchmarks and performance standards for each investment category by which to evaluate each fund's performance;
- Establishes a procedure for reporting and evaluating the various funds and a methodology for monitoring their performance; and
- Defines the procedures for investment fund evaluation and formal fund review.

STATE OF NORTH DAKOTA DEFINED CONTRIBUTION PLAN STATEMENT OF INVESTMENT POLICY

SELECTION OF INVESTMENT OPTIONS

Each investment option offered under the Plan must:

- Operate under its published prospectus;
- Have its performance results measured against the applicable performance standards described herein for that investment category.

The Board may add or replace investment options in any category using any or all of the following general criteria:

- A.** Historical performance over a reasonable time frame.
- B.** Investment manager performance and tenure.
- C.** Costs, including the expense ratio and any other fees.

Mutual fund options are selected through a comprehensive search process. Generally, the Board will first review the suitable offerings from the vendor's alliance family of funds. Absent a competitive offering from the vendor's list of alliance funds, the Board will select from qualified non-alliance funds.

INVESTMENT CATEGORIES:

The Board in its judgment selects the number, types, and status of individual investment offerings. In general, the Board will seek to offer a sufficient number of investment funds to allow each participant the ability to construct a diversified portfolio consistent with his/her reasonable investment objective. The selection and elimination of investment options will be guided by the following philosophies and principles:

- A.** The menu of offerings will be sufficient to allow each participant the ability to construct a diversified portfolio consistent with a reasonable investment goal. (See *Appendix 1* for a classification of the current offerings.) The menu will include at least one offering in each of the following asset categories:

STATE OF NORTH DAKOTA DEFINED CONTRIBUTION PLAN STATEMENT OF INVESTMENT POLICY

- Stable Value Account
- Fixed Income
- Balanced
- Large Cap Equity
- Mid Cap Equity
- Small Cap Equity
- International Equity
- Asset Allocation

B. Within the domestic equity categories, the offerings may include funds that represent style subsets (value, growth, blend) of the broad market.

C. The offerings will include funds that offer pre-determined asset allocations of various risk tolerances or investment horizons.

D. The self-directed brokerage option is designed for a sophisticated, experienced and knowledgeable investor. Participants selecting this option will be required to sign an election form containing the following:

- (a)** The participant understands and accepts any and all risks associated with this selection;
- (b)** The participant understands and accepts that none of the mutual funds available in the self-directed brokerage option have been reviewed for suitability by the Board;
- (c)** The participant is solely responsible for determining the suitability or appropriateness of any selected mutual fund; and
- (d)** The participant agrees to hold the Plan and the Board harmless for any negative consequences resulting from use of the self-directed brokerage option.

REPORTING AND MONITORING PROCEDURES

The Board will designate the status of each investment fund offered as either open or closed:

Open – Eligible for new investments.

Closed – Not eligible for new contributions, not eligible for the establishment of new accounts, and may require the existing accounts be transferred.

STATE OF NORTH DAKOTA DEFINED CONTRIBUTION PLAN STATEMENT OF INVESTMENT POLICY

INVESTMENT FUND EVALUATION

The Board will at least annually review the plan and its investment funds, including investment performance. The investment performance review will include comparisons against the appropriate benchmark indices and peer groups over relevant time frames. The focus of the review will be to ensure that the Board is offering funds with competitive (average or above) performance within each category over reasonable measurement periods, typically encompassing a market cycle (3 to 5 years). The Board will also review the fund's investment style relative to its mandate and the stability of the personnel responsible for investment results. As the investment funds are retail mutual funds, the Board may rely on ratings produced by recognized performance evaluation services to evaluate long-term risk-adjusted performance relative to peers. Except for the annual review, the Board may delegate these duties to its investment sub-committee. The NDPERS Board will make the performance review available for the membership.

For performance benchmarks on current offerings, see *Appendix 1*. Funds meeting performance standards and policy objectives will be designated as open.

- A.** Funds rated as not meeting performance standards and policy objectives will, at the Board's discretion, either be placed in a closed status or on a "formal fund review list".
- B.** The Board, at its discretion, may remove funds from the "formal fund review list" should the fund's performance recover sufficiently to meet performance standards.
- C.** Funds that do not meet performance standards and/or policy objectives may be placed in the "Closed" status.
- D.** Failure by a fund to comply with these policy objectives and guidelines is cause for the Board to place the fund under formal fund review or close the fund.

The Board may place a fund under formal fund review, or immediately close a fund, for any reason, including:

- A. The fund has made significant changes in its investment management, or such change appears imminent;
- B. The fund has had a significant change in ownership or control;
- C. The fund has significantly changed investment focus or has experienced style drift, departing from the investment objectives;

STATE OF NORTH DAKOTA DEFINED CONTRIBUTION PLAN STATEMENT OF INVESTMENT POLICY

- D. The fund has violated a SEC rule or regulation;
- E. The fund has experienced difficulty in transacting trades, fund transfers, or pricing;
- F. The fund has experienced other changes or problems in its procedures, operations, investing, or reporting which, in the Board's view, has or could detract from the objectives of the Plan;
- G. The fund has increased its fees or expenses.
- H. Other reasons the NDPERS Board deems requires such action.

The Board retains the right to waive any of the above policies if it deems that such waiver is in the best interest of the plan and/or its participants.

FORMAL FUND REVIEW

When a fund has been placed under formal review, the Board shall monitor the fund, its operations, and its performance. During this period the Board may close the fund.

CLOSED FUNDS

When the Board closes a fund it may direct that:

- A.** No new contributions may be made to the fund after a specified date;
- B.** The fund is terminated and participant account balances must be transferred to another fund option.

STATE OF NORTH DAKOTA DEFINED CONTRIBUTION PLAN STATEMENT OF INVESTMENT POLICY

If the Board closes a fund to new contributions it shall:

- A.** Promptly notify the Plan provider;
- B.** Promptly notify plan participants who are currently investing in the fund or who have assets in the closed fund of the Board's action and if applicable that new investment monies must be redirected to another fund option under the Plan within a time specified by the Board.

If the Board closes a fund by terminating its participation in the plan and requires all account balances to be transferred to another fund it shall:

- A.** Promptly notify the Plan provider;
- B.** Promptly notify plan participants who are currently investing in the fund or who have assets in the closed fund that the Board has terminated the fund as an investment option under the Plan and that:
 - New investment monies must be redirected to another fund option under the Plan within a time specified by the Board and
 - After 90 days notice to an affected member by the Board, all assets remaining in the terminated fund will be transferred to the default option designated by the Board.

STATE OF NORTH DAKOTA DEFINED CONTRIBUTION PLAN STATEMENT OF INVESTMENT POLICY

APPENDIX 1

Defined Contribution Plan Investment Options by Investment Category

Asset Class	Sector	Fund(s)	Benchmark(s)
Balanced	Balanced	T.Rowe Price Capital Appreciation	60% Large Cap Value Fund Universe and 40% Taxable Bond Fund Universe 60% Russell 1000 Value and 40% Barclays Aggregate Bond Index
Large Cap Equities	Value	Hartford Dividend & Growth	Russell 1000 Value Large Cap Value Fund Universe
		T.Rowe Price Equity Income	Russell 1000 Value Large Cap Value Fund Universe
	Blend	Vanguard 500 Index Signal	S&P 500 Large Cap Blend Fund Universe
		Vanguard Dividend Growth	S&P 500 Large Cap Blend Fund Universe
	Growth	Wells Fargo Adv Growth Adm	Russell 3000 growth Large Cap Growth Fund Universe
		Franklin Growth Adv	Russell 1000 growth Large Cap Growth Fund Universe
Mid Cap Equities	Value	RidgeWorth Mid Cap Value Equity I	Mid Cap Value Universe Russell Mid Cap Value
	Blend	Columbia Mid Cap Index A	Mid Cap Blend Universe S & P Mid Cap 400
		ASTON/Fairpointe Mid Cap I	Mid Cap Blend Universe Wilshire 4500 Index
Growth	Prudential Jennison Mid Cap Growth Z	Mid Cap Growth Universe Russell Mid Cap Growth	
Small Cap Equities	Value	Allianz NFJ Small Cap Value	Small Value Universe Russel 2000 Value
	Blend	Parnassus Small Cap-DFA US Small Cap	Small Cap Blend Universe Russel 2000 Index
	Growth	Brown Capital Mgmt Small Co Inv	Small Cap Growth Universe Russel 2000 Growth

STATE OF NORTH DAKOTA DEFINED CONTRIBUTION PLAN STATEMENT OF INVESTMENT POLICY

Fixed Income	Wells Fargo Stable Return Fund J	3-Month T-Bill Index
	Vanguard Prime Money Market Fund	3-Month T-Bill Index
	PIMCO Real Return Admin	Barclays Aggregate Bond Index Taxable Bond Fund Universe
	PIMCO Total Return Bond Fund	Barclays Aggregate Bond Index Taxable Bond Fund Universe
	Prudential High Yield Z	ML High Yield Bond Index High Yield Bond Fund Universe
	Templeton Global Bond Adv	Citi World Govt Bond Index World Bond Fund Universe
	Real Estate	Cohen & Steers Realty Shares
International Equities	Mutual Global Discovery Z	MSCI EAFE Index International Stock Fund Universe
	Vanguard Total Intl Stock Index Inv	MSCI EAFE Index International Stock Fund Universe
	Oppenheimer Developing Markets Y	MSCI Emerging Markets Index Diversified Emerging Markets Universe
Asset Allocation	<u>TIAA-CREF Lifecycle Funds</u> Retirement Income Fund 2010 Fund Benchmark 2015 Fund Benchmark 2020 Fund Benchmark 2025 Fund Benchmark 2030 Fund Benchmark 2035 Fund Benchmark 2040 Fund Benchmark 2045 Fund Benchmark 2050 Fund Benchmark 2055 Fund Benchmark 2060 Fund Benchmark	The TIAA-CREF Lifecycle Funds will be benchmarked using the Wilshire 5000 Index, EAFE Index, Aggregate Bond Index, High Yield Index, and 3-Month T-Bill Index. Each fund benchmark will be based on the fund allocation in Domestic Equity, International Equity, Fixed-Income, Inflation Protected Assets, and Short-term Fixed Income stated in the fund prospectus.

STATE OF NORTH DAKOTA
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STATE OF NORTH DAKOTA DEFERRED COMPENSATION PROGRAM PUBLIC EMPLOYEE RETIREMENT SYSTEM COMPANION PLAN STATEMENT OF INVESTMENT POLICY

INTRODUCTION

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- Establishes a procedure for reporting and evaluating the various funds and a methodology for monitoring their performance; and
- Defines the procedures for investment fund evaluation and formal fund review.

STATE OF NORTH DAKOTA DEFERRED COMPENSATION PROGRAM
PUBLIC EMPLOYEE RETIREMENT SYSTEM COMPANION PLAN
STATEMENT OF INVESTMENT POLICY

SELECTION OF INVESTMENT OPTIONS

Each investment option offered under the Plan must:

- Operate under its published prospectus;
- Have its performance results measured against the applicable performance standards described herein for that investment category.

The Board may add or replace investment options in any category using any or all of the following general criteria:

- A. Historical performance over a reasonable time frame.
- B. Investment manager performance and tenure.
- C. Costs, including the expense ratio and any other fees.

Mutual fund options are selected through a comprehensive search process. Generally, the Board will first review the suitable offerings from the vendor's alliance family of funds. Absent a competitive offering from the vendor's list of alliance funds, the Board will select from qualified non-alliance funds.

INVESTMENT CATEGORIES:

The Board in its judgment selects the number, types, and status of individual investment offerings. In general, the Board will seek to offer a sufficient number of investment funds to allow each participant the ability to construct a diversified portfolio consistent with his/her reasonable investment objective. The selection and elimination of investment options will be guided by the following philosophies and principles:

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STATE OF NORTH DAKOTA DEFERRED COMPENSATION PROGRAM
PUBLIC EMPLOYEE RETIREMENT SYSTEM COMPANION PLAN
STATEMENT OF INVESTMENT POLICY

- Stable Value Account
- Fixed Income
- Balanced
- Large Cap Equity
- Mid Cap Equity
- Small Cap Equity
- International Equity
- Asset Allocation

B. Within the domestic equity categories, the offerings may include funds that represent style subsets (value, growth, blend) of the broad market.

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D. The self-directed brokerage option is designed for a sophisticated, experienced and knowledgeable investor. Participants selecting this option will be required to sign an election form containing the following:

- (a) The participant understands and accepts any and all risks associated with this selection;
- (b) The participant understands and accepts that none of the mutual funds available in the self-directed brokerage option have been reviewed for suitability by the Board;
- (c) The participant is solely responsible for determining the suitability or appropriateness of any selected mutual fund; and
- (d) The participant agrees to hold the Plan and the Board harmless for any negative consequences resulting from use of the self-directed brokerage option.

REPORTING AND MONITORING PROCEDURES

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STATE OF NORTH DAKOTA DEFERRED COMPENSATION PROGRAM
PUBLIC EMPLOYEE RETIREMENT SYSTEM COMPANION PLAN
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The Board will at least annually review the plan and its investment funds, including investment performance. The investment performance review will include comparisons against the appropriate benchmark indices and peer groups over relevant time frames. The focus of the review will be to ensure that the Board is offering funds with competitive (average or above) performance within each category over reasonable measurement periods, typically encompassing a market cycle (3 to 5 years). The Board will also review the fund's investment style relative to its mandate and the stability of the personnel responsible for investment results. As the investment funds are retail mutual funds, the Board may rely on ratings produced by recognized performance evaluation services to evaluate long-term risk-adjusted performance relative to peers. Except for the annual review, the Board may delegate these duties to its investment sub-committee. The NDPERS Board will make the performance review available for the membership.

For performance benchmarks on current offerings, see *Appendix 1*. Funds meeting performance standards and policy objectives will be designated as open.

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- A.** The fund has made significant changes in its investment management, or such change appears imminent;
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- C.** The fund has significantly changed investment focus or has experienced style drift, departing from the investment objectives;

STATE OF NORTH DAKOTA DEFERRED COMPENSATION PROGRAM
PUBLIC EMPLOYEE RETIREMENT SYSTEM COMPANION PLAN
STATEMENT OF INVESTMENT POLICY

- D. The fund has violated a SEC rule or regulation;
- E. The fund has experienced difficulty in transacting trades, fund transfers, or pricing;
- F. The fund has experienced other changes or problems in its procedures, operations, investing, or reporting which, in the Board's view, has or could detract from the objectives of the Plan;
- G. The fund has increased its fees or expenses.
- H. Other reasons the NDPERS Board deems requires such action.

The Board retains the right to waive any of the above policies if it deems that such waiver is in the best interest of the plan and/or its participants.

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CLOSED FUNDS

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- A. No new contributions may be made to the fund after a specified date;
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STATE OF NORTH DAKOTA DEFERRED COMPENSATION PROGRAM
PUBLIC EMPLOYEE RETIREMENT SYSTEM COMPANION PLAN
STATEMENT OF INVESTMENT POLICY

If the Board closes a fund to new contributions it shall:

- A.** Promptly notify the Plan provider;
- B.** Promptly notify plan participants who are currently investing in the fund or who have assets in the closed fund of the Board's action and if applicable that new investment monies must be redirected to another fund option under the Plan within a time specified by the Board.

If the Board closes a fund by terminating its participation in the plan and requires all account balances to be transferred to another fund it shall:

- A.** Promptly notify the Plan provider;
- B.** Promptly notify plan participants who are currently investing in the fund or who have assets in the closed fund that the Board has terminated the fund as an investment option under the Plan and that:
 - New investment monies must be redirected to another fund option under the Plan within a time specified by the Board and
 - After 90 days notice to an affected member by the Board, all assets remaining in the terminated fund will be transferred to the default option designated by the Board.

STATE OF NORTH DAKOTA DEFERRED COMPENSATION PROGRAM PUBLIC EMPLOYEE RETIREMENT SYSTEM COMPANION PLAN STATEMENT OF INVESTMENT POLICY

APPENDIX 1

Companion Plan Investment Options by Investment Category

Asset Class	Sector	Fund(s)	Benchmark(s)
Balanced	Balanced	T.Rowe Price Capital Appreciation	60% Large Cap Value Fund Universe and 40% Taxable Bond Fund Universe 60% Russell 1000 Value and 40% Barclays Aggregate Bond Index
Large Cap Equities	Value	Hartford Dividend & Growth	Russell 1000 Value Large Cap Value Fund Universe
		T.Rowe Price Equity Income	Russell 1000 Value Large Cap Value Fund Universe
	Blend	Vanguard 500 Index Signal	S&P 500 Large Cap Blend Fund Universe
		Vanguard Dividend Growth	S&P 500 Large Cap Blend Fund Universe
	Growth	Wells Fargo Adv Growth Adm	Russell 3000 growth Large Cap Growth Fund Universe
		Franklin Growth Adv	Russell 1000 growth Large Cap Growth Fund Universe
Mid Cap Equities	Value	RidgeWorth Mid Cap Value Equity I	Mid Cap Value Universe Russell Mid Cap Value
		Blend	Columbia Mid Cap Index A
	ASTON/Fairpointe Mid Cap I		Mid Cap Blend Universe Wilshire 4500 Index
	Growth	Prudential Jennison Mid Cap Growth Z	Mid Cap Growth Universe Russell Mid Cap Growth

STATE OF NORTH DAKOTA DEFERRED COMPENSATION PROGRAM PUBLIC EMPLOYEE RETIREMENT SYSTEM COMPANION PLAN STATEMENT OF INVESTMENT POLICY

Small Cap Equities	Value	Allianz NFJ Small Cap Value	Small Value Universe Russel 2000 Value
	Blend	Parnassus Small Cap DFA US Small Cap	Small Cap Blend Universe Russel 2000 Index
	Growth	Brown Capital Mgmt Small Co Inv	Small Cap Growth Universe Russel 2000 Growth
Fixed Income		Wells Fargo Stable Return Fund J Vanguard Prime Money Market Fund PIMCO Real Return Admin PIMCO Total Return Bond Fund Prudential High Yield Z Templeton Global Bond Adv	3-Month T-Bill Index 3-Month T-Bill Index Barclays Aggregate Bond Index Taxable Bond Fund Universe Barclays Aggregate Bond Index Taxable Bond Fund Universe ML High Yield Bond Index High Yield Bond Fund Universe Citi World Govt Bond Index World Bond Fund Universe
Real Estate		Cohen & Steers Realty Shares	FTSE NAREIT All Equity REIT Index Real Estate Fund Universe
International Equities		Mutual Global Discovery Z Vanguard Total Intl Stock Index Inv Oppenheimer Developing Markets Y	MSCI EAFE Index International Stock Fund Universe MSCI EAFE Index International Stock Fund Universe MSCI Emerging Markets Index Diversified Emerging Markets Universe
Asset Allocation		<u>TIAA-CREF Lifecycle Funds</u> Retirement Income Fund 2010 Fund Benchmark 2015 Fund Benchmark 2020 Fund Benchmark 2025 Fund Benchmark 2030 Fund Benchmark 2035 Fund Benchmark 2040 Fund Benchmark 2045 Fund Benchmark 2050 Fund Benchmark 2055 Fund Benchmark 2060 Fund Benchmark	The TIAA-CREF Lifecycle Funds will be benchmarked using the Wilshire 5000 Index, EAFE Index, Aggregate Bond Index, High Yield Index, and 3-Month T-Bill Index. Each fund benchmark will be based on the fund allocation in Domestic Equity, International Equity, Fixed-Income, Inflation Protected Assets, and Short-term Fixed Income stated in the fund prospectus.



**North Dakota
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Memorandum

TO: PERS Board
FROM: Bryan
DATE: February 11, 2015
SUBJECT: Defined Contribution Plan Reporting

Attached is a summary of the DC 401(a) enrollments. The plan opened up to all new State employees in October 2013. Employees are initially enrolled in the DB plan and have 180 days to make an irrevocable election to transfer to the DC plan.

The first table shows that 433 members have elected the DC plan since it started in 2000. Of these, the second table shows that 227 are still active (52%). With the DC plan now open to all new employees, the graph shows a big increase in the number eligible for the plan. The bottom table shows only 26 members (out of 1,587 since 10/2013) have elected the DC 401(a) plan through December 2014.

If you have any questions, we will be available at the Board meeting.

Defined Contribution Reporting - December 2014

DC Enrollment		
Start Date	Frequency	Percent
ff		
Before 2013/07	399	93.44
2013/08	1	0.23
2013/09	2	0.46
2013/10	2	0.46
2013/11	1	0.23
2014/01	1	0.23
2014/02	1	0.23
2014/03	2	0.46
2014/05	5	1.17
2014/06	2	0.46
2014/07	6	1.39
2014/08	2	0.46
2014/09	3	0.69
2014/11	3	0.69
<u>2014/12</u>	<u>3</u>	<u>0.69</u>
Total	433	100

Three new enrollments in December 2014.

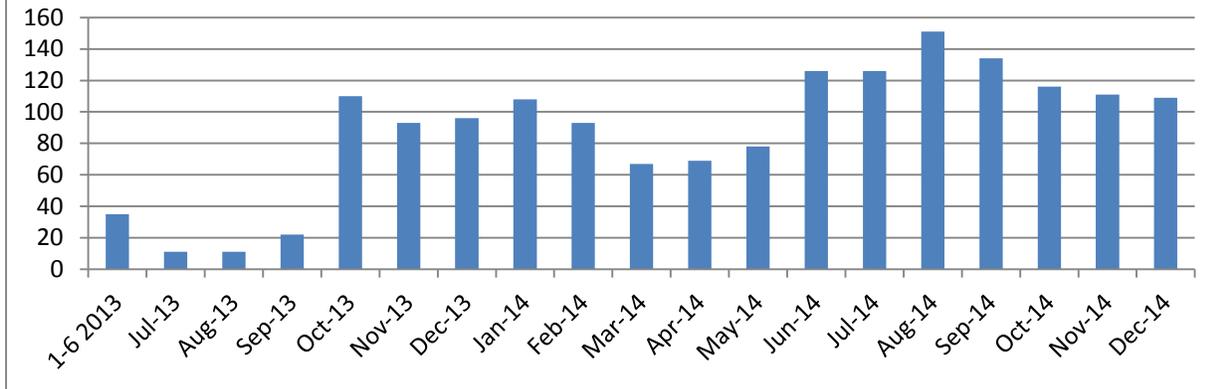
Current Status	Frequency	Percent	Cumulative Frequency	Cumulative Percent
Enrolled	227	51.96	227	51.96
Retired	15	3.46	242	55.43
Suspended	72	16.33	314	70.90
Withdrawn	126	29.10	440	100.00

51.96% of those electing the DC 401(a) plan are still active.

NDPERS DC 401(a) Active MEMBERS - December 2014
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Agency	Frequency	Percent	Cumulative Frequency	Cumulative Percent
Workforce Safety & Insurance	80	36.00	80	36.00
Adjutant General ND National Guard	12	5.33	92	41.33
Legislative Council	12	5.33	104	46.67
Department Of Commerce	8	3.56	112	50.22
Information Technology Dept	8	3.56	120	53.78
Others (52 groups)	107	46.22	227	100.00

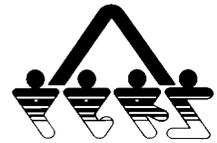
Eligibles for DC Plan by Month



New employee DB/DC estimates sent out	Eligible	Elections to Date (180 days to elect)
2013 October - 104	110	1
2013 November - 91	93	6
2013 December - 92	96	1
2014 January - 119	108	2
2014 February - 90	93	4
2014 March - 73	67	2
2014 April - 79	69	2
2014 May - 81	78	4
2014 June - 112	126	3
2014 July - 136	126	4
2014 August - 111	151	2
2014 September - 140	134	2
2014 October - 138	116	1
2014 November - 117	111	0
2014 December - 117	109	2

1587

36 (2.3%)



Memo

To: NDPERS Board
From: Bryan T. Reinhardt
Date: 2/13/2015
Re: 457 Companion Plan & 401(a) plan 3rd Quarter 2014 Reports

Here is the 3rd quarter 2014 investment report for the 401(a) & 457 Companion Plan. The reports are available separately on the NDPERS web site. The NDPERS Investment Sub-committee reviewed the 3rd quarter report.

Assets in the 401(a) plan decreased slightly to \$33.1 million as of Sept 30, 2014. The number of participants is at 298 (233 active), up slightly from when the plan started. The largest funds are the TIAA-CREF Lifecycle funds with 68% of assets.

Assets in the 457 Companion Plan increased to \$64.3 million as of Sept 30, 2014. The number of participants is increasing and is now at 5,293 (4,041 active). The largest funds are the TIAA-CREF Lifecycle funds with 73% of assets.

Benchmarks:

Fund returns for the quarter were mostly negative. The markets have rebounded and all the funds in the core lineup have positive returns across the 1-year, 3-year and 5-year periods. Fund performance was mixed when compared to benchmarks and peer funds. Note that index funds are expected to slightly underperform their benchmarks because of fund administration fees.

Fund / Investment News:

The NDPERS Investment Sub-Committee reviewed a 3rd quarter plan and investment overview with TIAA-CREF. The Investment Sub-Committee marked the Wells Fargo Growth Admin Fund (SGRKX) and PIMCO Total Return bond fund (PTRAX) as underperforming for the quarter and motioned to put these funds on Formal Fund Review. This action was taken at the October NDPERS Board meeting.

The Sub-Committee continues to work on the Job Service and RHIC plans with the RIO staff. TIAA-CREF discussed annuity options available for NDPERS members in the DC plans.

NDPERS
Quarterly Investment Report
3rd Quarter
7/1/2014 – 9/30/2014



North Dakota Public Employees Retirement System
400 E Bdwy, Suite 505
Box 1657
Bismarck, ND 58502

NDPERS 401(a) Defined Contribution Plan & 457 Companion Plan - TIAA-CREF

INITIAL OFFERING:			
	Hartford Dividend & Growth T.Rowe Price Equity Income	Vanguard 500 Index Signal Vanguard Dividend Growth	Franklin Growth Adv Wells Fargo Adv Growth Adm
			LARGE
	RidgeWorth Mid Cap Value Equity I	ASTON/Fairpointe Mid Cap I Columbia Mid Cap Index A	Prudential Jennison Mid Cap Growth Z
			MEDIUM
	Allianz NFJ Small Cap Value	Parnassus Small Cap	Brown Capital Mgmt Small Co Inv
			SMALL
	VALUE	BLEND	GROWTH
BALANCED FUND:	T.Rowe Price Capital Appreciation		
INCOME FUNDS:	Wells Fargo Stable Value Fund J	Vanguard Prime Money Market	
BOND FUNDS:	PIMCO Total Return Bond Fund	Prudential High Yield Z	
	PIMCO Real Return Admin Bond Fund	Templeton Global Bond	
REAL ESTATE:	Cohen & Steers Realty Shares		
INTERNATIONAL FUNDS:	Mutual Global Discovery Z	Vanguard Total Intl Stock Index	Oppenheimer Developing Markets Y
LIFESTYLE FUNDS:	TIAA-CREF Lifecycle Ret Income	TIAA-CREF Lifecycle 2025	TIAA-CREF Lifecycle 2045
	TIAA-CREF Lifecycle 2010	TIAA-CREF Lifecycle 2030	TIAA-CREF Lifecycle 2050
	TIAA-CREF Lifecycle 2015	TIAA-CREF Lifecycle 2035	TIAA-CREF Lifecycle 2055
	TIAA-CREF Lifecycle 2020	TIAA-CREF Lifecycle 2040	
FUND STYLE CHANGES:			
			LARGE
		RidgeWorth Mid Cap Value Equity I	
			MEDIUM
			SMALL
	VALUE	BLEND	GROWTH
OTHER FUNDS:			
CURRENT LINEUP:			
	Hartford Dividend & Growth T.Rowe Price Equity Income	Vanguard 500 Index Signal Vanguard Dividend Growth	Franklin Growth Adv Wells Fargo Adv Growth Adm
			LARGE
		ASTON/Fairpointe Mid Cap I Columbia Mid Cap Index A	Prudential Jennison Mid Cap Growth Z
		RidgeWorth Mid Cap Value Equity I	
			MEDIUM
	Allianz NFJ Small Cap Value	Parnassus Small Cap	Brown Capital Mgmt Small Co Inv
			SMALL
	VALUE	BLEND	GROWTH
BALANCED FUND:	T.Rowe Price Capital Appreciation		
INCOME FUNDS:	Wells Fargo Stable Value Fund J	Vanguard Prime Money Market	
BOND FUNDS:	PIMCO Total Return Bond Fund	Prudential High Yield Z	
	PIMCO Real Return Admin Bond Fund	Templeton Global Bond	
REAL ESTATE:	Cohen & Steers Realty Shares		
INTERNATIONAL FUNDS:	Mutual Global Discovery Z	Vanguard Total Intl Stock Index	Oppenheimer Developing Markets Y
LIFESTYLE FUNDS:	TIAA-CREF Lifecycle Ret Income	TIAA-CREF Lifecycle 2025	TIAA-CREF Lifecycle 2045
	TIAA-CREF Lifecycle 2010	TIAA-CREF Lifecycle 2030	TIAA-CREF Lifecycle 2050
	TIAA-CREF Lifecycle 2015	TIAA-CREF Lifecycle 2035	TIAA-CREF Lifecycle 2055
	TIAA-CREF Lifecycle 2020	TIAA-CREF Lifecycle 2040	

NDPERS Investment Benchmarks - 3rd Quarter 2014

	<u>Quarter</u>	<u>Y-T-D</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>
<u>Stable Value / Money Market Fund</u>					
Vanguard Prime Money Market - VMMXX	0.00%	0.01%	0.01%	0.02%	0.04%
Wells Fargo Stable Return Fund J - WFSJ#	0.18%	0.49%	0.68%	0.99%	1.40%
3 Month T-Bill Index	0.01%	0.03%	0.04%	0.05%	0.08%
<u>Fixed Income Fund</u>					
PIMCO Real Return Admin - PARRX	-2.27%	3.97%	1.74%	1.78%	4.68%
PIMCO Total Return Bond Fund - PTRAX	-0.42%	3.14%	3.04%	4.30%	4.81%
Barclays Aggregate Bond Index	0.17%	4.10%	3.96%	2.43%	4.12%
Taxable Bond Fund Universe	-0.87%	3.08%	3.94%	4.40%	5.21%
Prudential High Yield Z - PHYZX	-2.05%	3.36%	6.76%	10.32%	10.32%
ML High Yield Bond Fund Index	-1.92%	3.61%	7.23%	10.95%	10.40%
High Yield Bond Fund Universe	-2.03%	2.71%	6.00%	9.98%	9.39%
Templeton Global Bond Adv - TGBAX	0.06%	3.53%	6.34%	7.63%	6.93%
Citi World Govt Bond Index	-3.78%	1.03%	-0.07%	-0.51%	1.58%
World Bond Fund Universe	-1.94%	2.87%	3.43%	3.17%	3.95%
<u>Real Estate Fund</u>					
Cohen & Steers Realty Shares - CSRSX	-3.23%	13.52%	13.38%	15.71%	14.77%
FTSE NAREIT All Equity REITs Index	-3.15%	13.96%	13.14%	16.68%	15.88%
Real Estate Fund Universe	-3.01%	13.03%	12.64%	15.77%	15.05%
<u>Balanced Fund</u>					
T.Rowe Price Capital Appreciation - PACLX	0.00%	6.83%	13.47%	17.88%	12.86%
60% Large Cap Value Univ & 40% Taxable Bond Universe	-0.68%	5.06%	11.39%	14.61%	10.30%
60% Russell 1000 Value & 40% Agg Bond Index	-0.05%	6.48%	12.92%	15.33%	10.80%
<u>Large Cap Equities - Value</u>					
Hartford Dividend & Growth - HDGTX	0.09%	8.09%	18.69%	21.75%	14.35%
T.Rowe Price Equity Income - PRFDX	-1.68%	4.34%	13.44%	21.16%	13.84%
Russell 1000 Value Index	-0.19%	8.07%	18.89%	23.93%	15.26%
Large Cap Value Fund Universe	-0.55%	6.38%	16.35%	21.41%	13.69%
<u>Large Cap Equities - Blend</u>					
Vanguard 500 Index Signal - VIFSX	1.12%	8.31%	19.68%	22.95%	15.67%
Vanguard Dividend Growth Fund - VDIGX	1.36%	6.01%	15.71%	19.87%	15.05%
S&P 500 Index	1.13%	8.34%	19.73%	22.99%	15.70%
Large Cap Blend Fund Universe	-0.08%	6.33%	16.84%	21.59%	14.10%
<u>Large Cap Equities - Growth</u>					
Wells Fargo Adv Growth Adm - SGRKX	-0.61%	-0.81%	6.89%	19.37%	18.61%
Russell 3000 Growth Index	0.88%	6.91%	17.87%	22.41%	16.43%
Franklin Growth Adv - FCGAX	1.10%	8.36%	19.37%	21.20%	14.95%
Russell 1000 Growth Index	1.49%	7.89%	19.15%	22.45%	16.50%
Large Cap Growth Fund Universe	0.68%	5.40%	16.24%	21.28%	14.60%
<u>Mid Cap Equities - Value</u>					
RidgeWorth Mid Cap Value Equity I - SMVTX	-3.61%	5.87%	14.62%	25.02%	16.03%
Russell Mid Cap Value	-2.65%	8.20%	17.46%	24.72%	17.24%
Mid Cap Value Fund Universe	-3.42%	4.13%	13.56%	22.86%	15.01%
<u>Mid Cap Equities - Blend</u>					
Columbia Mid Cap Index A - NTIAX	-4.08%	2.86%	11.30%	21.87%	15.86%
S&P Mid Cap 400	-3.98%	3.22%	11.82%	22.43%	16.37%
ASTON/Fairpointe Mid Cap I - ABMIX	-4.66%	5.33%	15.07%	27.82%	18.14%
Wilshire 4500 Index	-4.97%	1.17%	9.79%	23.08%	16.34%
Mid Cap Blend Fund Universe	-3.30%	3.00%	12.20%	21.86%	14.91%
<u>Mid Cap Equities - Growth</u>					
Prudential Jennison Mid Cap Growth Z - PEGZX	-1.02%	2.72%	10.12%	19.19%	14.91%
Russell Mid Cap Growth	-0.73%	5.73%	14.43%	22.74%	17.12%
Mid Cap Growth Fund Universe	-2.29%	1.63%	10.05%	20.14%	14.82%
Fund Returns in RED do not meet both benchmarks.					
Fund Returns in BLACK meet both benchmarks.					

NDPERS Investment Benchmarks - 3rd Quarter 2014

	Quarter	Y-T-D	1-Year	3-Year	5-Year
Small Cap Equities - Value					
Allianz NFJ Small Cap Value - PVADX	-5.80%	0.18%	8.56%	18.14%	14.59%
Russell 2000 Value Index	-8.58%	-4.74%	4.13%	20.61%	13.02%
Small Value Fund Universe	-7.14%	-2.67%	6.31%	20.98%	13.57%
Small Cap Equities - Blend					
DFA US Small Cap - DFSTX	-6.85%	-3.98%	5.93%	23.16%	16.16%
Russell 2000 Index	-7.36%	-4.41%	3.93%	21.26%	14.29%
Small Blend Fund Universe	-6.75%	-3.22%	5.66%	20.91%	14.18%
Small Cap Equities - Growth					
Brown Capital Mgmt Small Co Inv - BCSIX	-4.82%	-6.19%	1.22%	21.60%	16.36%
Russell 2000 Growth Index	-6.13%	-4.05%	3.79%	21.91%	15.51%
Small Growth Fund Universe	-5.80%	-4.99%	2.78%	20.06%	14.84%
International Equity Funds					
Mutual Global Discovery Z - MDISX	-1.92%	4.28%	12.12%	17.70%	10.66%
Vanguard Total Intl Stock Index Inv - VGTSX	-5.55%	0.01%	4.89%	12.35%	N/A
MSCI EAFE	-5.88%	-1.38%	4.25%	13.65%	6.56%
International Stock Fund Universe	-4.44%	0.23%	5.89%	13.27%	7.37%
Oppenheimer Developing Markets Y - ODVYX	-3.52%	2.29%	6.06%	11.93%	9.05%
MSCI Emerging Markets Index	-3.49%	2.43%	4.30%	7.19%	4.42%
Diversified Emerging Mkts Universe	-3.47%	2.08%	4.81%	7.92%	4.28%
Asset Allocation Funds:					
TIAA-CREF Lifecycle Ret Income - TLIRX	-1.14%	2.83%	6.81%	9.55%	7.70%
Income Benchmark	-0.68%	3.81%	7.52%	9.41%	7.35%
TIAA-CREF Lifecycle 2010 - TCLEX	-1.27%	2.87%	7.52%	10.88%	8.46%
2010 Benchmark	-0.81%	3.97%	8.36%	10.77%	8.12%
TIAA-CREF Lifecycle 2015 - TCLIX	-1.40%	2.85%	8.13%	12.02%	9.02%
2015 Benchmark	-0.93%	4.07%	9.06%	11.96%	8.78%
TIAA-CREF Lifecycle 2020 - TCLTX	-1.52%	2.78%	8.80%	13.45%	9.70%
2020 Benchmark	-1.10%	4.18%	9.96%	13.50%	9.63%
TIAA-CREF Lifecycle 2025 - TCLFX	-1.72%	2.66%	9.55%	14.88%	10.37%
2025 Benchmark	-1.26%	4.30%	10.86%	15.04%	10.48%
TIAA-CREF Lifecycle 2030 - TCLNX	-1.85%	2.55%	10.22%	16.23%	10.97%
2030 Benchmark	-1.29%	4.42%	11.53%	16.03%	10.90%
TIAA-CREF Lifecycle 2035 - TCLRX	-2.02%	2.34%	10.73%	17.47%	11.50%
2035 Benchmark	-1.44%	4.46%	12.32%	17.44%	11.60%
TIAA-CREF Lifecycle 2040 - TCLOX	-2.18%	2.28%	11.07%	18.08%	11.79%
2040 Benchmark	-1.53%	4.48%	12.79%	18.27%	12.02%
TIAA-CREF Lifecycle 2045 - TTRFX	-2.13%	2.22%	11.02%	18.07%	11.73%
2045 Benchmark	-1.54%	4.47%	12.79%	18.28%	12.02%
TIAA-CREF Lifecycle 2050 - TLFrx	-2.13%	2.23%	11.08%	18.07%	11.77%
2050 Benchmark	-1.54%	4.46%	12.77%	18.27%	12.01%
TIAA-CREF Lifecycle 2055 - TTRLX	-2.15%	2.25%	10.96%	18.14%	N/A
2055 Benchmark	-1.54%	4.46%	12.77%	18.27%	12.01%
Income Benchmark is comprised of 27.5% Wilshire 5000, 12.5% MSCI EAFE, 47.4% Ag Bond, 2.5% ML HY Bond, 10.1% 3 Month T-Bill					
2010 Benchmark is comprised of 32.6% Wilshire 5000, 14.5% MSCI EAFE, 42.8% Ag Bond, 2.8% ML HY Bond, 7.3% 3 Month T-Bill					
2015 Benchmark is comprised of 36.9% Wilshire 5000, 16.4% MSCI EAFE, 38.1% Ag Bond, 3.4% ML HY Bond, 5.2% 3 Month T-Bill					
2020 Benchmark is comprised of 42.5% Wilshire 5000, 18.8% MSCI EAFE, 31.1% Ag Bond, 4.4% ML HY Bond, 3.2% 3 Month T-Bill					
2025 Benchmark is comprised of 48.1% Wilshire 5000, 21.1% MSCI EAFE, 24.2% Ag Bond, 5.4% ML HY Bond, 1.2% 3 Month T-Bill					
2030 Benchmark is comprised of 53.8% Wilshire 5000, 23.4% MSCI EAFE, 22.8% Ag Bond					
2035 Benchmark is comprised of 59.4% Wilshire 5000, 25.8% MSCI EAFE, 14.8% Ag Bond					
2040 Benchmark is comprised of 62.7% Wilshire 5000, 27.2% MSCI EAFE, 10.1% Ag Bond					
2045 Benchmark is comprised of 62.7% Wilshire 5000, 27.3% MSCI EAFE, 10.0% Ag Bond					
2050 Benchmark is comprised of 62.6% Wilshire 5000, 27.4% MSCI EAFE, 10.0% Ag Bond					
2055 Benchmark is comprised of 62.6% Wilshire 5000, 27.4% MSCI EAFE, 10.0% Ag Bond					
Wilshire 5000 Index	0.08%	7.08%	17.91%	22.82%	15.66%
MSCI EAFE	-5.88%	-1.38%	4.25%	13.65%	6.56%
Barclays Aggregate Bond Index	0.17%	4.10%	3.96%	2.43%	4.12%
ML High Yield Bond Fund Index	-1.92%	3.61%	7.23%	10.95%	10.40%
3 Month T-Bill Index	0.01%	0.03%	0.04%	0.05%	0.08%
Fund Returns in RED do not meet both benchmarks. Fund Returns in BLACK meet both benchmarks.					

Plan Summary

457(b)	Assets	Pct
TIAA-CREF Lifecycle 2020 Fund Retirement	\$10,390,616	16.2%
TIAA-CREF Lifecycle 2025 Fund Retirement	\$10,129,452	15.7%
TIAA-CREF Lifecycle 2015 Fund Retirement	\$7,320,558	11.4%
TIAA-CREF Lifecycle 2030 Fund Retirement	\$6,264,860	9.7%
TIAA-CREF Lifecycle 2035 Fund Retirement	\$4,041,958	6.3%
TIAA-CREF Lifecycle 2040 Fund Retirement	\$2,980,696	4.6%
TIAA-CREF Lifecycle 2010 Fund Retirement	\$2,298,440	3.6%
TIAA-CREF Lifecycle 2045 Fund Retirement	\$2,217,666	3.4%
Vanguard 500 Index Fund Signal	\$1,880,328	2.9%
Vanguard Total International Stock Index Fund Signal	\$1,468,284	2.3%
AllianzGI NFJ Small Cap Value Fund Administrative	\$1,387,276	2.2%
PIMCO Total Return Fund Admin	\$1,366,867	2.1%
Wells Fargo Stable Return Fund - J	\$1,208,809	1.9%
TIAA-CREF Lifecycle 2050 Fund Retirement	\$1,200,372	1.9%
Columbia Mid Cap Index Fund A	\$891,572	1.4%
Vanguard Dividend Growth Fund Investor	\$833,121	1.3%
Franklin Growth Fund Advisor	\$811,604	1.3%
T. Rowe Price Equity Income Fund	\$795,064	1.2%
Wells Fargo Advantage Growth Fund Administrator	\$770,404	1.2%
Vanguard Prime Money Market Fund Investor	\$732,814	1.1%
Templeton Global Bond Fund Advisor	\$600,510	0.9%
Cohen & Steers Realty Shares	\$535,451	0.8%
Oppenheimer Developing Markets Fund Y	\$499,413	0.8%
ASTON/Fairpointe Mid Cap Fund I	\$480,659	0.7%
Hartford Dividend and Growth Fund R5	\$450,476	0.7%
T. Rowe Price Capital Appreciation Fund Advisor	\$447,193	0.7%
Self Directed Brokerage Account	\$328,173	0.5%
Prudential Jennison Mid-Cap Growth Fund Z	\$314,400	0.5%
RidgeWorth Mid Cap Value Equity Fund I	\$310,209	0.5%
Franklin Mutual Global Discovery Fund Z	\$287,711	0.4%
Prudential High Yield Fund Z	\$261,200	0.4%
Brown Capital Management Small Company Fund Institutional	\$251,767	0.4%
PIMCO Real Return Fund Administrative	\$208,970	0.3%
TIAA-CREF Lifecycle Retirement Income Fund Retirement	\$146,674	0.2%
TIAA-CREF Lifecycle 2055 Fund Retirement	\$106,556	0.2%
DFA U.S. Small Cap Portfolio Institutional	\$94,678	0.1%
TIAA-CREF Money Market Fund Retirement	\$0	0.0%
Total	\$64,314,800	100.0%

401(a)	Assets	Pct
TIAA-CREF Lifecycle 2030 Fund Retirement	\$5,047,687	15.2%
TIAA-CREF Lifecycle 2025 Fund Retirement	\$4,697,142	14.2%
TIAA-CREF Lifecycle 2035 Fund Retirement	\$4,290,210	13.0%
TIAA-CREF Lifecycle 2020 Fund Retirement	\$3,620,695	10.9%
TIAA-CREF Lifecycle 2015 Fund Retirement	\$2,009,722	6.1%
TIAA-CREF Lifecycle 2040 Fund Retirement	\$1,241,953	3.8%
TIAA-CREF Lifecycle 2010 Fund Retirement	\$1,088,170	3.3%
Wells Fargo Stable Return Fund - J	\$1,083,551	3.3%
Vanguard Total International Stock Index Fund Signal	\$893,168	2.7%
Wells Fargo Advantage Growth Fund Administrator	\$761,249	2.3%
PIMCO Total Return Fund Admin	\$718,059	2.2%
Vanguard 500 Index Fund Signal	\$619,261	1.9%
Vanguard Prime Money Market Fund Investor	\$556,711	1.7%
AllianzGI NFJ Small Cap Value Fund Administrative	\$504,675	1.5%
Self Directed Brokerage Account	\$470,727	1.4%
T. Rowe Price Equity Income Fund	\$463,166	1.4%
Cohen & Steers Realty Shares	\$432,133	1.3%
T. Rowe Price Capital Appreciation Fund Advisor	\$428,973	1.3%
ASTON/Fairpointe Mid Cap Fund I	\$398,832	1.2%
Hartford Dividend and Growth Fund R5	\$395,530	1.2%
Oppenheimer Developing Markets Fund Y	\$379,811	1.1%
Franklin Growth Fund Advisor	\$376,921	1.1%
RidgeWorth Mid Cap Value Equity Fund I	\$325,550	1.0%
Vanguard Dividend Growth Fund Investor	\$307,945	0.9%
Franklin Mutual Global Discovery Fund Z	\$295,610	0.9%
Brown Capital Management Small Company Fund Institutional	\$275,177	0.8%
Prudential Jennison Mid-Cap Growth Fund Z	\$254,397	0.8%
TIAA-CREF Lifecycle 2045 Fund Retirement	\$253,731	0.8%
Columbia Mid Cap Index Fund A	\$247,240	0.7%
Prudential High Yield Fund Z	\$166,287	0.5%
TIAA-CREF Lifecycle 2050 Fund Retirement	\$164,845	0.5%
Templeton Global Bond Fund Advisor	\$150,568	0.5%
PIMCO Real Return Fund Administrative	\$100,274	0.3%
TIAA-CREF Lifecycle Retirement Income Fund Retirement	\$34,631	0.1%
DFA U.S. Small Cap Portfolio Institutional	\$29,735	0.1%
TIAA-CREF Lifecycle 2055 Fund Retirement	\$20,370	0.1%
TIAA-CREF Money Market Fund Retirement	\$0	0.0%
Total	\$33,104,704	100.0%



North Dakota
Public Employees Retirement System
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Executive Director
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FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: NDPERS Board

FROM: Sparb and Deb

DATE: February 11, 2015

SUBJECT: NDPERS Web Site Request for Proposal

As reported last November, a request for proposal was issued for assistance in developing a new web site and social media connection for the North Dakota Public Employees Retirement System. We received responses from six different entities. Most of the bids came in at a higher cost than originally anticipated. Four of the bids were substantially higher than our requested budget, one was lower and another one was slightly higher.

A summary of the staff evaluations and cost rankings is attached for your information. As you can see, the largest number of points was awarded to MABU, which was the second lowest in cost. The firm with the second highest points, NicksPages, occupied that place due to the price they proposed to do the job for. In looking at technical points, they actually came in 5th place.

As previously indicated, staff seeks to:

- Modernize and enhance the look , feel and organization of the NDPERS website,
- Incorporate a social media component to leverage our outreach efforts utilizing different channels.
- Make our site accessible for all mobile devices
- Reduce, in the long term, reliance on printed materials and postage costs.

MABU is located in Bismarck, appears to meet the requirements requested in the RFP, demonstrates specific understanding of the project components and timeframes, has worked repeatedly with ITD over the last several years and has done similar work for other North Dakota state agencies.

NicksPages is located in Florida, acknowledges the suggested timeline, but does not demonstrate specific understanding of the project components or how they fit in the timeline, and has experience with mostly private sector clients.

Based on staff evaluations and discussions, MABU remains first in the line-up. The cost of their services is \$79,774.00 which is approximately \$8,000 over the amount that was included in our budget request. In the event that the legislature provides the requested funding for this item, it is anticipated that **we could fund the rest from contingency funds.** Provided you approve of the above suggested course of action and the legislature provides the funding, staff will notify MABU that they have won the bid and will begin working with them some time in July.

BOARD ACTION REQUESTED

		Final					
Web Site PROPOSALS 2015		Catapult	MABU	NicksPages	RAZOR	RealPolitech	Sagitec
<u>General</u>	<u>Points</u>						
Did Consultant follow required format?	5	5.00	5.00	4.33	4.00	0.75	4.83
Technical Understanding, Timelines and Report - 30 Points							
a. Provide understanding of required work effort	8	7.17	7.67	5.83	6.00	3.17	7.17
b. Discuss understanding of project timelines	8	6.17	6.83	5.17	7.17	4.00	7.00
c. Provide copy of similar work effort	8	6.83	7.17	3.17	4.83	2.00	5.83
d. Meet/Exceed Enterprise Architecture Standards	6	5.50	6.33	4.83	5.33	2.00	5.83
Firm, Qualifications and Staffing - 25 Points							
a. Firm demographics	1	1.00	1.00	1.00	1.00	1.00	0.83
b. Detailed approach and timeline	2	1.83	2.00	1.00	1.83	1.17	1.83
c. Firm description	2	1.67	1.83	1.83	1.50	1.67	1.83
d. Experience and references	2	2.00	2.00	1.00	1.33	1.50	1.83
e. Computer equipment	2	1.33	1.67	1.50	1.33	1.50	1.50
f. Availability and location of staff	2	1.33	1.83	1.33	1.83	1.33	1.67
g. Firm unique qualifications	2	1.50	1.83	1.00	1.17	1.00	1.83
h. Offices for services provided	2	1.50	1.83	1.33	1.50	1.50	1.67
i. Previous project experience	2	1.50	1.83	1.33	1.33	1.50	1.67
j. Work experience with public sector	2	1.67	2.00	0.33	0.33	1.17	2.00
k. Public sector references	2	1.50	2.00	0.33	0.00	1.33	1.83
l. Staff resume and hours estimate	2	1.67	1.17	0.83	1.50	0.83	2.00
m. Identify any subcontractors	2	2.00	1.83	1.83	1.83	0.83	2.00
Subtotal	60	51.17	55.83	38.00	43.83	28.25	53.17
<u>Cost Proposal</u>							
Price	40	9.25	32.59	40.00	20.95	24.28	18.10
Total	100	60.42	88.43	78.00	64.78	52.53	71.27

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**North Dakota
Public Employees Retirement System**
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Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: NDPERS Board

FROM: Sharon Schiermeister

DATE: February 10, 2015

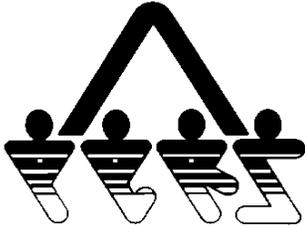
SUBJECT: 2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT

The 2014 comprehensive annual financial report has been completed. The report contains detailed financial, investment, actuarial and statistical information for the plans administered by NDPERS. You can view, download or print the report from the NDPERS website at

<http://www.nd.gov/ndpers/forms-and-publications/index.html>

An email notice was sent to each participating employer notifying them that the annual report is available on the NDPERS website. The report was submitted to the Government Finance Officers Association with an application for the GFOA Certificate of Excellence in Financial Reporting.

Please let me know if you have any questions on the report.



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Memorandum

TO: PERS Board
FROM: Sparb
DATE: February 11, 2015
SUBJECT: Legislation Update

At the meeting we will provide an update on proposed legislation.

Attached is a matrix showing action taken on the bills thus far.

**2015 Legislative Session
North Dakota Public Employees Retirement System**

Bill Number Hearings	Sponsor Committee Assignment Action	Bill Summary
House Bill 1038 1/22, 8:00 a.m. Fort Union Room	Government and Veterans Affairs Committee Rep Jim Kasper, Chair (14)	PERS coverage of telemedicine
House Bill 1039 1/13, 9:30 a.m. Fort Union Room	Human Services Committee Rep Robin Weisz, Chair (13)	Health insurance coverage of substance abuse treatment
House Bill 1062 1/22, 8:00 a.m. Fort Union Room	PERS: Government and Veterans Affairs Committee Do Pass, passed 92-0	Technical bill
House Bill 1063 01/8, 9:30 a.m. Fort Union Room	Government and Veterans Affairs Committee Do Pass	Investment policies of the State Investment Board (just follow)
House Bill 1072 1/19, 11:00 a.m. Fort Union Room	Human Services	Insurance coverage of cancer treatment medications
House Bill 1080 1/22, 8:00 a.m. Fort Union Room	PERS: Government and Veterans Affairs Committee	Retirement Contribution increase legislation
House Bill 1154 02/05, 2:30 p.m. Fort Union Room	Rep. Haak Government and Veterans Affairs Referred to Appropriations	Transfer from DC to DB Plan
House Bill 1200 Track 02/06, 8:30 a.m. Fort Union Room	Government and Veterans Affairs Do Not Pass; Failed 17-73	Create a save toward retirement today program for small, nongovernmental employers and their employees (Secretary of State would administer)

Bill Number Hearings	Sponsor Committee Assignment Action	Bill Summary
House Bill 1300 Track 02/02, 9:00 a.m. Peace Garden Room	Industry, Business and Labor Committee Rep. George Keiser, Chair (15) Do not pass, Failed 0-86	Provider networks for uniform group insurance program
Senate Bill 2022 1/14, 8:30 a.m. Harvest Room	Appropriations Committee Senator Ray Holmberg, Chair (13)	PERS budget bill
Senate Bill 2038 1/22, 9:00 a.m. Missouri River Room	Government and Veterans Affairs Committee Senator Dick Dever Chair (7) Do Not Pass 4-3	Defined contribution plan legislation
Senate Bill 2039 1/12, 10:15 a.m. Missouri River Room	Education Committee Senator Tim Flakoll, Chair (6) Do Pass, Amendment Adopted Passed 46-0	PERS stabilization fund and school construction assistance loan fund
Senate Bill 2102 Hearing: 01/08 10:30 a.m. Missouri River Room	Adjutant General: Government and Veterans Affairs Committee Rereferred to Appropriations	Retirement contributions by national guard security officers and firefighters (just follow)
Senate Bill 2160 Track 1/19, 9:00 a.m. Red River Room	Human Services Committee Senator Judy Lee, Chair (6) Do pass with amendments Referred to Appropriations	Create health information hub office in ITD
Senate Bill 2290 1/29, 10:45 AM Missouri River Room	Government and Veterans Affairs Committee Do Not Pass, Consideration of amendments	Relating to determination of full-time employment of the state

<p align="center">Bill Number Hearings</p>	<p align="center">Sponsor Committee Assignment Action</p>	<p align="center">Bill Summary</p>
<p>HCR 3003 1/22, 8:00 a.m. Fort Union Room</p>	<p>Legislative Management: Government and Veterans Affairs Committee Do Pass</p>	<p>Study state contributions to state employee health insurance premiums</p>
<p>SCR 4003 1/12, 9:00 a.m. Missouri River Room</p>	<p>Education Committee Do Pass, Amendment Adopted Passed 46-0</p>	<p>Amend Section 24 of Article X of the Constitution relating to the foundation aid stabilization fund</p>