

## North Dakota State Board of Higher Education

Retirement Plan Oversight Committee

May 7, 2025

# Action Item

The State Board of Higher Education Retirement Plan Oversight Committee met on May 7, 2025, at 10:30 a.m. CT.

### Call to Order

Chair Volk called the meeting to order at 10:30 a.m. CT.

### SBHE Retirement Plan Oversight Committee members

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Mr. Jeffrey Volk, Chair | <input checked="" type="checkbox"/> Ms. Karla Mongeon-Stewart        |
| <input type="checkbox"/> Mr. Kevin Black                    | <input checked="" type="checkbox"/> Mr. Mark Genkinger               |
| <input checked="" type="checkbox"/> Ms. Maren Furuseth      | <input checked="" type="checkbox"/> Interim Chancellor Brent Sanford |
| <input checked="" type="checkbox"/> Ms. Brenda Tyre         | <input checked="" type="checkbox"/> VC David Krebsbach               |
| <input checked="" type="checkbox"/> Ms. Katie Douthit       | <input checked="" type="checkbox"/> Ms. Jane Grinde                  |
| <input checked="" type="checkbox"/> Mr. Joseph Camisa       |  |

### System Office/Legal Counsel/HUB Advisors/Guests

**NDUS/CTS** Mr. Mark Gorenflo, Ms. Caitlin Magilke, Ms. Karin Stinar, Ms. Sharon Schwartzbauer  
**Legal Counsel** Attorney Meredith Larson, Attorney John Godsoe, **HUB** Ms. Angie Mirrione, Mr. Kirk Welch, Ms. Robyn Johnson **TIAA** Ms. Katie Skorupski, Mr. Jeff Hughes, Mr. Charley Ford

### Approval of Agenda

- a. Upon motion by Ms. Mongeon-Stewart, and seconded by Mr. Camisa, the agenda was approved as presented

### Approval of February 3, 2025, [Meeting Minutes](#)

- a. Upon motion by VC. Krebsbach, and seconded by Mr. Camisa the February 3, 2025, meeting minutes were unanimously approved as presented.

### 1. [Plan Performance Update](#)

#### a. Presenter HUB, Angie Mirrione

- i. Mr. Kirk Welch reported that the first quarter into April was a challenging period. It has been difficult to assess the state of the economy during a period of significant changes in economic and trade policies. Markets have reacted with volatility but fortunately most of the downturn in the market has been recovered.
- ii. Mr. Welch shared that international markets have performed better than U.S. markets year to date and they see this persisting until trade deals are announced.
- iii. Mr. Welch shared HUB's principles to keep faculty and staff focused on:  
(1) continue your savings rate dollar cost average into the market; (2)

make sure you've taken an investor profile quiz; (3) keep long-term mindset focusing on things that you can control.

- iv. Ms. Angie Mirrione reinforced the importance of being properly diversified based on your time horizon.
- v. Ms. Mirrione shared the Peer Group Analysis with committee members. One of the largest holdings in the accounts is the 2040 target date portfolio. The year-to-date performance is down about 1%. Bonds were up 2.5% but U.S. stocks were down 13%. Ms. Mirrione further shared that U.S. stocks were down more than international or global but relative to peer groups, they're holding strong in the 3- and 5-year performance numbers.

## 2. RetirePlus Pro/My Track Project Update

### a. Presenters HUB, Angie Mirrione and TIAA, Charles Ford

- i. Ms. Mirrione shared the Target Date Fund is being replaced by the three MyTrack models – conservative, moderate, and aggressive. These models have a glide path similar to target date meaning they look at someone's age and time horizon to retirement. MyTrack models will also consider the assets that can't be reset into the allocations, and they will be customized to each participant. All participants will be reset to the moderate model.
- ii. Moving from CREF R3 to CREF R4 share class (zero excess revenue, lower cost).
- iii. Expand the list of index offerings to participants.
- iv. Adding a new intermediate core plus bond option.
- v. HUB and TIAA will hold live webinars for participants in May beginning May 13<sup>th</sup> to answer questions. Communication Guides will also be sent to participants beginning May 6, 2025.
- vi. June 5<sup>th</sup> is when enrollment into the new plan account at TIAA will occur. If participants do not make any changes, they will be placed in the Moderate model.
- vii. On June 13<sup>th</sup> the new accounts and new investments will receive their first payroll contribution.
- viii. During the week of June 16<sup>th</sup>, the existing mutual fund balances will be transferred into the new accounts.
- ix. Mr. Charles Ford shared that TIAA is through a large part of the implementation timeline and is now in the stage where the transition guide has been mailed. TIAA has received feedback that participants have begun reaching out to their wealth management advisors or they've been speaking to TIAA reps.
- x. Deferred transaction notices will be mailed out to participants. Those are in process at this time and should be completed by May 20<sup>th</sup>. This notice requires no action from participants and is informational only, unless participants wish to make any changes.
- xi. TIAA have scheduled webinars during the weeks of May 12<sup>th</sup> and 19<sup>th</sup> with multiple time slots for participants to attend and ask questions.
- xii. Ms. Jane Grinde shared that there will be financial consultants at UND and NDSU the first two weeks in June for participants that would like to meet face-to-face.
  - 1. Committee Chair Volk asked the committee members if they have been receiving the notices and if there are any concerns with the

notices. No committee members expressed any concerns with the notices.

2. Committee Chair Volk asked Ms. Mirrione and Mr. Welch if the investment options that were selected by the committee are still the right options for participants. Ms. Mirrione shared that there are 6 investment options that will be new to this platform. The PGIM Total Return Bond Fund that is used with almost every participant outside of North Dakota is monitored on a quarterly basis and HUB sees no concerns. There's a core group of index options that will be available in large cap, small cap, bonds, international, etc., and those are standard. HUB usually tries to go with the lowest cost index available on each provider's platform. These are managed by Vanguard. Furthermore, Ms. Mirrione shared that there are a couple of other mutual funds in small and midcap that are scoring well.
3. Committee Chair Volk requested Attorney Godsoe to provide a high-level review of the differences between the 3(21) investment advisor role HUB has provided to the committee and the 3(38) role going forward.
  - a. Attorney Godsoe shared that this committee is responsible for listening to the presentations, talking about the investments and plan changes but ultimately the committee does not have the discretionary authority to make changes to the plan itself. Those recommendations would go to the SBHE Budget & Finance Committee and then to the State Board of Higher Education.
  - b. HUB was hired to provide investment advice with regard to the fund lineup. HUB previously made recommendations to the oversight committee that were ultimately approved by the SBHE about the best investment lineup for participants that included changes to fees, better deals for participants, as well as changes to the investment lineup itself.
  - c. Regarding the MyTrack models only, HUB creates these models out of the investments that are within the plan itself. In other words, if there are any changes to those models, they will not come back to the oversight committee to seek approval from the SBHE, they have been hired to make the investment decision on their own with respect to the models.
  - d. Mr. Welch clarified that while HUB has taken on the fiduciary responsibility of a 3(38) investment manager with respect to the MyTrack models, if in the future HUB desires to make a change to the models, HUB will present those changes to the oversight committee and the SBHE prior to making the change.

### 3. Secure 2.0 Update

#### a. Presenter TIAA, Jeff Hughes

- i. Mr. Hughes shared that a questionnaire will be coming out today regarding whether or not the institution will adopt the 603 which is the Roth catch up for participants that are over the age of 50.

- ii. The Catch-Up Section 109 of the Act is now live in the TIAA systems. Participants age 60-63 can contribute amounts up to \$11,250.
- iii. Section 125 deals with ERISA plans and part-time employees. This section will not affect North Dakota plans.
- iv. Optional provisions still in the works include section 331 which is the qualified disaster recovery distributions which will go live this year probably around Q3. Section 314, withdrawals for domestic abuse victims, will go live sometime in 2026.
- v. TIAA is working on section 603 and there will be a webinar on May 12<sup>th</sup> regarding this section.

#### 4. Legal Update

##### a. Presenter BSK, John Godsoe

##### i. Beneficiary contest update

1. Attorney Godsoe shared in November 2024 the oversight committee proposed a communication plan in an attempt to resolve a beneficiary contest case. The recommendation was adopted and approved by the Budget & Finance Committee and the SBHE. A claim determination letter was sent out to the parties in December 2024 outlining this decision. The parties were provided with a 60-day appeal period. No appeals were received.

##### ii. # Summary Plan Descriptions

1. Attorney Godsoe shared that a part of ERISA is to provide a participant friendly Summary Plan Description (SPD) that explains the plan in laymen's terms. As a governmental plan, the NDUS is not subject to ERISA; however, it is recommended to have this as a tool for participants. Historically there has been an SPD for the Defined Contribution Plan, the 403(b) plan, and the 457(b) plan. There is no SPD for the Executive Compensation Plan or the 403(b) DC Plan.
2. Attorney Godsoe recommends the adoption of the TIAA SPDs for all plans, subject to any changes recommended by Bond.
3. **VC. Krebsbach moved, Ms. Grinde seconded, to approve the adoption of the TIAA Summary Plan Descriptions for all plans. Camisa, Krebsbach, Furuseth, Tyre, Sanford, Grinde, Mongeon-Stewart, Genkinger, Douthit, and Chair Volk voted yes. Motion passed 10-0.**

##### iii. # Plan Uniformity for Spousal Provisions

1. Attorney Godsoe shared that the spousal consent provisions of the plans are not all aligned. Attorney Godsoe recommends aligning the plans for reasons of consistency, understandability, administrative ease, and to have a consistent process across all plans. Of the 5 plans, there are 3 different provisions being utilized.
2. The Defined Contribution Plan and the Executive Compensation Plan provide that the default payment on the plan is the 50% joint survivor annuity as normal form of distribution. This means to the extent that the participant wants to elect a different distribution or name a different beneficiary with respect to the portion of the participant's account subject to the 50% joint and survivor annuity payment, the spouse would have to provide consent.

3. The 403(b) TDA Plan requires spousal consent to change beneficiary to non-spouse but no consent by spouse is required for distribution.
4. The 457(b) Plan and the 403(b) DC Plan do not require spousal consent for all distributions or for changing the beneficiary designation.
5. A fourth provision that is not included in any of the plans would be spousal consent required for all distributions and spousal consent required for non-spouse beneficiary designation with respect to 100% of account.
6. Attorney Godsoe shared that it is not required that all plans have the same spousal provisions.
  - a. Committee Chair Volk asked if the spousal provisions are changed, are there any anti-cut back requirements. Attorney Godsoe shared that the anti-cut back rules do not apply to governmental plans so modifications can be made.
  - b. Ms. Mongeon-Stewart asked if there is an understanding of why these provisions are the way they are now. Attorney Godsoe stated that there is no institutional knowledge of why some of the plans were set up the way they are. However, it is very common not to have a spouse consent requirement for the 457(b) plan whether ERISA or not.
  - c. Ms. Mongeon-Stewart asked if there are any industry standards or some kind of benchmarks to compare the plans whether general public or other governmental or university plans. Attorney Godsoe shared that in his experience with private institutions, it is more common for the spouse to consent to a non-spouse beneficiary designation. Mr. Jeff Hughes shared that he will work with his internal plan document teams to see if there is a way to report this type of data.
  - d. Ms. Katie Douthit shared for NDPERS plan participants, it has to be the spouse, if it's not the spouse, they would have to have the spouse's consent.
  - e. Committee Chair Volk recommends that committee members take this information back to their campus constituents and gather feedback on the spousal provisions to further discuss at the August committee meeting.

5. Next meeting: August 6, 2025

### **Adjourn**

Chair Volk adjourned the meeting at 12:06 p.m. CT.

Approved August 6, 2025.

Future Meeting Dates:

August 6, 2025

November 5, 2025

[2025 SBHE Meeting Schedule](#)