



RETIREMENT COMMITTEE

Thursday, October 28, 2021
Room 327B, State Capitol
Bismarck, North Dakota

Representative Mike Lefor, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Mike Lefor, Rick Becker, Joshua A. Boschee, Jason Dockter, Scott Louser, Austen Schauer, Vicky Steiner, Greg Stemen; Senators Howard C. Anderson, Jr., Doug Larsen, Tim Mathern, Kristin Roers, Shawn Vedaa

Member absent: Senator Karen K. Krebsbach

Others present: See [Appendix A](#)

It was moved by Senator Anderson, seconded by Representative Boschee, and carried on a voice vote that the minutes of the October 4, 2021, meeting be approved as distributed.

Chairman Lefor called on Ms. Bonnie Wurst, Senior Consultant, Gabriel, Roeder, Smith & Company Holdings, Inc., for a presentation ([Appendix B](#)) of:

- An overview of the Public Employees Retirement System (PERS) valuation process; and
- The July 1, 2021, actuarial valuations of the PERS fund, the Highway Patrolmen's retirement system fund, public safety funds, Job Service North Dakota retirement system fund, and Retiree Health Insurance Credit Program fund.

Ms. Wurst explained the total actuarial rate on slide 15 of the presentation is calculated based on a 20-year period at 100 percent funding. At the request of the committee, she will provide:

- Followup information based on a 20-year and 30-year period at 90 percent funding;
- A modified version of presentation slide 33, which overlays previous years' forecasts; and
- Data regarding length of service trends over the last 10 years.

Chairman Lefor called on Representative Steven Johnson, Kansas, for a presentation ([Appendix C](#)) regarding the Kansas experience in transitioning from a defined benefit to a cash balance retirement plan.

Representative Johnson discussed how Kansas issued bonds to help cover part of the retirement plan's unfunded liability.

Chairman Lefor called on Mr. Eric Chin, Interim Chief Investment Officer, Retirement and Investment Office, for a presentation ([Appendix D](#)) on the status of investments for the PERS and legacy funds.

Mr. Chin will provide the committee with additional information regarding the rationale for derisking investments if the PERS defined benefit plan is closed to new hires.

Chairman Lefor called on Mr. Joe Fox, Executive Director, Oklahoma Public Employees Retirement System, for a presentation ([Appendix E](#)) regarding the Oklahoma experience in transitioning from a defined benefit to a defined contribution retirement plan.

The committee discussed the goals in switching from a defined benefit plan and whether the switch has saved Oklahoma money and discussed Oklahoma's rationale for having the state invest the employee's funds instead of allowing the employee to invest those funds.

Chairman Lefor called on Mr. James Puckett, Deputy Director, Alaska Division of Retirement and Benefits, for a presentation regarding the Alaska experience in transitioning from a defined benefit to a defined contribution retirement plan.

Mr. Puckett explained how 2005 legislation resulted in the 2006 transition to a defined contribution plan and how in part due to this short transition period there was a need for cleanup legislation in 2007 and 2009. He discussed the current rate of unfunded liability of the Alaska retirement plans and how the state implemented a cash infusion in 2015.

Chairman Lefor called on Mr. Ryan Frost, Policy Analyst, Reason Foundation, for a presentation ([Appendix F](#)) regarding retirement plan options.

Mr. Frost explained the derisking of investments upon closure of a defined benefit plan is based on Governmental Accounting Standards Board standards.

At the request of the committee, Mr. Frost will provide the committee with additional information regarding how Texas will be transitioning from a defined benefit plan.

Chairman Lefor called on Mr. Scott Miller, Executive Director, Public Employees Retirement System, for comments regarding the presentations received by the committee. Mr. Miller explained how approximately 48 percent of PERS plan employees have employer contributions coming from the general fund, whereas the remainder come from special funds and federal funds.

It was moved by Senator Roers, seconded by Senator Anderson, and carried on a roll call vote that upon authorization by the Chairman of Legislative Management, the committee Chairman and Vice Chairman be authorized to post the consultant request for proposal. Representatives Lefor, Becker, Dockter, Louser, Schauer, Steiner, and Stemen and Senators Anderson, Larsen, Mathern, Roers, and Vedaa voted "aye." No negative votes were cast.

No further business appearing, Chairman Lefor adjourned the meeting at 3:45 p.m.

Jennifer S. N. Clark
Senior Counsel

Chris J. Kadrmas
Senior Fiscal Analyst

ATTACH:6