



Pension Fund

TFFR – NOW AND TOMORROW

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NORTH
Dakota Be Legendary.

Teachers' Fund For Retirement
RETIREMENT & INVESTMENT

PRESENTATION OVERVIEW

North Dakota Retirement and Investment Office

- TFFR as an Agency
- TFFR as a Fund
- Membership and Retirement Predictions Data
- Legislative Changes
- Pension administration System Modernization

TFFR – PART OF A BIGGER AGENCY

North Dakota Retirement and Investment Office

- Statewide Agency
- Funded Solely of Special Fund Revenues
- Led by Executive Director Appointed by State Investment Board
- Governed by two governing boards
 - State Investment Board
 - TFFR Board of Trustees
- Comprised of Multiple Divisions
 - Investments
 - Retirement Services
 - Fiscal Operations
 - Internal Audit
 - Administrative Support

INVESTMENTS

North Dakota Retirement and Investment Office

- Manages 26 Client Funds
- Approximately \$18B Assets Under Management
- Positions
 - Chief Investment Officer
 - Deputy Chief Investment Officer
 - Chief Risk Officer
 - Risk Officer
 - Senior Investment Officers (2)
 - Investment Officers (2)
- 7 New Investment Positions Approved for the Next Biennium

RETIREMENT SERVICES

North Dakota Retirement and Investment Office

- Administers TFFR Program
- Positions
 - Deputy Executive Director/Chief Retirement Officer
 - Retirement Programs Manager
 - Compliance Specialist
 - Retirement Specialists
 - Benefit Specialist

FISCAL OPERATIONS

North Dakota Retirement and Investment Office

- Perform All Accounting Functions for the Agency
- Positions
 - CFO/COO
 - Accounting Manager
 - Retirement Accountant
 - Investment Accountant
- One New Investment Accountant Position Added for the Next Biennium

INTERNAL AUDIT

North Dakota Retirement and Investment Office

- Provides Audit Support for All Areas of the Agency
- Reports Directly to the SIB Audit Committee
- Positions
 - Supervisor of Internal Audit
 - Internal Auditor
- RIO is Presently Conducting a Study to Evaluate How the Internal Audit Function Should Look and Operate in the Future

ADMINISTRATIVE SUPPORT

North Dakota Retirement and Investment Office

- Assist with Administrative Functions of the Agency
- Positions
 - Executive Assistant
 - Supports Executive Director, DED/CRO, CIO
 - Fiscal Administrative Assistant
 - Supports Fiscal Operations and Investments
 - TFFR Administrative Assistant
 - Supports TFFR Program Staff
 - Temporary TFFR Administrative Support Specialist
 - Supports TFFR Program Staff
- One New Investment Administrative Assistant Position Added for the Next Biennium

TFFR – THE FUND

North Dakota Retirement and Investment Office

- Approximately \$3B in Market Value
- Approximately 24,600 Members
 - 11,800 Active Members
 - 9,200 Retirees
 - 3,200 Inactive Members
- 69% Fully Funded Status
 - Expected to be Fully Funded in 2044

TFFR – THE FUND

North Dakota Retirement and Investment Office

- New Members (Tier 2) are Fully Vested After Five Years
- Provides Lifetime Retirement Benefit at Full Retirement
 - Rule of 85 for Grandfathered Tier 1 Members
 - Rule of 90 For Tier 2 Members
- Members Can Retire Early with Reduced Benefits
 - Percentage Reduction for Every Year Prior to Full Retirement Eligibility
- Provides Temporary and Permanent Disability Benefits for Vested Members
- Recognizes Dual Service Credit for NDPERS Members

TFFR MEMBER CATEGORIES

TFFR member categories are based on DPI title codes and presented according to teacher and administrator categories defined in NDCC 15.1-02.13.6.

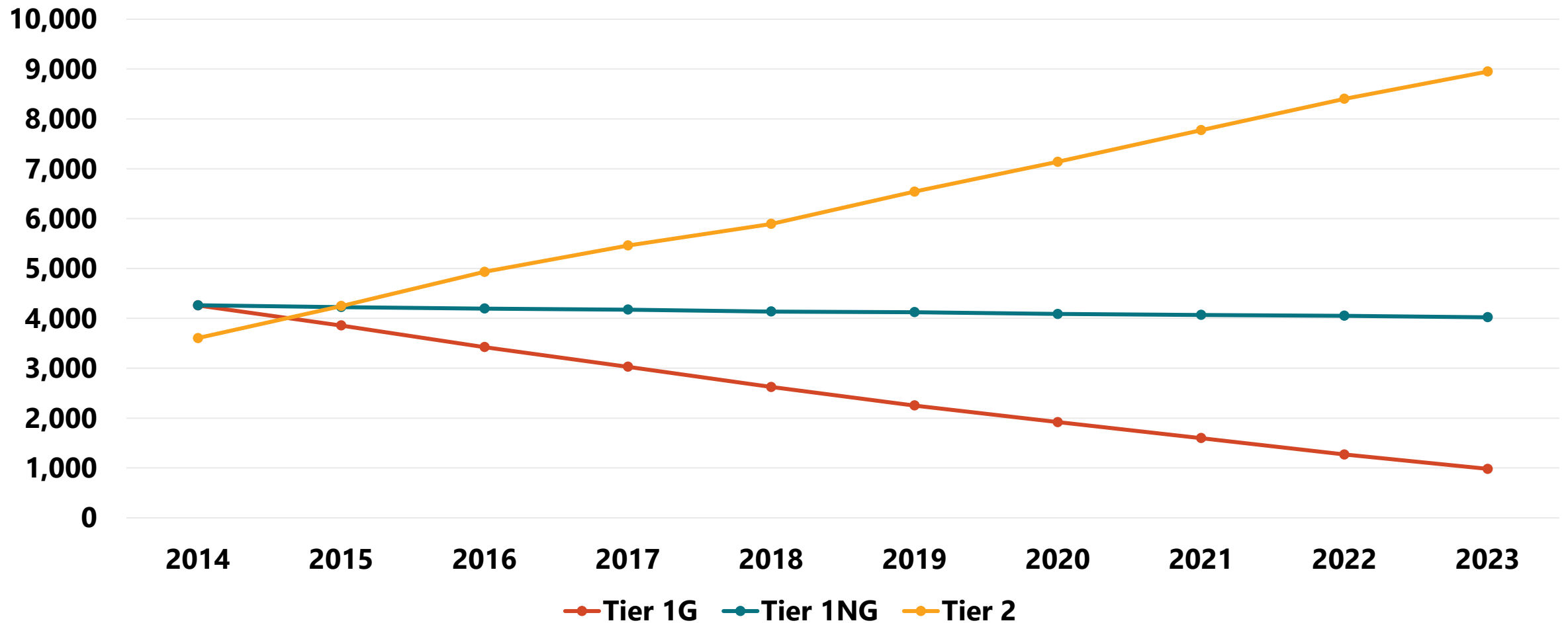
- Teachers
- Special Teachers
 - Special Ed Teachers
 - Guidance & School Counselors
 - Speech Language Pathologists
 - Social Workers
 - School Psychologists
 - Library Media Specialists
 - Technology Coordinators
- Superintendents
- Other Administrators
 - Assistant Superintendent
 - Assistant Director
 - Principal
 - Assistant Principal
 - County Superintendent
 - Other administrative positions

TODAY

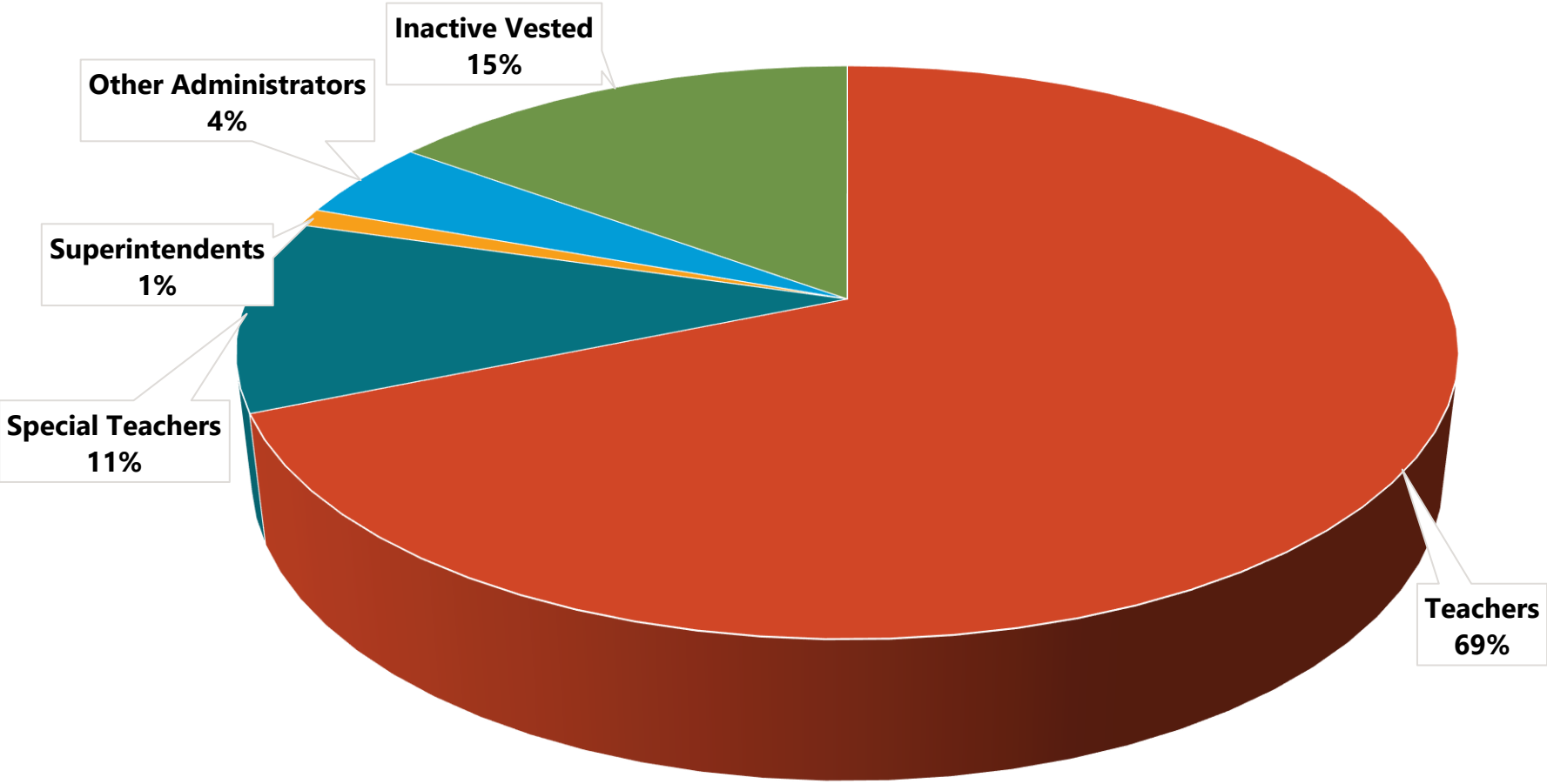
TFFR ACTIVE AND VESTED MEMBERSHIP BY TIER AS OF FEBRUARY 2023

TFFR Members	Tier 1G	Tier 1NG	Tier 2	Total
Teachers	607	2,232	6,751	9,590
Special Teachers	92	377	1,045	1,514
Superintendents	23	59	57	139
Other Administrators	59	285	283	627
Inactive Vested	201	1,070	815	2,086
Total	982	4,023	8,951	13,956

TODAY TFFR MEMBERSHIP BY TIER 2014-23

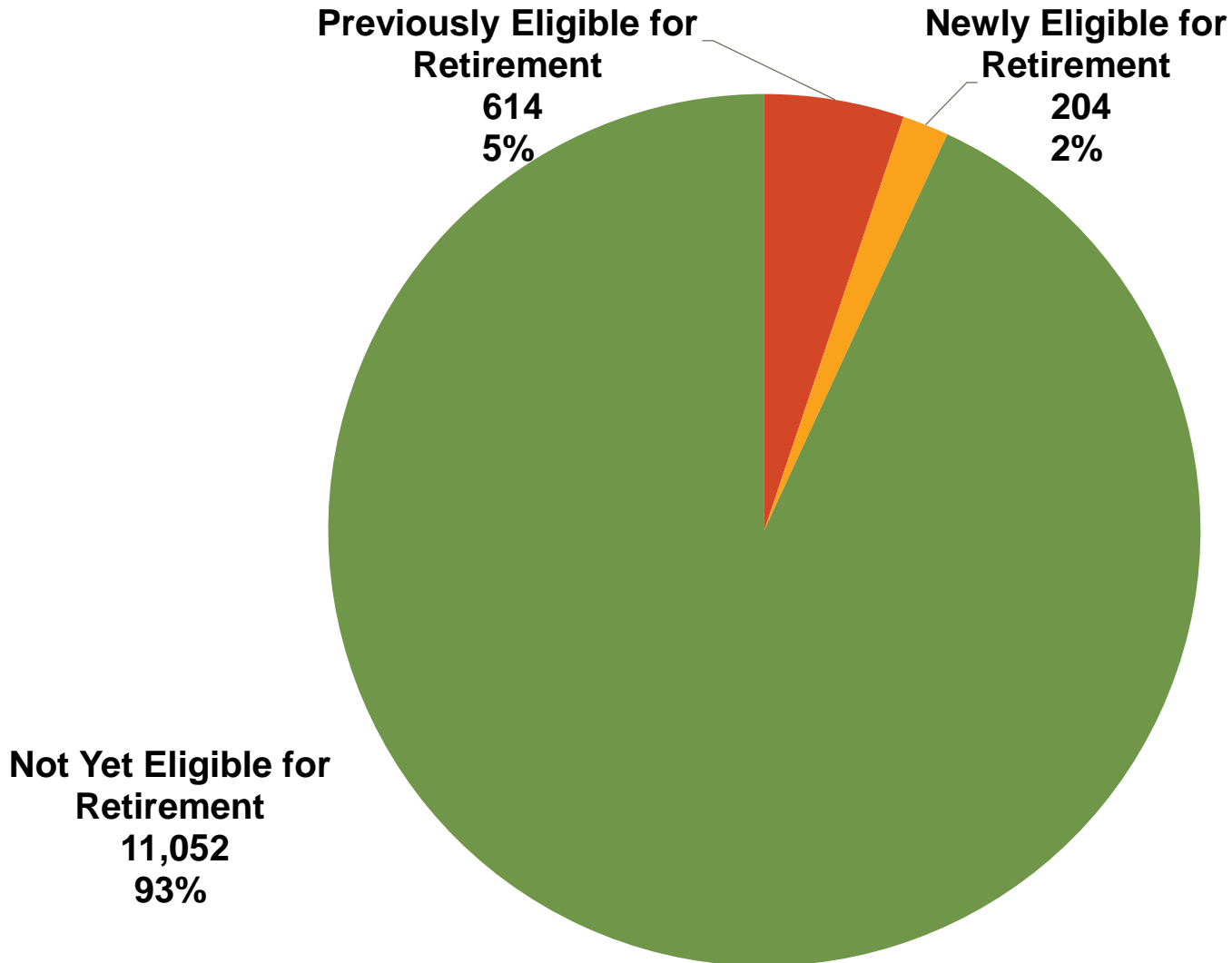


TODAY CURRENT TFFR MEMBERSHIP BY CLASS



■ Teachers ■ Special Teachers ■ Superintendents ■ Other Administrators ■ Inactive Vested

TODAY CURRENT ACTIVE TFFR MEMBERS RETIREMENT ELIGIBLE

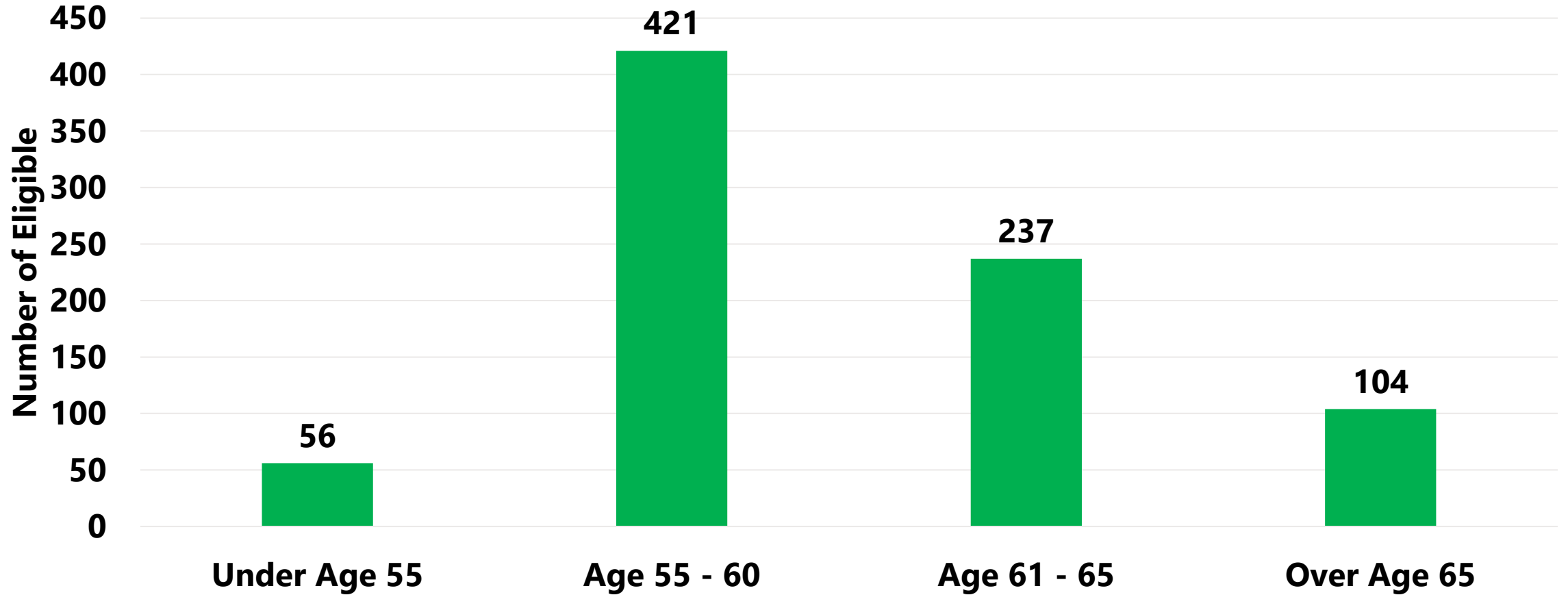


Of the 11,870 active TFFR members, 818 members are currently eligible to retire (7%) either under the Rule of 85, Rule of 90/Min age 60, or age 65.

Of the 818 active TFFR members eligible to retire, 75% are previously eligible and 25% are newly eligible in 2022-23.

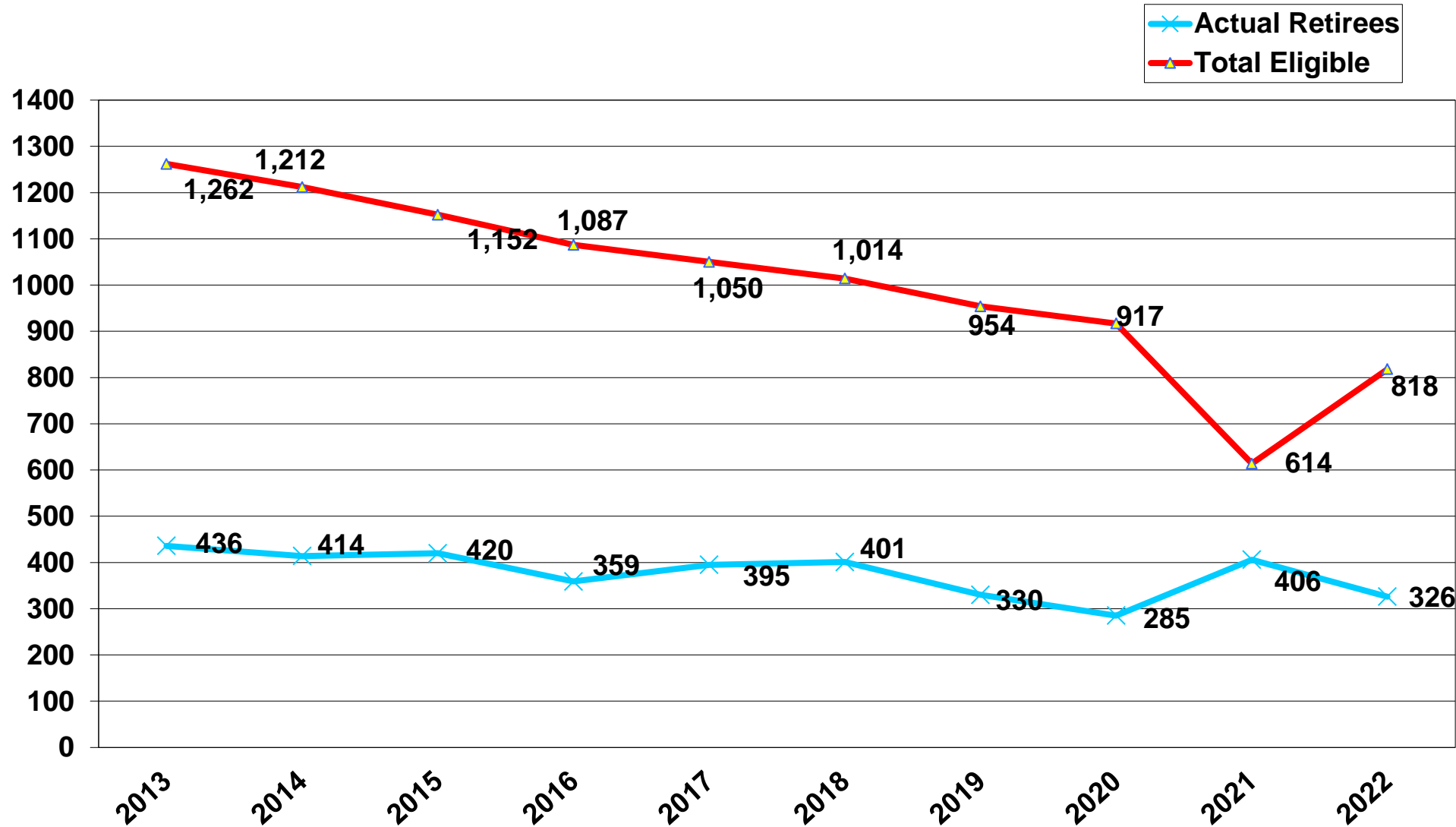
- Previously Eligible for Retirement
- Newly Eligible for Retirement
- Not Yet Eligible for Retirement

TODAY CURRENT RETIREMENT ELIGIBLE IN 2023 BY AGE



YESTERDAY

ACTUAL RETIREES & TOTAL ELIGIBLE



10 Year History 2013-2022

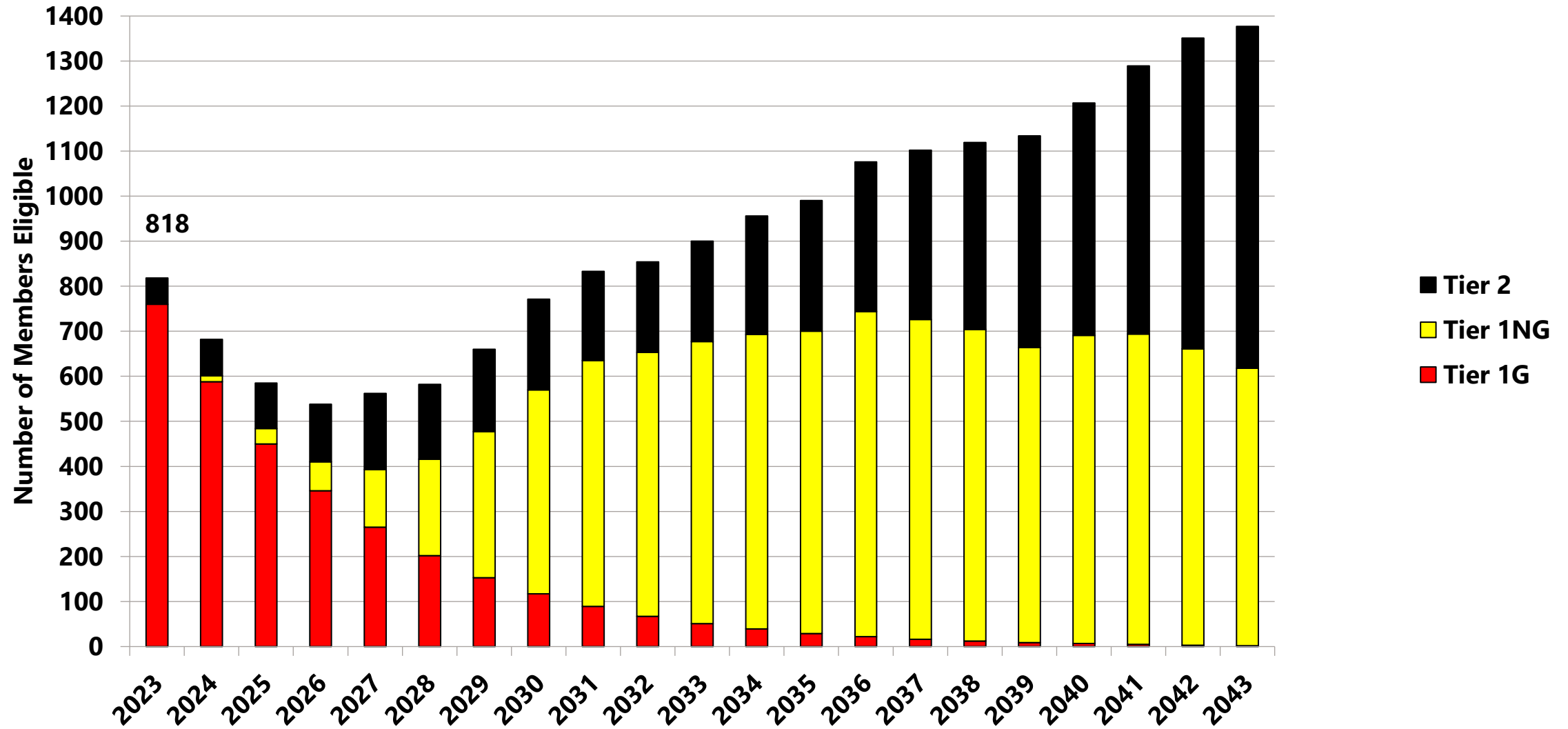
On average, 1,008 teachers have been eligible to retire each year over the last 10 years.

On average, 377 teachers actually retired each year, or total of almost 3,772 for 10- year period.

Approximately 37% of eligible members actually retired over the past 10 years.

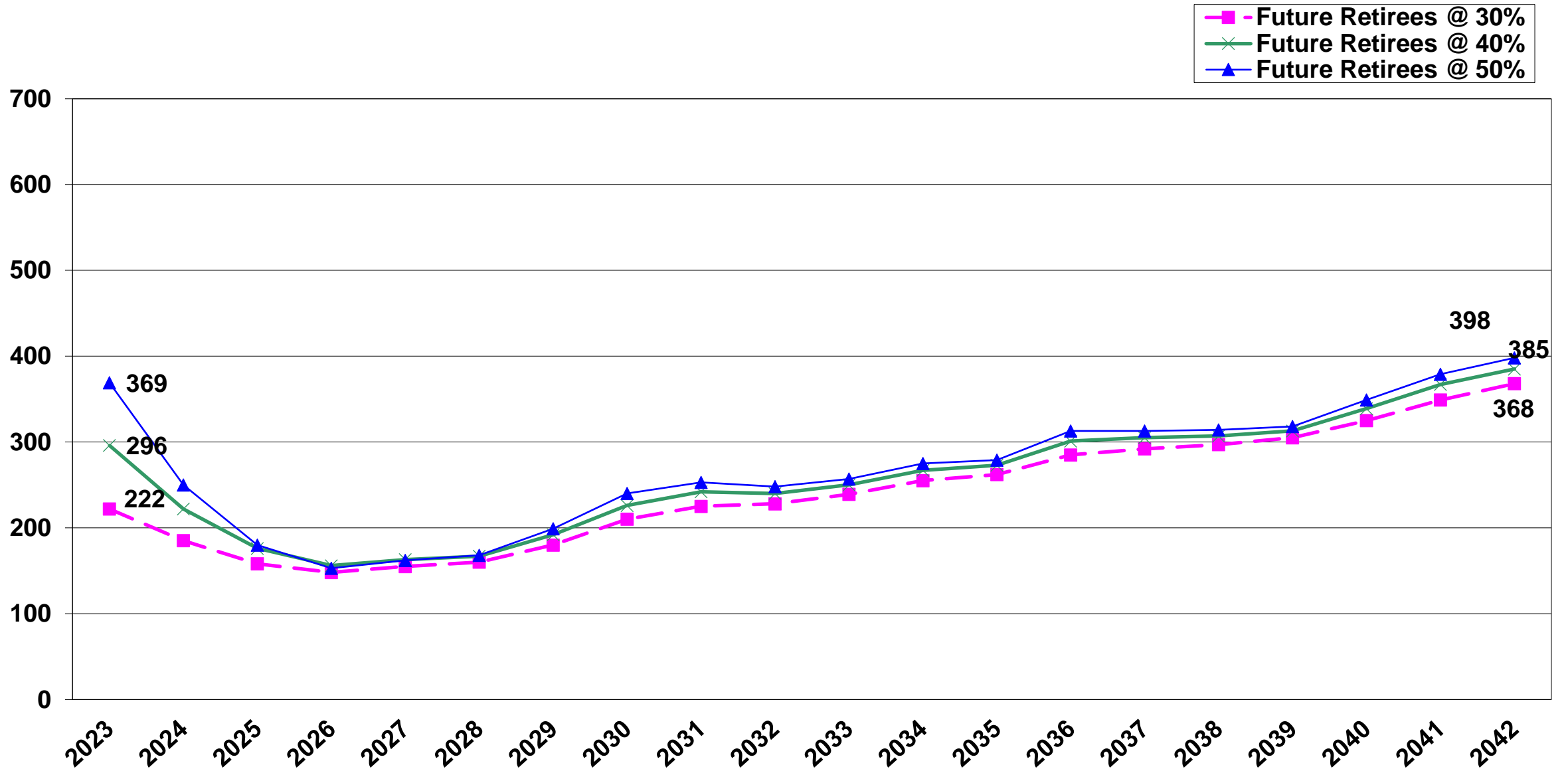
The percentage of eligible who actually retired has increased 3% for the ten year period since the 2022 report

TFFR ACTIVE MEMBERSHIP RETIREMENT ELIGIBILITY PROFILE – 20-YEAR PROJECTION



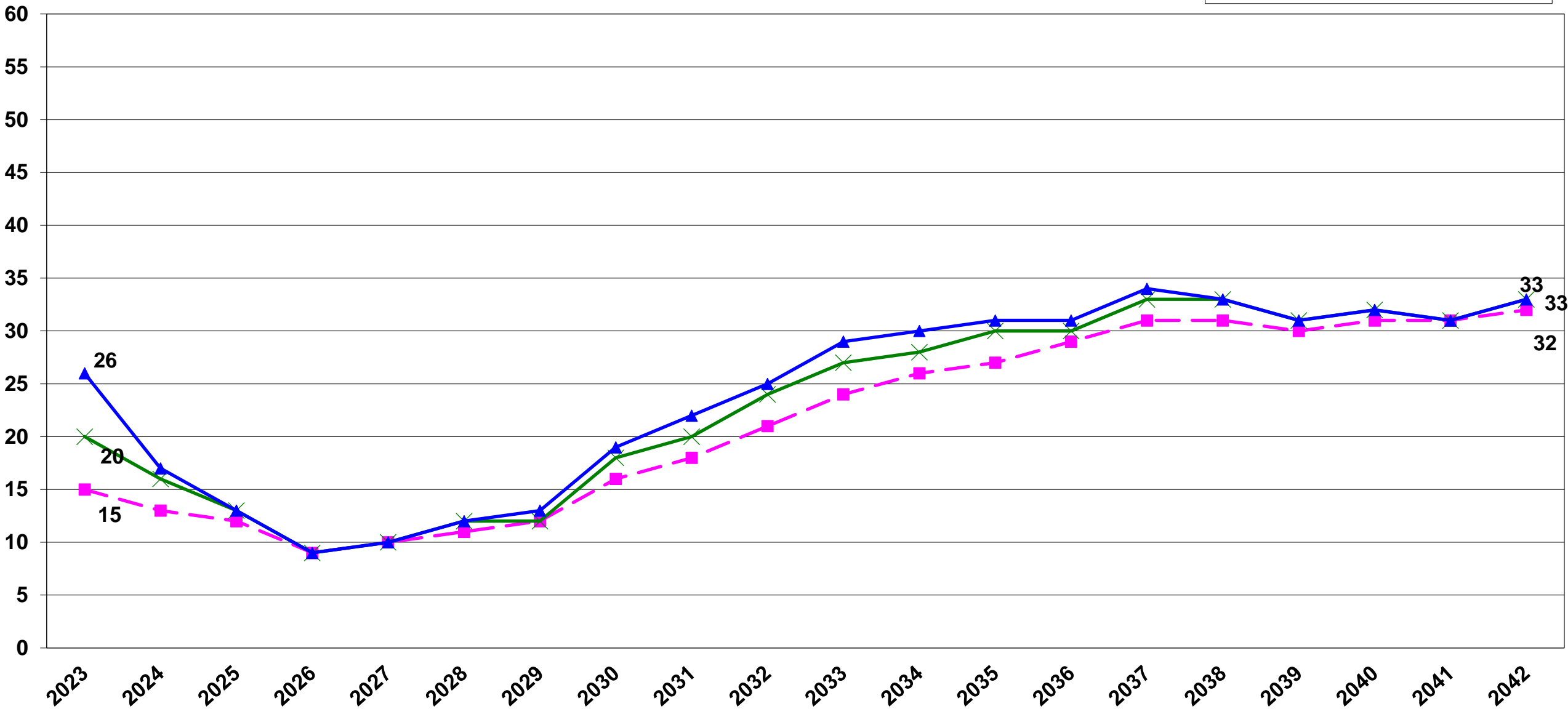
TOMORROW

PROJECTED RETIREES – TEACHERS



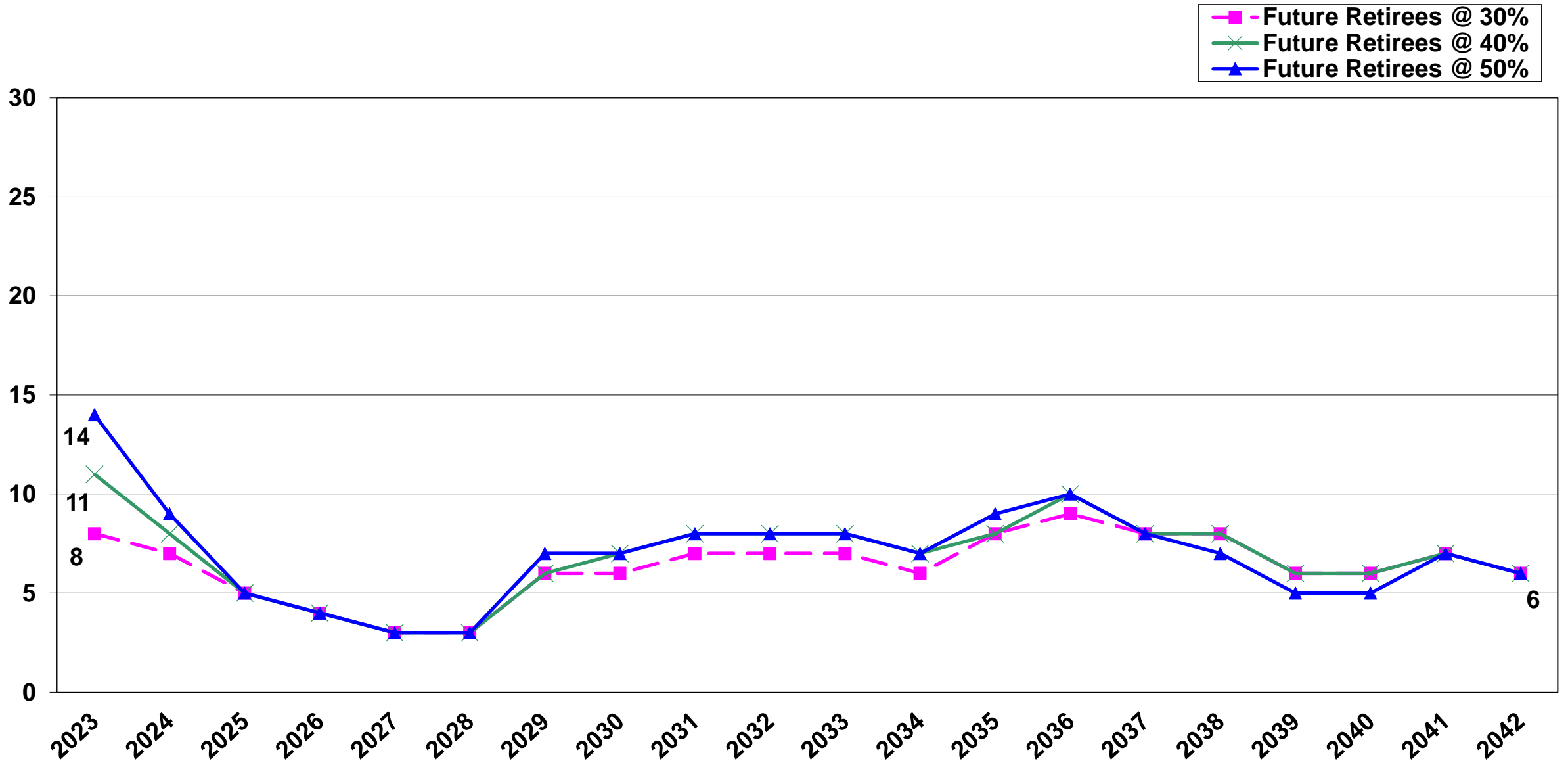
TOMORROW

PROJECTED RETIREES – OTHER ADMIN



TOMORROW

PROJECTED RETIREES – SUPERINTENDENTS



2023 LEGISLATION AFFECTING TFFR

North Dakota Retirement and Investment Office

- Senate Bill 2022
 - RIO Budget Bill
- House Bill 1150
 - Military Veteran Exemption from TFFR Fund
- House Bill 1219
 - TFFR Program Changes

SENATE BILL 2022

North Dakota Retirement and Investment Office

- RIO Budget Bill
 - Provided Continued Funding for the Pension Administration Replacement Project
 - Added a Total of Nine New Positions to the Agency
 - 1 Investment Accountant
 - 1 Fiscal Administrative Support
 - 7 Internal Investment Positions

HOUSE BILL 1150

North Dakota Retirement and Investment Office

- Retired Military Veteran Exemption Option from TFFR
 - Allows Retired Active-Duty Military to Opt Out of TFFR Membership
 - Must have 20 or more years of active-duty service
 - Must have retired from the military in good standing with retirement benefits
 - May opt-out of contributing to TFFR Fund during first year of teaching only
 - Irrevocable decision
 - Employers of these teachers also do not have to contribute if teacher opts out of Fund
 - Effective August 1, 2023
 - This is the Only Exemption for TFFR

HOUSE BILL 1219

North Dakota Retirement and Investment Office

- Program Changes to TFFR
 - Removes the Social Security Income Leveling Option at Retirement
 - Changes to Return to Teach Option
 - Retirement Benefit is Recalculated at the Higher Rate After the Teacher Retires
- Effective August 1, 2023

NEW PENSION ADMINISTRATION SYSTEM

North Dakota Retirement and Investment Office

- Going “LIVE” 4th Quarter of 2024
 - Nearly \$10M Investment
 - Moves System from Server Based to Cloud Based
 - More Secure Technology
 - Improved Visibility for Members and Employers
 - Reduced Manual Processes
 - Behind the Scenes Updates and Security Patches
 - 99.9% Up-time
 - Long-term Saving Through Operational Efficiencies

NEW PENSION ADMINISTRATION SYSTEM

North Dakota Retirement and Investment Office

- Member Self Service Benefits
 - Fully Automates the Retirement Process
 - Fully Automates the Disability Process
 - Eliminates Paper Forms
 - Real Time Access to Account Balances
 - Simulation Tool for All Retirement and Disability Scenarios
 - Ability to Change Beneficiaries, Bank Accounts, Tax Withholding, etc.

NEW PENSION ADMINISTRATION SYSTEM

North Dakota Retirement and Investment Office

- Employer Self Service Benefits
 - Fully Automates the Employer Requirements of Retirement Process
 - Fully Automates the Employer Requirements of Disability Process
 - Eliminates Paper Form Submission
 - Simulation Tool to Model Any Model Scenario
 - Streamlines Employer and Payroll Reporting
 - Employer Can Run Any Historical or Budgeting Reports Necessary
 - Integrating with RDA and Software Unlimited

NEW PENSION ADMINISTRATION SYSTEM

North Dakota Retirement and Investment Office

- Improved Customer Service
 - Improved Communications
 - Portal
 - Automated E-mail Notification
 - Text Notifications
 - Reduced Reporting Errors Through Validation
 - Reduced Manual Processes for TFFR Staff Results in More Available Customer Service Time

Any

Questions