1. **Issue**: The system office recently received requests from five former employees to withdraw or rollover retirement funds from their 401(a) NDUS retirement account. As per the Plan Document withdraw or rollover is restricted for balances over $20,000. Each former employee has requested an exemption to this rule.

2. **Proposed action from previous meeting (June 20, 2016)**: The committee requested information prior to making any recommendations which may include; remove the termination limitations all together; provide guidelines for exemptions for terminated employees or keep the current guidelines as is. The committee asked for further information including:

<table>
<thead>
<tr>
<th>SBHE Committee Request for Info.</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of terminated employees with retirement balances over $20,000</td>
<td>As of July 31, 2017 there are 3,247 participants in the NDUS 401(a) plan who are terminated with a balance greater than $20,000</td>
</tr>
<tr>
<td>Total dollar amount of all terminated employee retirement balances over $20,000</td>
<td>As of July 31, 2017 the total balance of all terminated employees with balances greater than $20,000 is $350,544,479.36</td>
</tr>
<tr>
<td>Negative impacts, if any, removing terminated balances will have on current cost to administer the Plan.</td>
<td>At this time there would be no negative impact to the current share class i.e. cost to administer the Plan if terminated balances were lost.</td>
</tr>
</tbody>
</table>

3. **Background**: The North Dakota University System retirement plans, 403 (b), 457 (b) and 401 (a), (“the Plan”) are intended to provide eligible employees the opportunity to generate the long-term accumulation of retirement savings through employer and employee contributions to individual participant accounts and the earnings thereon. The Plan is an employee benefit plan intended to comply with all applicable federal laws and regulations. The Plan’s purpose is to provide a vehicle to accumulate and grow assets to fund retirement needs on an individual basis for eligible employees. The SBHE retains authority and must approve changes to the Plan including the Plan document, plan design, contributions, eligibility and investment menu. Currently the Plan Document has guidelines restricting terminated employees from withdraw or rollover of retirement funds to $20,000 or less. In October of 2016 the SBHE increased that limit from $10,000 to $20,000.

4. **Financial implications**: none at this time

5. **Academic implications**: none
6. **Legal/policy issues:** The Plan Document would need to be updated and reviewed by appropriate legal authority.

7. **Review Process:** SBHE Budget and Finance Committee review and recommendation.

8. **Enclosures:** Plan Document—NDUS 401 (a) plan  
TIAA handout

9. **Contact person:**  
- Tammy Dolan, CFO, Tammy.Dolan@ndus.edu  
- Jane Grinde, NDUS Retirement Plan Coordinator Jane.Grinde@ndus.edu