

**CHAPTER 71-08-12
PARTICIPATION BY POLITICAL SUBDIVISIONS**

Section

71-08-12-01	Participation
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71-08-12-03	Merger of Eligible Employer Groups

71-08-12-01. Participation.

A political subdivision may choose to extend the benefits of the defined contribution plan to its employees by agreeing to abide by the terms of the defined contribution plan and rules developed by the board, executing a participation agreement, and submitting a copy of a signed resolution adopted by the governing authority electing to appoint the retirement board to administer its defined contribution retirement plan.

History: Effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-02.1

71-08-12-02. Withdrawal.

1. A political subdivision may discontinue participation in the defined contribution retirement plan by providing the board a written resolution adopted by the governing authority authorizing the termination of participation in the defined contribution retirement plan. The resolution must be provided to the board at least sixty days prior to the effective date of discontinuation and discontinuation must always take effect on the first working day of a month.
2. The employees in the defined contribution retirement plan must be considered to have terminated from the plan as of the date the employer terminates participation in the plan. Employee deferrals and employer contributions must stop, and benefits must be made payable. All employees shall be one hundred percent vested in the employee and employer contributions as of the effective date of discontinuation.

History: Effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-02.1, 54-52-02.15

71-08-12-03. Merger of eligible employer groups.

If a merger between two or more eligible employer groups occurs, the following requirements apply:

1. Written notification must be provided to the office no later than sixty days before the merger is final.
2. If two or more employer groups merge into one, and all do not presently participate in the public employees retirement system, the units merging shall decide upon one of the following:
 - a. The participating employer or employers may elect to cease participation in the defined contribution plan as of the date of the merger.
 - b. Subject to executing a revised participation agreement, eligible employees who have not previously been eligible for participation in any retirement plan of the employer must be given the choice to participate or waive participation effective the date of the merger. Any person hired in an eligible position after the consolidation date shall participate or any other employee mandated by the employer shall participate.

History: Effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-02.1