

**CHAPTER 71-02-08
PARTICIPATION BY GOVERNMENTAL UNITS**

Section	
71-02-08-01	Participation [Repealed]
71-02-08-02	Withdrawal
71-02-08-03	Transfer of Funds [Repealed]
71-02-08-04	Transfer Date [Repealed]
71-02-08-05	Merger of Eligible Employer Groups

71-02-08-01. Participation.

Repealed effective January 1, 2025.

71-02-08-02. Withdrawal.

Any political subdivision may discontinue participation in the fund if the following requirements are met:

1. The political subdivision shall provide the board with a copy of a resolution adopted by the governing authority authorizing the termination of participation in the fund.
2. Upon receiving a copy of the written resolution, an actuarial study must be done by the plan's actuary to determine the accrued benefit of all employees minus allocated assets from the date of participation. The interest assumption used must be two hundred basis points less than the plan's interest assumption used for funding purposes. The withdrawal liability must include an administrative expense assessment of five percent.
3. Any costs incurred by the fund, resulting from a political subdivision ceasing participation, including the actuarial fee study and the withdrawal liability, must be assessed against the political subdivision and paid in full before a political subdivision terminates its participation.
4. All employees of a political subdivision that has terminated participation in the fund must not be eligible for future benefit accruals or improvements granted to employees or former employees of participating governmental units after the date the employer's participation ceases.
5. As of the date the employer's participation ceases, all participating members, including participating members who are not otherwise vested in accordance with subsection 5 of North Dakota Century Code section 54-52-17, must be fully vested in benefits accrued up to the date the employer's participation ceases to the extent funded.
6. Notwithstanding the vesting requirements of North Dakota Century Code sections 54 52-11.1 and 54-52-17, all participating members have the option of taking a refund or rollover of the participating member's accumulated contributions, including vested employer contributions, plus interest or deferred retirement.

History: Effective September 1, 1982; amended effective June 1, 1996; April 1, 2019; July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 54-52-02.1

71-02-08-03. Transfer of funds.

Repealed effective April 1, 2012.

71-02-08-04. Transfer date.

Repealed effective April 1, 2012.

71-02-08-05. 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. Whenever 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 as of the date of the merger, subject to payment of any actuarial liabilities accrued. An actuarial study must be conducted at the cost of the exiting employer upon providing the public employees retirement system with written notice of the employer's election to cease participation.
 - 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 option to participate based upon provisions of North Dakota Century Code section 54-52-02.15 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 June 1, 1996; amended effective July 1, 2026.

General Authority: NDCC 54-52-04

Law Implemented: NDCC 15-10-17, 54-52-02.1