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MEMO 2025-6

To: Participating Political Subdivisions in the Defined Contribution Plan

From: NDPERS

Date: May 19, 2025

Subject: HB 1602 and Opting out of the NDPERS Defined Contribution Plan

HOUSE BILL 1602

House Bill (HB) 1602, passed during the recent 69th Legislative Assembly, allows participating political subdivisions to discontinue their participation in the NDPERS Defined Contribution (DC) Plan starting August 1, 2025. There are no fees assessed to political subdivisions that choose to opt out of the DC Plan.

Opting out of the DC Plan does not impact employees enrolled in the NDPERS Main Defined Benefit Plan prior to its closure on January 1, 2025, nor does it impact current or future participation in the Public Safety Defined Benefit Plans.

TIMING MATTERS

OPTING OUT ON AUGUST 1, 2025

HB 1602 is effective August 1, 2025. Organizations interested in disenrolling from the DC Plan on August 1, 2025, are required to submit a written resolution to NDPERS no later than June 30, 2025.

OPTING OUT AFTER AUGUST 1, 2025

Organizations electing to discontinue their participation after August 1, 2025, must provide a written resolution at least 60 days prior to the effective date of discontinuation, which must always be the first working day of a month.

The 60-day written resolution requirement is consistent with how the other NDPERS plans are administered.

[Reference HB 1602.](#)