



2021 South Dakota Legislature

House Bill 1031

Introduced by: The Committee on Retirement Laws at the request of the South Dakota Retirement System

1 **An Act to revise certain provisions relating to the South Dakota Retirement System.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1.** That § 3-12C-212 be AMENDED.

4 **3-12C-212. Applications for membership or benefits--Picture identification**
5 **required.**

6 Applications for membership or any benefit shall be made to the executive director
7 on forms approved by the system. Each application shall be accompanied by a copy of the
8 person's current driver license or other picture identification card issued by a government
9 agency or tribe.

10 **Section 2.** That § 3-12C-602 be AMENDED.

11 **3-12C-602. Withdrawal of accumulated contributions on leaving covered**
12 **employment--Picture identification required--Limitation.**

13 A member who has left covered employment may withdraw the sum of the
14 member's accumulated contributions upon ~~notarized~~ application to the system and
15 submission of a copy of the member's current driver license or other picture identification
16 card issued by a government agency or tribe. If the member is married, the spouse shall
17 sign the application and provide a copy of the spouse's current driver license or other
18 picture identification card issued by a government agency or tribe.

19 A member who withdraws the member's accumulated contributions pursuant to
20 this section forfeits all credited service and benefits provided in this chapter.

21 The right to withdraw accumulated contributions ceases if the member returns to
22 covered employment with a participating unit.

23 **Section 3.** That § 3-12C-713 be AMENDED.

1 **3-12C-713. Contribution credit defined--Payment of contribution credit and**
2 **credited investment return.**

3 For purposes of this section, the term, ~~excess contributions~~ contribution credit,
4 means the employer and member contributions, reduced by any variable retirement
5 contributions, on compensation not included in the computation of final average
6 compensation as a result of the final average compensation limits provided pursuant to
7 §§ 3-12C-1104 and 3-12C-1202.

8 The ~~excess contributions~~ contribution credit plus the credited investment return on the
9 ~~excess contributions~~ are contribution credit is payable at the retirement, disability, or
10 death of the member. The credited investment return, which shall be credited annually as
11 of June thirtieth, is the South Dakota Investment Council's reported money-weighted
12 investment return of the system, net of fees, for the completed fiscal year. Any ~~excess~~
13 ~~contributions~~ contribution credit made during the fiscal year shall receive one-half year's
14 credited investment return for that year. For any account distributed during the fiscal year,
15 the estimated investment return shall be credited to the end of the month before the date
16 on which the ~~retirement benefit~~ contribution credit is paid ~~or the disability benefit is paid~~
17 ~~or death occurred, as applicable.~~

18 The ~~excess contributions~~ contribution credit plus credited investment return ~~are~~ is
19 payable to the member ~~when the member commences~~ commencing a retirement benefit
20 or a disability benefit ~~or~~ three consecutive calendar months after the effective date of the
21 benefit. The contribution credit plus credited investment return is payable to the a
22 member's eligible child, eligible who is eligible for a family benefit or a member's spouse,
23 ~~or beneficiary who is eligible for a surviving spouse benefit,~~ upon the death of the member.
24 ~~The amount is not~~ No contribution credit is payable to any member who withdraws his or
25 her accumulated contributions from the system or to any beneficiary who receives a lump
26 sum payment of accumulated contributions. For the purpose of paying a distribution, the
27 amount payable is the total of ~~excess contributions~~ contribution credit plus credited
28 investment return or the total of ~~excess contributions~~ contribution credit, whichever is
29 greater. The amount may be paid in a lump sum, rolled over to the South Dakota deferred
30 compensation plan, rolled over to another eligible plan, or used to purchase a
31 supplemental pension benefit. However, the purchase of a supplemental pension benefit
32 is only available upon the member's retirement.

33 **Section 4.** That § 3-12C-1208 be AMENDED.

1 **3-12C-1208. Application for retirement benefit required--Picture**
 2 **identification required.**

3 No retirement benefit may be paid unless the system has received a completed
 4 application for a retirement benefit, including the benefit option elected. The application
 5 shall be signed by ~~both the generational member and the member's spouse, if applicable,~~
 6 ~~and each signature shall be witnessed by a representative of the system or notarized~~ the
 7 member shall provide a copy of the member's current driver license or other picture
 8 identification card issued by a government agency or tribe. If the member is married, the
 9 spouse shall sign the application and provide a copy of the spouse's current driver license
 10 or other picture identification card issued by a government agency or tribe.

11 **Section 5.** That § 3-12C-1504 be AMENDED.

12 **3-12C-1504. Types of supplemental pension benefits.**

13 A supplemental pension participant who is a retiree receiving a benefit from the
 14 system shall receive one of three types of supplemental pension benefits:

- 15 (1) A supplemental pension benefit payable monthly for the lifetime of the participant;
 16 (2) A supplemental pension benefit payable monthly for the lifetime of the participant
 17 and, upon the death of the participant, a supplemental pension benefit payable
 18 monthly to the participant's supplemental pension spouse equal to sixty percent of
 19 the monthly benefit amount that the participant was receiving at the time of death;
 20 or
 21 (3) A supplemental pension benefit payable monthly for the lifetime of the participant
 22 and, upon the death of the participant, a supplemental pension benefit payable
 23 monthly to the participant's supplemental pension spouse equal to one hundred
 24 percent of the monthly benefit amount that the participant was receiving at the
 25 time of death.

26 A participant who is a retiree receiving a benefit from the system may contract for
 27 any of the three types of supplemental pension benefits provided in this section. ~~A~~
 28 ~~participant who is the member's surviving spouse may contract only for a supplemental~~
 29 ~~pension benefit payable monthly for the lifetime of the surviving spouse.~~ The contract
 30 shall be signed by ~~both the supplemental pension participant, and the supplemental~~
 31 ~~pension spouse, if applicable, and each signature shall be witnessed by a representative~~
 32 ~~of the system or notarized~~ the participant shall provide a copy of the participant's current
 33 driver license or other picture identification card issued by a government agency or tribe.
 34 If the participant is married, the spouse shall sign the contract and provide a copy of the

1 spouse's current driver license or other picture identification card issued by a government
 2 agency or tribe. A participant who is the member's surviving spouse may contract only for
 3 a supplemental pension benefit payable monthly for the lifetime of the surviving spouse.

4 **Section 6.** That § 3-12C-1608 be AMENDED.

5 **3-12C-1608. Board of Regents employees--Definition of balances.**

6 Terms as used in §§ 3-12C-1608 to 3-12C-1612, inclusive, unless the context
 7 otherwise requires, shall mean:

- 8 (1) "Board of Regents' balance," the contributions from April 1, 1964, to June 30, 1975,
 9 plus accumulated interest, made by the Board of Regents and deposited on behalf
 10 of an employee in any pension fund that is established by contract with an insurance
 11 company;
- 12 (2) "Excess balance," the contributions in addition to those accumulated in the
 13 individual balance and made from April 1, 1964, to June 30, 1975, with accumulated
 14 interest, by a Board of Regents employee included in the provisions of §§ 3-12C-
 15 1608 to 3-12C-1612, inclusive, and deposited in any pension fund that is
 16 established by contract with an insurance company;
- 17 (3) "Individual balance," the contributions from April 1, 1964, to June 30, 1975, with
 18 accumulated interest made on a matching basis by the Board of Regents' employees
 19 included in the provisions of ~~§§ 3-12-69.1 to 3-12-69.5~~ §§ 3-12C-1608 to 3-12C-
 20 1612, inclusive, and the Board of Regents and deposited on behalf of the employee
 21 in any pension fund that is established by contract with an insurance company.

22 **Section 7.** That § 3-12C-1613 be AMENDED.

23 **3-12C-1613. Allowance to surviving spouse of law enforcement officer**
 24 **retired for disability.**

25 ~~Notwithstanding the repeal of § 3-13-25 by chapter 35 of the 1974 Session Laws,~~
 26 ~~the~~ The surviving spouse of a disability retiree under the Law Enforcement Officers'
 27 Retirement System as consolidated into the South Dakota Retirement System pursuant to
 28 § 3-12C-1601 shall upon the death of the member be entitled to an annuity equal to one-
 29 half the member's annuity at the time of death. The retirement for disability upon which
 30 annuity was based shall have been approved prior to July 1, 1974.