

AN ACT

ENTITLED, An Act to provide benefit formula improvements for the members of the South Dakota Retirement System.

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

Section 1. That § 3-12-91 be amended to read as follows:

3-12-91. Upon retirement, a member shall receive a normal retirement allowance, commencing at normal retirement age or thereafter as provided in § 3-12-90, for Class A credited service, equal to the larger of 1.7% of final average compensation for each year of Class A credited service before July 1, 2008, plus 1.55% of final average compensation for each year of Class A credited service after July 1, 2008, or 2.4% of final average compensation for each year of Class A credited service before July 1, 2008, plus 2.25% of final average compensation for each year of Class A credited service after July 1, 2008, less other public benefits. For purposes of this section, federal military retirement or federal national guard retirement benefits are not other public benefits. For the purposes of this section, any Class A member who did not participate in federal social security during the period of credited service shall be presumed to be entitled to the maximum primary social security benefit permitted at the time of retirement. Class A credited service includes all credited service under this or any of the retirement systems consolidated pursuant to § 3-12-46.

Section 2. That § 3-12-92 be amended to read as follows:

3-12-92. Upon retirement, a member shall receive a normal retirement allowance, commencing at normal retirement age or thereafter as provided in § 3-12-90, for Class B credited service other than as a justice, judge, or magistrate judge, equal to 2.4% of final average compensation for each year of Class B credited service other than as a justice, judge, or magistrate judge before July 1, 2008, plus 2.0% of final average compensation for each year of Class B credited service other than as a justice, judge, or magistrate judge after July 1, 2008.

Section 3. That § 3-12-92.4 be amended to read as follows:

3-12-92.4. Upon retirement, a member shall receive a normal retirement allowance, commencing at normal retirement age or thereafter as provided in § 3-12-90, for the first fifteen years of Class B credited service as a justice, judge, or magistrate judge equal to 3.733% of final average compensation for each year of Class B credited service as a justice, judge, or magistrate judge before July 1, 2008, plus 3.333% of final average compensation for each year of Class B credited service as a justice, judge, or magistrate judge after July 1, 2008. A member shall also receive for Class B credited service as a justice, judge, or magistrate judge in excess of fifteen years, 2.4% of final average compensation for each year of Class B credited service as a justice, judge, or magistrate judge before July 1, 2008, plus 2.0% of final average compensation for each year of Class B credited service as a justice, judge, or magistrate judge after July 1, 2008.

Section 4. That § 3-12-92.6 be amended to read as follows:

3-12-92.6. Each member who retired prior to July 1, 2008, and each beneficiary of a deceased member who retired prior to July 1, 2008, shall receive a retirement allowance based on the provisions of § 3-12-91, 3-12-92, or 3-12-92.4 as applicable based on the member's final average compensation, credited service, and other public benefits at retirement and the benefit formulas in §§ 3-12-91, 3-12-92, and 3-12-92.4 when improved by the improvement factor from the date of retirement to July 1, 2008.

Increased benefits as provided by any amendment to this section are prospective in nature and are effective July 1, 2008.

Each member or beneficiary of a member who retired prior to July 1, 1974, who is receiving benefits pursuant to § 3-12-126 or each member or beneficiary of a member who elected to retire pursuant to § 3-12-127, shall have a benefit increased by an additional 2.0% as of July 1, 2008, in lieu of the increase provided in this section.

If a member retired prior to normal retirement age, the allowance shall be adjusted in accordance with the law in effect at the time of retirement. If a member elected an alternate method of payment under the law in effect at the time of retirement, the allowance shall be adjusted in accordance with the law in effect at the time of retirement. If the additional allowance is to be paid to a beneficiary of a deceased member, the additional allowance shall be adjusted in accordance with the law in effect at the time of the member's retirement.

No member or beneficiary whose retirement allowance terminated prior to July 1, 2008, may receive any benefits pursuant to this section.

Section 5. The provisions of sections 1 to 4, inclusive, of this Act notwithstanding, if the conditions described in § 3-12-122 exist, the board may recommend and the Legislature may adopt recommendations to decrease or eliminate the benefit improvements granted by this Act. Any such reductions or elimination need not be uniform between or among classes of members. There may be no legal recourse by any affected party in any manner to enjoin or otherwise to halt or delay the reductions or elimination.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1019

Chief Clerk

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1019
File No. _____
Chapter No. _____

Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State