



2022 South Dakota Legislature

Senate Bill 56

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-101 be AMENDED:**

4 **3-12C-101.** Terms as used in this chapter mean:

- 5 (1) "Actuarial accrued liability," the present value of all benefits less the present value
6 of future normal cost contributions;
- 7 (2) "Actuarial experience analysis," a periodic report that reviews basic experience data
8 and furnishes actuarial analysis that substantiates the assumptions adopted for the
9 purpose of making an actuarial valuation of the system;
- 10 (3) "Actuarial valuation," a projection of the present value of all benefits and the current
11 funded status of the system, based upon stated assumptions as to rates of interest,
12 mortality, disability, salary progressions, withdrawal, and retirement as established
13 by a periodic actuarial experience analysis that takes into account census data of
14 all active members, vested terminated members, and retired members and their
15 beneficiaries under the system;
- 16 (4) "Actuarial value funded ratio," the actuarial value of assets divided by the actuarial
17 accrued liability;
- 18 (5) "Actuarial value of assets," equal to the fair value of assets;
- 19 (6) "Actuarially determined contribution rate," the fixed, statutory contribution rate, no
20 less than the normal cost rate with expenses assuming the minimum COLA, and
21 no greater than the normal cost rate with expenses assuming the maximum COLA;
- 22 (7) "Air rescue firefighters," employees of the Department of the Military who are
23 stationed at Joe Foss Field, Sioux Falls, and who are directly involved in firefighting
24 activities on a daily basis;
- 25 (8) "Approved actuary," any actuary who is a member of the American Academy of
26 Actuaries or an Associate or a Fellow of the Society of Actuaries who meets the

- 1 qualification standards of the American Academy of Actuaries to issue actuarial
2 opinions regarding the system or any firm retaining such an actuary on its staff
3 and who is appointed by the board to perform actuarial services;
- 4 (9) "Assumed rate of return," the actuarial assumption adopted by the board pursuant
5 to § 3-12C-227 as the annual assumed percentage return on trust fund assets,
6 compounded;
- 7 (10) "Beneficiary," the person designated by a member of the system to receive any
8 payments after the death of such member;
- 9 (11) "Benefits," the amounts paid to a member, spouse, child, or beneficiary as a result
10 of the provisions of this chapter;
- 11 (12) "Board," the Board of Trustees of the South Dakota Retirement System;
- 12 (13) "Calendar quarter," a period of three calendar months ending March thirty-first,
13 June thirtieth, September thirtieth, or December thirty-first of any year;
- 14 (14) "Campus security officers," employees of the Board of Regents whose positions are
15 subject to the minimal educational training standards established by the law
16 enforcement standards commission pursuant to chapter 23-3, who satisfactorily
17 complete the training required by chapter 23-3 within one year of employment,
18 and whose primary duty as sworn law enforcement officers is to preserve the safety
19 of the students, faculty, staff, visitors, and the property of the university. The
20 employer shall file with the system evidence of the appointment as a sworn law
21 enforcement officer at the time of employment and shall file evidence of
22 satisfactory completion of the training program pursuant to chapter 23-3 within
23 one year of employment;
- 24 (15) "Certified school employee," any employee of a participating unit who is required
25 to have a certificate as defined in subdivision 13-42-1(3);
- 26 (16) "Class A credited service," service credited as a Class A member of the system;
- 27 (17) "Class A member," any member other than a Class B member or a Class C member
28 and is either a foundation member or a generational member;
- 29 (18) "Class B credited service," service credited as a Class B member of the system;
- 30 (19) "Class B member," a member who is a justice, judge, state law enforcement officer,
31 magistrate judge, police officer, firefighter, county sheriff, deputy county sheriff,
32 correctional security staff, parole agent, air rescue firefighter, campus security
33 officer, court services officer, juvenile corrections agent, conservation officer, or
34 park ranger and is either a foundation member or a generational member;
- 35 (20) "Class C credited service," service credited as a Class C member of the system;

- 1 (21) "Class C member," any member of the cement plant retirement plan including any
2 retiree or any vested member;
- 3 (22) "Class D credited service," service credited as a Class D member of the system;
- 4 (23) "Class D member," any member that was a member of the Department of Labor
5 and Regulation employees' retirement plan as of June 30, 2020;
- 6 (24) "Classified employee," an employee of a public school district who is not required
7 by law to be a certified school employee, an employee of any college or university
8 under the control of the Board of Regents who is not a faculty member or an
9 administrator and comes within the provisions of chapter 3-6D, an employee of a
10 public corporation, an employee of a chartered governmental unit, and any other
11 participating employee not elsewhere provided for in this chapter;
- 12 (25) "Comparable level position," a member's position of employment that is generally
13 equivalent to the member's prior position of employment in terms of required
14 education, required experience, required training, required work history,
15 geographic location, and compensation and benefits;
- 16 (26) "Conservation officers," employees of the Department of Game, Fish and Parks and
17 the Division of Wildlife or Division of Custer State Park who are employed pursuant
18 to § 41-2-11 and whose positions are subject to the requirements as to education
19 and training provided in chapter 23-3;
- 20 (27) "Consumer price index," the consumer price index for urban wage earners and
21 clerical workers calculated by the United States Bureau of Labor Statistics;
- 22 (28) "Contributory service," service to a participating unit during which contributions
23 were made to a South Dakota retirement system, which may not include years of
24 credited service as granted in § 3-12C-509 or 3-12C-511;
- 25 (29) "Correctional security staff," the warden, deputy warden, and any other correctional
26 staff holding a security position as verified by the Department of Corrections and
27 approved by the Bureau of Human Resources and the Bureau of Finance and
28 Management, and determined by the board as Class B members;
- 29 (30) "Court services officers," persons appointed pursuant to § 26-7A-8;
- 30 (31) "Covered employment," a member's employment as a full-time employee of a
31 participating unit;
- 32 (32) "Deputy county sheriff," an employee of a county that is a participating unit,
33 appointed by the board of county commissioners pursuant to §§ 7-12-9 and 7-12-
34 10, whose position is subject to the minimum educational and training standards
35 established by the law enforcement standards commission pursuant to chapter 23-

- 1 3. The term does not include jailers or clerks appointed pursuant to §§ 7-12-9 and
2 7-12-10 unless the participating unit has requested that the jailer be considered
3 as a deputy county sheriff and the board has approved the request;
- 4 (33) "Effective date of retirement," the first day of the month in which retirement
5 benefits are payable;
- 6 (34) "Eligible retirement plan," the term eligible retirement plan includes those plans
7 described in section 402(c)(8)(B) of the Internal Revenue Code;
- 8 (35) "Eligible rollover distribution," any distribution to a member of accumulated
9 contributions pursuant to § 3-12C-602. The term does not include any portion of a
10 distribution that represents contributions made to the system on an after tax basis
11 nor distributions paid as a result of the member reaching the required beginning
12 date;
- 13 (36) "Employer," the State of South Dakota and any department, bureau, board, or
14 commission of the State of South Dakota, or any of its governmental or political
15 subdivisions or any public corporation of the State of South Dakota that elects to
16 become a participating unit;
- 17 (37) "Employer contributions," amounts contributed by the employer of a contributing
18 member, excluding member contributions made by an employer after June 30,
19 1984, pursuant to § 3-12C-401;
- 20 (38) "Equivalent public service," any public service other than as a justice, a judge, or a
21 magistrate judge and comparable to Class B service as defined by this section, if
22 the service is in the employ of a public entity that is not a participating unit;
- 23 (39) "Fair value of assets," the total assets of the system at fair market value for
24 securities traded on exchanges; for securities not traded on exchanges, a value
25 based on similar securities; and for alternative investments, reported net asset
26 value;
- 27 (40) "Fair value funded ratio," the fair value of assets divided by the actuarial accrued
28 liability;
- 29 (41) "Fiduciary," any person who exercises any discretionary authority or control over
30 the management of the system or the management or disposition of its assets,
31 renders investment advice for a fee or other compensation, direct or indirect, or
32 has any authority or responsibility to do so, or has any discretionary authority or
33 responsibility in the administration of the system;
- 34 (42) "Foundation member," any member of the system whose contributory service
35 began before July 1, 2017;

- 1 (43) "Foundation retiree," any foundation member who has retired with a benefit payable
2 from the system;
- 3 (44) "Firefighter," any full-time firefighter who works at least twenty hours a week and
4 at least six months a year. The term does not include any volunteer firefighter;
- 5 (45) "Full-time employee," any employee who is considered full-time by the participating
6 unit and is customarily employed by the participating unit for twenty hours or more
7 a week and at least six months a year, regardless of classification of employment
8 as seasonal, temporary, leased, contract, or any other designation;
- 9 (46) "Fund," public employees' retirement fund or funds established for the purposes of
10 administration of this chapter;
- 11 (47) "General employee," any full-time municipal employee who is not a firefighter or a
12 police officer;
- 13 (48) "Generational member," any member of the system whose contributory service
14 began after June 30, 2017;
- 15 (49) "Generational retiree," any generational member who has retired with a benefit
16 payable from the system;
- 17 (50) "Health care provider," a physician or other health care practitioner licensed,
18 registered, certified, or otherwise authorized by law to provide specified health
19 services;
- 20 (51) "Internal Revenue Code," or "code," the Internal Revenue Code as in effect as of
21 January 1, ~~2021~~2022;
- 22 (52) "Juvenile corrections agent," a designee of the secretary of corrections charged with
23 the care, custody, and control of juveniles committed to the Department of
24 Corrections until the age of twenty-one or a person who is charged with the care,
25 custody, and control of juveniles at a juvenile corrections facility under the control
26 of a participating unit;
- 27 (53) "Law enforcement officer," any agent of the state division of criminal investigation,
28 officer of the South Dakota Highway Patrol, police officer, county sheriff, deputy
29 county sheriff, or firefighter;
- 30 (54) "Member," any person who is contributing or has made contributions to the system
31 and is either a foundation member or generational member. A person's
32 membership ceases when the person withdraws his or her accumulated
33 contributions after termination of employment;
- 34 (55) "Member contributions," amounts contributed by members, including member
35 contributions made by an employer after June 30, 1984, pursuant to § 3-12C-401;

- 1 (56) "Military service," a period of active duty with the United States Army, the United
2 States Navy, the United States Air Force, the United States Marine Corps, or the
3 United States Coast Guard, from which duty the member received an honorable
4 discharge or an honorable release;
- 5 (57) "Municipality," any incorporated municipal government under chapter 9-3 or any
6 chartered governmental unit under the provisions of Article IX of the Constitution
7 of the State of South Dakota;
- 8 (58) "Noncontributory service," for foundation members, service delineated in
9 subdivisions 3-12C-502(2), (5), (7), and (8), and for generational members,
10 service pursuant to § 3-12C-514;
- 11 (59) "Normal cost," the expected long-term cost of the system benefits and expenses
12 expressed as a percentage of payroll;
- 13 (60) "Normal retirement," the termination of employment and application for benefits by
14 a member with three or more years of contributory service or noncontributory
15 service on or after the member's normal retirement age;
- 16 (61) "Other public benefits," eighty percent of the primary insurance amount or primary
17 social security benefits that would be provided under federal social security;
- 18 (62) "Other public service," service for the government of the United States, including
19 military service; service for the government of any state or political subdivision
20 thereof; service for any agency or instrumentality of any of the foregoing; or
21 service as an employee of an association of government entities described in this
22 subdivision;
- 23 (63) "Park rangers," employees of the Department of Game, Fish and Parks within the
24 Division of Parks and Recreation and whose positions are subject to the
25 requirements as to education and training provided in chapter 23-3 and whose
26 primary duty is law enforcement in the state park system;
- 27 (64) "Parole agent," an employee of the Department of Corrections employed pursuant
28 to § 24-15-14 who is actually involved in direct supervision of parolees on a daily
29 basis;
- 30 (65) "Participating unit," the State of South Dakota and any department, bureau, board,
31 or commission of the State of South Dakota, and any of its political subdivisions or
32 any public corporation of the State of South Dakota that has employees who are
33 members of the retirement system created in this chapter;
- 34 (66) "Plan year," a period extending from July first of one calendar year through June
35 thirtieth of the following calendar year;

- 1 (67) "Police officer," any employee in the police department of any participating
2 municipality holding the rank of patrol officer, including probationary patrol officer,
3 or higher rank and whose position is subject to the minimum educational and
4 training standards established by the law enforcement officers standards
5 commission pursuant to chapter 23-3. The term does not include civilian employees
6 of a police department nor any person employed by a municipality whose services
7 as a police officer require less than twenty hours a week and six months a year. If
8 a municipality which is a participating unit operates a city jail, the participating unit
9 may request that any jailer appointed pursuant to § 9-29-25 be considered a police
10 officer, subject to the approval of the board;
- 11 (68) "Political subdivision" includes any municipality, school district, county, chartered
12 governmental unit, public corporation or entity, and special district created for any
13 governmental function;
- 14 (69) "Present value of all benefits," the present value of all benefits expected to be paid
15 to all retired, terminated, and active members and beneficiaries, based on past
16 and future credited service and future compensation increases;
- 17 (70) "Present value of benefits earned to date," the present value of the benefits
18 currently being paid to retired members and their beneficiaries and the present
19 value of benefits payable at retirement to active members, based on their earnings
20 and credited service to date of the actuarial valuation;
- 21 (71) "Projected compensation," a deceased or disabled member's final average
22 compensation multiplied by the COLA commencing each July first for each complete
23 twelve-month period elapsed between the date of the member's death or disability,
24 whichever occurred earlier, and the date the member would attain normal
25 retirement age or the benefit commences, whichever occurred earlier;
- 26 (72) "Projected service," the credited service plus the service that the member would
27 have been credited with at normal retirement age had the member continued in
28 the system and received credit at the same rate the member was credited during
29 the year covered by the compensation that was used in the calculation of the
30 disability or family benefit;
- 31 (73) "Qualified military service," service in the uniformed services as defined in
32 § 414(u)(5) of the Internal Revenue Code;
- 33 (74) "Required beginning date," the later of April first of the calendar year following the
34 calendar year in which the member attains age seventy and one-half or April first
35 of the calendar year following the calendar year in which the member retires;

- 1 (75) "Retiree," any foundation or generational member who retires with a lifetime benefit
2 payable from the system;
- 3 (76) "Retirement," the severance of a member from the employ of a participating unit
4 with a retirement benefit payable from the system;
- 5 (77) "Retirement benefit," the monthly amount payable upon the retirement of a
6 member;
- 7 (78) "Single premium," the lump-sum amount paid by a supplemental pension
8 participant pursuant to a supplemental pension contract in consideration for a
9 supplemental pension benefit;
- 10 (79) "Social investment," investment, divestment, or prohibition of investment of the
11 assets of the system for purposes other than maximum risk-adjusted investment
12 return, which other purposes include ideological purposes, environmental
13 purposes, political purposes, religious purposes, or purposes of local or regional
14 economic development;
- 15 (80) "State employees," employees of the departments, bureaus, commissions, and
16 boards of the State of South Dakota;
- 17 (81) "Supplemental pension benefit," any single-premium immediate pension benefit
18 payable pursuant to §§ 3-12C-1504 and 3-12C-1505;
- 19 (82) "Supplemental pension contract," any agreement between a participant and the
20 system upon which a supplemental pension is based, including the amount of the
21 single premium, the type of pension benefit, and the monthly supplemental pension
22 payment amount;
- 23 (83) "Supplemental pension contract record," the record for each supplemental pension
24 participant reflecting relevant participant data; a designation of any beneficiary, if
25 any; the amount of the participant's funds rolled into the fund; the provisions of
26 the participant's supplemental pension contract; and supplemental pension
27 payments made pursuant to the contract;
- 28 (84) "Supplemental pension participant," any member who is a retiree receiving a benefit
29 from the system, or, if the member is deceased, the member's surviving spouse
30 who is receiving a benefit from the system, and who chooses to purchase a
31 supplemental pension benefit pursuant to the provisions of this chapter;
- 32 (85) "Supplemental pension spouse," any person who was married to a supplemental
33 pension participant at the time the participant entered into the supplemental
34 pension contract;
- 35 (86) "System," the South Dakota Retirement System created in this chapter;

1 (87) "Trustee," a member of the board of trustees;

2 (88) "Unfunded actuarial accrued liability," the actuarial accrued liability less the
3 actuarial value of assets.

4 **Section 2. That § 3-12C-206 be AMENDED:**

5 **3-12C-206.** Each trustee, ~~within ten days~~ after being appointed or elected, shall
6 take and file in the Office of the Secretary of State the oath required by § 3-1-5.

7 **Section 3. That § 3-12C-818 be AMENDED:**

8 **3-12C-818.** The disability benefit approved pursuant to § 3-12C-817 is the greater
9 of the following calculations:

- 10 (1) Twenty-five percent of the foundation member's final average compensation at the
11 date of disability; or
12 (2) The foundation member's unreduced accrued retirement benefit at the date of
13 disability.

14 The disability benefit ~~shall~~ must be paid in monthly installments for the life of the
15 foundation member unless the benefit terminates pursuant to § 3-12C-822.

16 For purposes of determining the eligibility of a surviving spouse benefit and
17 administering a qualified domestic relations order, the disability benefit of a foundation
18 member is considered a retirement benefit when the member attains normal retirement
19 age.

20 **Section 4. That § 3-12C-826 be AMENDED:**

21 **3-12C-826.** Upon the death of a member receiving disability benefits, who dies
22 prior to normal retirement age, a family benefit ~~shall~~ must be paid on behalf of any eligible
23 child of the member. The monthly amount of the family benefit is the amount of the
24 monthly disability benefits the member received before death. The monthly family benefit
25 ~~shall~~ must be equally apportioned among any eligible children of the member and ~~shall~~
26 must be paid on behalf of any child ~~to the conservator or custodian of the child, as~~
27 applicable in accordance with § 3-12C-902. However, if the child is eighteen years of age
28 or older, the benefit is payable directly to the child. As a child becomes ineligible, the
29 family benefit shall be reallocated among any remaining eligible children of the deceased
30 member. The family benefit terminates if there are no eligible children of the deceased
31 member.

1 **Section 5. That § 3-12C-902 be AMENDED:**

2 **3-12C-902.** Any payment of any benefit to a minor pursuant to the provisions of
3 this chapter shall be made on the minor's behalf to a custodian or conservator appointed
4 by law. However, if no custodian or conservator is appointed and the amount payable does
5 not exceed ten thousand dollars each calendar year, payment shall be made to any parent
6 having the care and custody of the minor and with whom the minor resides.

7 ~~No legal guardian may be deemed a custodian or conservator except by a separate~~
8 ~~appointment. If the child is eighteen years of age or older, the benefit is payable directly~~
9 ~~to the child. If any payment exceeds ten thousand dollars in a calendar year, payment~~
10 ~~must be made on the minor's behalf to a custodian or conservator appointed by law.~~

11 **Section 6. That § 3-12C-907 be AMENDED:**

12 **3-12C-907.** On the death of a contributing member after June 30, 2015, who has
13 acquired at least three years of contributory service or noncontributory service, or who
14 died while performing usual duties for an employer, and prior to the earlier of the member
15 attaining normal retirement age or the member's retirement, a family benefit ~~shall~~ must
16 be paid on behalf of any child of the member. The total family benefit is the greater of:

- 17 (1) Twenty-five percent of the member's final average compensation at the time of
18 death; or
19 (2) The member's unreduced accrued retirement benefit at the time of death.

20 The family benefit is effective the first day of the month following the date on which
21 the member's contributory service terminates and is payable upon the receipt of a
22 completed application. The family benefit, which ~~shall~~ must be paid in monthly
23 installments, shall be equally apportioned among any children of the member and shall be
24 paid on behalf of any child ~~to the conservator or custodian of the child, as applicable in~~
25 accordance with § 3-12C-902. ~~If the child is eighteen years of age the benefit is payable~~
26 ~~directly to the child.~~ As a child becomes ineligible, the family benefit ~~shall~~ must be
27 reallocated among any remaining eligible children of the deceased member. The family
28 benefit terminates if there are no eligible children of the deceased member.

29 **Section 7. That § 3-12C-1301 be AMENDED:**

30 **3-12C-1301.** Each generational member shall have a variable retirement account,
31 which consists of variable retirement contributions and the credited investment return.
32 The investment return shall be credited annually as of June thirtieth for all generational

1 members with a variable retirement account on that date. The credited investment return
2 is the South Dakota Investment Council's reported money-weighted investment return of
3 the system, net of fees, for the completed fiscal year. ~~For any account distributed during~~
4 ~~the fiscal year, the estimated investment return shall be credited to the end of the month~~
5 ~~before the date on which the retirement benefit is paid or the disability benefit is paid or~~
6 ~~the death occurred, as applicable. In the case of a distribution during the fiscal year, the~~
7 credited investment return is the estimated investment return to the end of the month
8 before payment. Any variable retirement contributions made during the fiscal year shall
9 receive one-half year's credited investment return.

10 **Section 8. That § 3-12C-1303 be AMENDED:**

11 **3-12C-1303.** ~~The variable retirement account is payable at the retirement,~~
12 ~~disability, or death of the generational member. The variable retirement account is~~
13 ~~payable to the generational member when the member commences a retirement benefit~~
14 ~~or a disability benefit or to the generational member's eligible child, eligible spouse, or~~
15 ~~beneficiary upon at the death of the member. The variable retirement account is not~~
16 ~~payable to any member who withdraws his or her accumulated contributions from the~~
17 ~~system. For the purpose of paying a distribution, the variable retirement account is the~~
18 ~~amount in the member's variable retirement account or the total of the variable retirement~~
19 ~~contributions made on behalf of the member, whichever is greater.~~

20 The variable retirement account may be paid in a lump sum, rolled over to the
21 South Dakota deferred compensation plan, rolled over to another eligible plan, or used to
22 purchase a supplemental pension benefit. ~~However, the purchase of a supplemental~~
23 ~~pension benefit is only available upon the member's retirement.~~

24 The variable retirement account is not payable to any member who withdraws his
25 or her accumulated contributions from the system and is not payable in the case of the
26 death of a member without an eligible spouse.

27 **Section 9. That § 3-12C-1402 be AMENDED:**

28 **3-12C-1402.** If a retired member whose benefits have been reduced pursuant to
29 § 3-12C-1111 becomes employed as a permanent full-time employee by a participating
30 unit before July 1, 2004, ~~the payment of the member's retirement benefit, including the~~
31 ~~COLA pursuant to § 3-12C-703, shall be suspended during the period of~~
32 reemployment member's monthly retirement benefit shall be reduced by fifteen percent
33 and the COLA shall be eliminated throughout the period that the member reenters covered

1 employment. If the member remains in such reemployment for at least three years
2 pursuant to the provisions of § 3-12C-1403 and then again retires, the member's
3 additional benefit shall be recalculated to consider only the member's credited service and
4 final compensation earned during reentry.

5 **Section 10. That § 3-12C-1404 be AMENDED:**

6 **3-12C-1404.** If a retired member whose benefits have been reduced pursuant to
7 § 3-12C-1111 becomes employed as a permanent full-time employee by a participating
8 unit on or after July 1, 2004, but before April 1, 2010, ~~the payment of the member's~~
9 ~~retirement benefit shall be suspended during the period of reemployment~~ member's
10 monthly retirement benefit must be reduced by fifteen percent and the COLA must be
11 eliminated throughout the period that the member reenters covered employment. If the
12 member remains in reemployment for at least three years pursuant to the provisions of
13 § 3-12C-1403, the member upon subsequent retirement ~~shall~~ must receive an additional
14 benefit based upon the member's credited service and final average compensation earned
15 during the reentry. Only the member's credited service from the subsequent employment
16 ~~shall~~ must be taken into account in calculating a reduction pursuant to § 3-12C-1111, if
17 any, in the member's additional benefit. If the member remains in reemployment for a
18 period of less than three years, the member upon subsequent retirement ~~shall~~ must
19 receive a refund of the member's accumulated contributions. No matter the duration of
20 the member's reemployment, the COLA applied to the original benefit pursuant to § 3-
21 12C-703 ~~shall~~ must be eliminated for the period of reemployment.

22 **Section 11. That § 3-12C-1503 be AMENDED:**

23 **3-12C-1503.** A member who is a retiree receiving a benefit from the system, or,
24 if the member is deceased, the member's surviving spouse who is receiving a benefit from
25 the system and is a beneficiary of the funds subject to this section, may become a
26 supplemental pension participant by direct rollover of pretax funds held by the member in
27 a variable retirement account, in contribution credit, or in either or both of the plans
28 created in chapters 3-13 and 3-13A into the fund. Any rollover ~~shall~~ must be in compliance
29 with the provisions of § 401(a)(31) of the Internal Revenue Code and ~~shall~~ must be
30 recorded in the participant's supplemental pension contract record. All of a participant's
31 funds rolled into the fund ~~shall~~ must be expended in full as the single premium for a
32 supplemental pension contract. No single premium may be less than ten thousand dollars.
33 A supplemental pension contract goes into effect when a participant signs the

1 supplemental pension contract. The initial monthly supplemental pension benefit is
2 payable the first day of the first month after the contract goes into effect. Payment of any
3 prior and current supplemental pension benefits ~~shall~~ must be made within two months
4 after the contract is in effect.