



## 2023 South Dakota Legislature

# House Bill 1007

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

1 **An Act to to add emergency medical services personnel to Class B public safety**  
 2 **membership of the South Dakota Retirement System.**

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

4 **Section 1. That § 3-12C-101 be AMENDED:**

5 **3-12C-101.** Terms as used in this chapter mean:

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

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

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

- 1 (32) "Deputy county sheriff," an employee of a county that is a participating unit,  
 2 appointed by the board of county commissioners pursuant to §§ 7-12-9 and 7-12-  
 3 10, whose position is subject to the minimum educational and training standards  
 4 established by the law enforcement standards commission pursuant to chapter 23-  
 5 3. The term does not include jailers or clerks appointed pursuant to §§ 7-12-9 and  
 6 7-12-10 unless the participating unit has requested that the jailer be considered  
 7 as a deputy county sheriff and the board has approved the request;
- 8 (33) "Effective date of retirement," the first day of the month in which retirement  
 9 benefits are payable;
- 10 (34) "Eligible retirement plan," the term eligible retirement plan includes those plans  
 11 described in section 402(c)(8)(B) of the Internal Revenue Code;
- 12 (35) "Eligible rollover distribution," any distribution to a member of accumulated  
 13 contributions pursuant to § 3-12C-602. The term does not include any portion of a  
 14 distribution that represents contributions made to the system on an after tax basis  
 15 nor distributions paid as a result of the member reaching the required beginning  
 16 date;
- 17 (36) "Emergency medical services personnel," an emergency medical services driver,  
 18 emergency medical responder, emergency medical technician (EMT), emergency  
 19 medical technician-intermediate/85, emergency medical technician-  
 20 intermediate/99, emergency medical technician-advanced, emergency medical  
 21 technician-paramedic, or emergency medical technician-critical care paramedic, as  
 22 certified by the Department of Health;
- 23 ~~(36)~~(37) "Employer," the State of South Dakota and any department, bureau, board, or  
 24 commission of the State of South Dakota, or any of its governmental or political  
 25 subdivisions or any public corporation of the State of South Dakota that elects to  
 26 become a participating unit;
- 27 ~~(37)~~(38) "Employer contributions," amounts contributed by the employer of a  
 28 contributing member, excluding member contributions made by an employer after  
 29 June 30, 1984, pursuant to § 3-12C-401;
- 30 ~~(38)~~(39) "Equivalent public service," any public service other than as a justice, a judge,  
 31 or a magistrate judge and comparable to Class B service as defined by this section,  
 32 if the service is in the employ of a public entity that is not a participating unit;
- 33 ~~(39)~~(40) "Fair value of assets," the total assets of the system at fair market value for  
 34 securities traded on exchanges; for securities not traded on exchanges, a value

- 1 based on similar securities; and for alternative investments, reported net asset  
2 value;
- 3 ~~(40)~~(41) "Fair value funded ratio," the fair value of assets divided by the actuarial  
4 accrued liability;
- 5 ~~(41)~~(42) "Fiduciary," any person who exercises any discretionary authority or control  
6 over the management of the system or the management or disposition of its assets,  
7 renders investment advice for a fee or other compensation, direct or indirect, or  
8 has any authority or responsibility to do so, or has any discretionary authority or  
9 responsibility in the administration of the system;
- 10 ~~(42)~~(43) "Foundation member," any member of the system whose contributory service  
11 began before July 1, 2017;
- 12 ~~(43)~~(44) "Foundation retiree," any foundation member who has retired with a benefit  
13 payable from the system;
- 14 ~~(44)~~(45) "Firefighter," any full-time firefighter who works at least twenty hours a week  
15 and at least six months a year. The term does not include any volunteer firefighter;
- 16 ~~(45)~~(46) "Full-time employee," any employee who is considered full-time by the  
17 participating unit and is customarily employed by the participating unit for twenty  
18 hours or more a week and at least six months a year, regardless of classification  
19 of employment as seasonal, temporary, leased, contract, or any other designation;
- 20 ~~(46)~~(47) "Fund," public employees' retirement fund or funds established for the purposes  
21 of administration of this chapter;
- 22 ~~(47)~~(48) "Gaming enforcement agent," any employee of the South Dakota Commission  
23 on Gaming who is appointed pursuant to § 42-7B-56 and who must, as a condition  
24 of employment, be law enforcement certified;
- 25 ~~(48)~~(49) "General employee," any full-time municipal employee who is not a firefighter  
26 or a police officer;
- 27 ~~(49)~~(50) "Generational member," any member of the system whose contributory service  
28 began after June 30, 2017;
- 29 ~~(50)~~(51) "Generational retiree," any generational member who has retired with a benefit  
30 payable from the system;
- 31 ~~(51)~~(52) "Health care provider," a physician or other health care practitioner licensed,  
32 registered, certified, or otherwise authorized by law to provide specified health  
33 services;
- 34 ~~(52)~~(53) "Internal Revenue Code," or "code," the Internal Revenue Code as in effect as  
35 of January 1, 2022;

- 1 ~~(53)~~(54) "Juvenile corrections agent," a designee of the secretary of corrections charged  
2 with the care, custody, and control of juveniles committed to the Department of  
3 Corrections until the age of twenty-one or a person who is charged with the care,  
4 custody, and control of juveniles at a juvenile corrections facility under the control  
5 of a participating unit;
- 6 ~~(54)~~(55) "Law enforcement officer," any agent of the state division of criminal  
7 investigation, officer of the South Dakota Highway Patrol, police officer, county  
8 sheriff, deputy county sheriff, or firefighter;
- 9 ~~(55)~~(56) "Member," any person who is contributing or has made contributions to the  
10 system and is either a foundation member or generational member. A person's  
11 membership ceases when the person withdraws his or her accumulated  
12 contributions after termination of employment;
- 13 ~~(56)~~(57) "Member contributions," amounts contributed by members, including member  
14 contributions made by an employer after June 30, 1984, pursuant to § 3-12C-401;
- 15 ~~(57)~~(58) "Military service," a period of active duty with the United States Army, the  
16 United States Navy, the United States Air Force, the United States Marine Corps,  
17 or the United States Coast Guard, from which duty the member received an  
18 honorable discharge or an honorable release;
- 19 ~~(58)~~(59) "Municipality," any incorporated municipal government under chapter 9-3 or  
20 any chartered governmental unit under the provisions of Article IX of the  
21 Constitution of the State of South Dakota;
- 22 ~~(59)~~(60) "Noncontributory service," for foundation members, service delineated in  
23 subdivisions 3-12C-502(2), (5), (7), and (8), and for generational members,  
24 service pursuant to § 3-12C-514;
- 25 ~~(60)~~(61) "Normal cost," the expected long-term cost of the system benefits and  
26 expenses expressed as a percentage of payroll;
- 27 ~~(61)~~(62) "Normal retirement," the termination of employment and application for  
28 benefits by a member with three or more years of contributory service or  
29 noncontributory service on or after the member's normal retirement age;
- 30 ~~(62)~~(63) "Other public benefits," eighty percent of the primary insurance amount or  
31 primary social security benefits that would be provided under federal social  
32 security;
- 33 ~~(63)~~(64) "Other public service," service for the government of the United States,  
34 including military service; service for the government of any state or political  
35 subdivision thereof; service for any agency or instrumentality of any of the

- 1           foregoing; or service as an employee of an association of government entities  
2           described in this subdivision;
- 3     ~~(64)~~(65) "Park rangers," employees of the Department of Game, Fish and Parks within  
4           the Division of Parks and Recreation and whose positions are subject to the  
5           requirements as to education and training provided in chapter 23-3 and whose  
6           primary duty is law enforcement in the state park system;
- 7     ~~(65)~~(66) "Parole agent," an employee of the Department of Corrections employed  
8           pursuant to § 24-15-14 who is actually involved in direct supervision of parolees  
9           on a daily basis;
- 10    ~~(66)~~(67) "Participating unit," the State of South Dakota and any department, bureau,  
11           board, or commission of the State of South Dakota, and any of its political  
12           subdivisions or any public corporation of the State of South Dakota that has  
13           employees who are members of the retirement system created in this chapter;
- 14    ~~(67)~~(68) "Plan year," a period extending from July first of one calendar year through  
15           June thirtieth of the following calendar year;
- 16    ~~(68)~~(69) "Police officer," any employee in the police department of any participating  
17           municipality holding the rank of patrol officer, including probationary patrol officer,  
18           or higher rank and whose position is subject to the minimum educational and  
19           training standards established by the law enforcement officers standards  
20           commission pursuant to chapter 23-3. The term does not include civilian employees  
21           of a police department nor any person employed by a municipality whose services  
22           as a police officer require less than twenty hours a week and six months a year. If  
23           a municipality which is a participating unit operates a city jail, the participating unit  
24           may request that any jailer appointed pursuant to § 9-29-25 be considered a police  
25           officer, subject to the approval of the board;
- 26    ~~(69)~~(70) "Political subdivision" includes any municipality, school district, county,  
27           chartered governmental unit, public corporation or entity, and special district  
28           created for any governmental function;
- 29    ~~(70)~~(71) "Present value of all benefits," the present value of all benefits expected to be  
30           paid to all retired, terminated, and active members and beneficiaries, based on  
31           past and future credited service and future compensation increases;
- 32    ~~(71)~~(72) "Present value of benefits earned to date," the present value of the benefits  
33           currently being paid to retired members and their beneficiaries and the present  
34           value of benefits payable at retirement to active members, based on their earnings  
35           and credited service to date of the actuarial valuation;

- 1 ~~(72)~~(73) "Projected compensation," a deceased or disabled member's final average  
2 compensation multiplied by the COLA commencing each July first for each complete  
3 twelve-month period elapsed between the date of the member's death or disability,  
4 whichever occurred earlier, and the date the member would attain normal  
5 retirement age or the benefit commences, whichever occurred earlier;
- 6 ~~(73)~~(74) "Projected service," the credited service plus the service that the member  
7 would have been credited with at normal retirement age had the member continued  
8 in the system and received credit at the same rate the member was credited during  
9 the year covered by the compensation that was used in the calculation of the  
10 disability or family benefit;
- 11 ~~(74)~~(75) "Qualified military service," service in the uniformed services as defined in  
12 § 414(u)(5) of the Internal Revenue Code;
- 13 ~~(75)~~(76) "Required beginning date," the later of April first of the calendar year following  
14 the calendar year in which the member attains age seventy and one-half or April  
15 first of the calendar year following the calendar year in which the member retires;
- 16 ~~(76)~~(77) "Retiree," any foundation or generational member who retires with a lifetime  
17 benefit payable from the system;
- 18 ~~(77)~~(78) "Retirement," the severance of a member from the employ of a participating  
19 unit with a retirement benefit payable from the system;
- 20 ~~(78)~~(79) "Retirement benefit," the monthly amount payable upon the retirement of a  
21 member;
- 22 ~~(79)~~(80) "Single premium," the lump-sum amount paid by a supplemental pension  
23 participant pursuant to a supplemental pension contract in consideration for a  
24 supplemental pension benefit;
- 25 ~~(80)~~(81) "Social investment," investment, divestment, or prohibition of investment of  
26 the assets of the system for purposes other than maximum risk-adjusted  
27 investment return, which other purposes include ideological purposes,  
28 environmental purposes, political purposes, religious purposes, or purposes of local  
29 or regional economic development;
- 30 ~~(81)~~(82) "State employees," employees of the departments, bureaus, commissions, and  
31 boards of the State of South Dakota;
- 32 ~~(82)~~(83) "Supplemental pension benefit," any single-premium immediate pension  
33 benefit payable pursuant to §§ 3-12C-1504 and 3-12C-1505;
- 34 ~~(83)~~(84) "Supplemental pension contract," any agreement between a participant and the  
35 system upon which a supplemental pension is based, including the amount of the



- 1 single premium, the type of pension benefit, and the monthly supplemental pension  
2 payment amount;
- 3 ~~(84)~~(85) "Supplemental pension contract record," the record for each supplemental  
4 pension participant reflecting relevant participant data; a designation of any  
5 beneficiary, if any; the amount of the participant's funds rolled into the fund; the  
6 provisions of the participant's supplemental pension contract; and supplemental  
7 pension payments made pursuant to the contract;
- 8 ~~(85)~~(86) "Supplemental pension participant," any member who is a retiree receiving a  
9 benefit from the system, or, if the member is deceased, the member's surviving  
10 spouse who is receiving a benefit from the system, and who chooses to purchase  
11 a supplemental pension benefit pursuant to the provisions of this chapter;
- 12 ~~(86)~~(87) "Supplemental pension spouse," any person who was married to a  
13 supplemental pension participant at the time the participant entered into the  
14 supplemental pension contract;
- 15 ~~(87)~~(88) "System," the South Dakota Retirement System created in this chapter;
- 16 ~~(88)~~(89) "Trustee," a member of the board of trustees;
- 17 ~~(89)~~(90) "Unfunded actuarial accrued liability," the actuarial accrued liability less the  
18 actuarial value of assets.