



2023 South Dakota Legislature

House Bill 1007

HOUSE RETIREMENT LAWS ENGROSSED

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

1 **An Act 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," a person licensed by the Board of Medical
18 and Osteopathic Examiners in accordance with chapter 36-4B or licensed or
19 certified by the Department of Health in accordance with chapter 34-11 who
20 actively practices emergency medical services;
- 21 ~~(36)~~(37) "Employer," the State of South Dakota and any department, bureau, board, or
22 commission of the State of South Dakota, or any of its governmental or political
23 subdivisions or any public corporation of the State of South Dakota that elects to
24 become a participating unit;
- 25 ~~(37)~~(38) "Employer contributions," amounts contributed by the employer of a
26 contributing member, excluding member contributions made by an employer after
27 June 30, 1984, pursuant to § 3-12C-401;
- 28 ~~(38)~~(39) "Equivalent public service," any public service other than as a justice, a judge,
29 or a magistrate judge and comparable to Class B service as defined by this section,
30 if the service is in the employ of a public entity that is not a participating unit;
- 31 ~~(39)~~(40) "Fair value of assets," the total assets of the system at fair market value for
32 securities traded on exchanges; for securities not traded on exchanges, a value
33 based on similar securities; and for alternative investments, reported net asset
34 value;

- 1 ~~(40)~~(41) "Fair value funded ratio," the fair value of assets divided by the actuarial
2 accrued liability;
- 3 ~~(41)~~(42) "Fiduciary," any person who exercises any discretionary authority or control
4 over the management of the system or the management or disposition of its assets,
5 renders investment advice for a fee or other compensation, direct or indirect, or
6 has any authority or responsibility to do so, or has any discretionary authority or
7 responsibility in the administration of the system;
- 8 ~~(42)~~(43) "Foundation member," any member of the system whose contributory service
9 began before July 1, 2017;
- 10 ~~(43)~~(44) "Foundation retiree," any foundation member who has retired with a benefit
11 payable from the system;
- 12 ~~(44)~~(45) "Firefighter," any full-time firefighter who works at least twenty hours a week
13 and at least six months a year. The term does not include any volunteer firefighter;
- 14 ~~(45)~~(46) "Full-time employee," any employee who is considered full-time by the
15 participating unit and is customarily employed by the participating unit for twenty
16 hours or more a week and at least six months a year, regardless of classification
17 of employment as seasonal, temporary, leased, contract, or any other designation;
- 18 ~~(46)~~(47) "Fund," public employees' retirement fund or funds established for the purposes
19 of administration of this chapter;
- 20 ~~(47)~~(48) "Gaming enforcement agent," any employee of the South Dakota Commission
21 on Gaming who is appointed pursuant to § 42-7B-56 and who must, as a condition
22 of employment, be law enforcement certified;
- 23 ~~(48)~~(49) "General employee," any full-time municipal employee who is not a firefighter
24 or a police officer;
- 25 ~~(49)~~(50) "Generational member," any member of the system whose contributory service
26 began after June 30, 2017;
- 27 ~~(50)~~(51) "Generational retiree," any generational member who has retired with a benefit
28 payable from the system;
- 29 ~~(51)~~(52) "Health care provider," a physician or other health care practitioner licensed,
30 registered, certified, or otherwise authorized by law to provide specified health
31 services;
- 32 ~~(52)~~(53) "Internal Revenue Code," or "code," the Internal Revenue Code as in effect as
33 of January 1, 2022;
- 34 ~~(53)~~(54) "Juvenile corrections agent," a designee of the secretary of corrections charged
35 with the care, custody, and control of juveniles committed to the Department of

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

- 1 ~~(64)~~(65) "Park rangers," employees of the Department of Game, Fish and Parks within
2 the Division of Parks and Recreation and whose positions are subject to the
3 requirements as to education and training provided in chapter 23-3 and whose
4 primary duty is law enforcement in the state park system;
- 5 ~~(65)~~(66) "Parole agent," an employee of the Department of Corrections employed
6 pursuant to § 24-15-14 who is actually involved in direct supervision of parolees
7 on a daily basis;
- 8 ~~(66)~~(67) "Participating unit," the State of South Dakota and any department, bureau,
9 board, or commission of the State of South Dakota, and any of its political
10 subdivisions or any public corporation of the State of South Dakota that has
11 employees who are members of the retirement system created in this chapter;
- 12 ~~(67)~~(68) "Plan year," a period extending from July first of one calendar year through
13 June thirtieth of the following calendar year;
- 14 ~~(68)~~(69) "Police officer," any employee in the police department of any participating
15 municipality holding the rank of patrol officer, including probationary patrol officer,
16 or higher rank and whose position is subject to the minimum educational and
17 training standards established by the law enforcement officers standards
18 commission pursuant to chapter 23-3. The term does not include civilian employees
19 of a police department nor any person employed by a municipality whose services
20 as a police officer require less than twenty hours a week and six months a year. If
21 a municipality which is a participating unit operates a city jail, the participating unit
22 may request that any jailer appointed pursuant to § 9-29-25 be considered a police
23 officer, subject to the approval of the board;
- 24 ~~(69)~~(70) "Political subdivision" includes any municipality, school district, county,
25 chartered governmental unit, public corporation or entity, and special district
26 created for any governmental function;
- 27 ~~(70)~~(71) "Present value of all benefits," the present value of all benefits expected to be
28 paid to all retired, terminated, and active members and beneficiaries, based on
29 past and future credited service and future compensation increases;
- 30 ~~(71)~~(72) "Present value of benefits earned to date," the present value of the benefits
31 currently being paid to retired members and their beneficiaries and the present
32 value of benefits payable at retirement to active members, based on their earnings
33 and credited service to date of the actuarial valuation;
- 34 ~~(72)~~(73) "Projected compensation," a deceased or disabled member's final average
35 compensation multiplied by the COLA commencing each July first for each complete

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

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