



2024 South Dakota Legislature
Senate Bill 68
ENROLLED

AN ACT

ENTITLED An Act to amend certain provisions pertaining to the South Dakota Retirement System to comply with federal law.

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

Section 1. That § 3-12C-113 be AMENDED:

3-12C-113. For the purposes of this chapter, the term, Internal Revenue Code, or code, means the Internal Revenue Code as in effect as of January 1, 2024.

Section 2. That § 3-12C-1901 be AMENDED:

3-12C-1901. The system shall pay all benefits in accordance with a good faith interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the regulations in effect under that section, as applicable to a governmental plan within the meaning of section 414(d) of the Internal Revenue Code.

The member's entire interest must be distributed, or begin to be distributed, by the required beginning date, which is April first of the calendar year following the later of:

- (1) The calendar year in which the member reaches the applicable age, which is determined as follows:
 - (a) If the member was born before July 1, 1949, the applicable age is seventy and one-half;
 - (b) If the member attained age seventy-two before January 1, 2023, the applicable age is seventy-two;
 - (c) If the member attains age seventy-two after December 31, 2022, the applicable age is seventy-three; or
 - (d) Effective January 1, 2033, applicable age shall have the meaning set forth in § 401(a)(9)(C)(v) of the Internal Revenue Code; or
- (2) The calendar year in which the member retires and separates from service with the member's employer.

A member or beneficiary eligible for benefits must apply for benefits in order to commence distribution of benefits. The system, pursuant to a qualified domestic relations order, may establish separate benefits for a member and alternate payee.

Section 3. That § 3-13-58 be AMENDED:

3-13-58. The system shall pay all benefits in accordance with a good faith interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the regulations in effect under that section, as applicable to a governmental plan within the meaning of § 414(d) of the Internal Revenue Code.

The participant's entire interest must be distributed, or begin to be distributed, by the required beginning date, which is April first of the calendar year following the later of:

- (1) The calendar year in which the participant reaches the applicable age, which is determined as follows:
 - (a) If the member was born before July 1, 1949, the applicable age is seventy and one-half;
 - (b) If the member attained age seventy-two before January 1, 2023, the applicable age is seventy-two;
 - (c) If the member attains age seventy-two after December 31, 2022, the applicable age is seventy-three; or
 - (d) Effective January 1, 2033, applicable age shall have the meaning set forth in § 401(a)(9)(C)(v) of the Internal Revenue Code; or
- (2) The calendar year in which the participant retires and separates from service with the member's employer.

A participant or beneficiary eligible for benefits must apply for benefits in order to commence distribution of benefits. The system, pursuant to a qualified domestic relations order, may establish separate benefits for a participant and alternate payee.

Section 4. That § 3-13A-23.1 be AMENDED:

3-13A-23.1. The system shall pay all benefits in accordance with a good faith interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the regulations in effect under that section, as applicable to a governmental plan within the meaning of § 414(d) of the Internal Revenue Code.

The participant's entire interest must be distributed, or begin to be distributed, by the required beginning date, which is April first of the calendar year following the later of:

- (1) The calendar year in which the participant reaches the applicable age, which is determined as follows:
 - (a) If the member was born before July 1, 1949, the applicable age is seventy and one-half;
 - (b) If the member attained age seventy-two before January 1, 2023, the applicable age is seventy-two;
 - (c) If the member attains age seventy-two after December 31, 2022, the applicable age is seventy-three; or
 - (d) Effective January 1, 2033, applicable age shall have the meaning set forth in § 401(a)(9)(C)(v) of the Internal Revenue Code; or
- (2) The calendar year in which the participant retires and separates from service with the member's employer.

A participant or beneficiary eligible for benefits must apply for benefits in order to commence distribution of benefits. The system, pursuant to a qualified domestic relations order, may establish separate benefits for a participant and alternate payee.

Section 5. That § 3-13C-13 be AMENDED:

3-13C-13. The system shall pay all benefits in accordance with a good faith interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the regulations in effect under that section, as applicable to a governmental plan within the meaning of § 414(d) of the Internal Revenue Code.

The member's entire interest must be distributed, or begin to be distributed, by the required beginning date, which is April first of the calendar year following the later of:

- (1) The calendar year in which the member reaches the applicable age, which is determined as follows:
 - (a) If the member was born before July 1, 1949, the applicable age is seventy and one-half;
 - (b) If the member attained age seventy-two before January 1, 2023, the applicable age is seventy-two;
 - (c) If the member attains age seventy-two after December 31, 2022, the applicable age is seventy-three; or
 - (d) Effective January 1, 2033, applicable age shall have the meaning set forth in § 401(a)(9)(C)(v) of the Internal Revenue Code; or
- (2) The calendar year in which the member retires and separates from service with the member's employer.

A member or beneficiary eligible for benefits must apply for benefits in order to commence distribution of benefits. The system, pursuant to a qualified domestic relations order, may establish separate benefits for a member and alternate payee.

An Act to amend certain provisions pertaining to the South Dakota Retirement System to comply with federal law.

I certify that the attached Act originated in
the:
Senate as Bill No. 68

Received at this Executive Office
this ____ day of _____,
2024 at _____ M.

Secretary of the Senate

By _____
for the Governor

President of the Senate

The attached Act is hereby
approved this _____ day of
_____, A.D., 2024

Attest:

Secretary of the Senate

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Speaker of the House

Attest:

Filed _____, 2024
at _____ o'clock __ M.

Chief Clerk

Secretary of State

Senate Bill No. 68
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State