



2026 South Dakota Legislature

Senate Bill 52

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

1 **An Act to clarify statutes governing the administration of disability benefits by the**
 2 **South Dakota Retirement System.**

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

4 **Section 1. That § 3-12C-816 be AMENDED:**

5 **3-12C-816.** Upon receipt of an application for disability benefits after June 30,
 6 2015, along with statements from a health care provider and the member's employer, the
 7 executive director shall determine whether the member is eligible for disability benefits.
 8 The executive director may request the advice of the disability advisory committee with
 9 respect to any application. The recommendation of the disability advisory committee is
 10 not binding on the executive director. The disability advisory committee or the executive
 11 director may require an independent medical examination of the member to be conducted
 12 by a disinterested health care provider selected by the disability advisory committee or
 13 the executive director to evaluate the member's condition. The disability advisory
 14 committee or the executive director may require a functional capacity assessment of the
 15 member to be conducted by a licensed professional qualified to administer ~~such an~~ the
 16 assessment. The assessment may be used to evaluate the member's qualification for
 17 benefits. Refusal to undergo an examination or assessment pursuant to this section is
 18 cause for denying the application.

19 ~~If the executive director determines that the member is not disabled, a notice of~~
 20 ~~the executive director's determination and the reasons for the determination shall be sent~~
 21 ~~by certified mail to the member's last known address.~~ The executive director shall issue an
 22 order to approve or deny a member's application for disability benefits, and shall mail the
 23 order to the member's last known address by certified mail.

24 **Section 2. That § 3-12C-817 be AMENDED:**

1 **3-12C-817.** ~~If the executive director determines that the member whose~~
2 ~~application was received pursuant to § 3-12C-816, meets the qualifications to receive~~
3 ~~disability benefits, a notice of the executive director's determination shall be sent by~~
4 ~~certified mail to the member's last known address.~~ A member whose application for
5 disability benefits is approved shall receive the benefits beginning with the month following
6 the date on which the member's contributory service terminates. If any member fails to
7 terminate contributory service within one year after receiving notice that the member's
8 application has been approved, the member's application approval expires.

9 **Section 3. That § 3-12C-822 be AMENDED:**

10 **3-12C-822.** A member's disability benefits terminate if the member is no longer
11 disabled, as certified by a health care provider. Upon receipt of certification, the executive
12 director shall determine whether the member meets the qualifications for disability
13 benefits. In making this determination the executive director shall follow the same
14 procedure used in making the initial determination of disability provided in § 3-12C-816.
15 A member's disability benefits ~~shall~~ must be suspended and subject to termination if the
16 member refuses to undergo an examination or assessment requested by the disability
17 advisory committee or the executive director. ~~If the executive director finds that the~~
18 ~~member no longer meets the qualifications for disability benefits, the executive director~~
19 ~~shall notify the member of this finding by certified mail and the payment of disability~~
20 ~~benefits shall terminate thirty days after receipt of the notice. The finding by the executive~~
21 ~~director is subject to appeal and review as a contested case~~

22 If the executive director determines that the member no longer qualifies for
23 disability benefits, the executive director must issue an order to terminate the member's
24 benefits and send the order to the member's last known address through certified mail.
25 The member's benefits terminate sixty days after the date the order is mailed to the
26 member.