



## 2026 South Dakota Legislature

# Senate Bill 54

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

1 **An Act to revise the conditions for in-service distributions from the South Dakota**  
 2 **deferred compensation plan.**

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

4 **Section 1. That § 3-13-78 be AMENDED:**

5 **3-13-78.** Deferrals may be distributed only if one of the following conditions has  
 6 occurred:

- 7 (1) Severance from employment with a participating employer;  
 8 (2) Death of the participant;  
 9 (3) An unforeseeable emergency, set forth in § 3-13-82;  
 10 (4) Requirements are satisfied for an in-service distribution, as set forth in § 3-13-  
 11 83;~~or~~  
 12 (5) ~~A~~The participant is called to perform qualified military service for a period in excess  
 13 of thirty days; ~~or~~  
 14 (6) The participant elects to receive an in-service distribution pursuant to section 2 of  
 15 this Act.

16 **Section 2. That a NEW SECTION be added to chapter 3-13:**

17 Notwithstanding § 3-13-83, a participant who is at least fifty-nine and one-half  
 18 years old may elect to receive an in-service distribution from the plan in any form  
 19 permitted under § 3-13-80. The receipt of an in-service distribution pursuant to this  
 20 section does not preclude the participant from continuing to make deferrals of  
 21 compensation into the plan.