

State of South Dakota

SEVENTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 1997

400A0290

SENATE BILL NO. 36

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

1 FOR AN ACT ENTITLED, An Act to revise the method of calculating retirement benefits for
2 South Dakota Retirement System members whose benefits are suspended upon
3 reemployment after retirement.

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

5 Section 1. That § 3-12-82 be amended to read as follows:

6 3-12-82. If less than one year of credited service is performed after last reentry, ~~the a~~ retired
7 member shall receive an allowance equal to the allowance ~~he~~ the member would have received
8 had ~~he~~ the member not returned to employment, plus a refund of ~~his~~ the member's contributions
9 made during the period after last reentry.

10 If one year or more of service is performed after reentry into employment, ~~the a~~ retired
11 member shall receive upon subsequent retirement an ~~additional~~ allowance based upon ~~his~~ the
12 member's total credited service and compensation from ~~the date of reentry to the date of his~~
13 ~~subsequent retirement, in addition to his prior benefit~~ both initial and subsequent retirement. The
14 member's total credited service from both initial and subsequent employment shall be taken into
15 account in calculating a reduction, if any, in the member's allowance pursuant to § 3-12-106.

1 Section 2. That § 3-12-111 be amended to read as follows:

2 3-12-111. ~~In the event~~ If a retiree becomes employed as a permanent full-time employee by
3 a participating unit prior to normal retirement age, the payment of ~~his~~ the member's annuity shall
4 be suspended during ~~such~~ the employment. If the member again retires, the member's annuity
5 shall be recalculated to consider all the member's credited service and final compensation from
6 both initial and subsequent employment, adjusted for the present value of annuity payments made
7 during the member's first period of retirement. Any adjustment due to the annuity payments shall
8 be calculated over the member's life expectancy. This section applies only to a member who
9 retires with a reduction of ~~his~~ the member's retirement allowance pursuant to § 3-12-106.

10 Section 3. The provisions of this Act apply to any member whose benefits are suspended
11 pursuant to § 3-12-111 on the effective date of this Act. The provisions of this Act apply to any
12 member whose benefits previously were suspended pursuant to § 3-12-111, if the member elects
13 to have the provisions apply.

14 Section 4. Any increase in a member's retirement benefit as a result of the provisions of this
15 Act shall be prospective only from the effective date of this Act.