

# State of South Dakota

SEVENTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 1998

400B0400

## SENATE BILL NO. 49

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

1 FOR AN ACT ENTITLED, An Act to prorate the interest on contributions under the South  
2 Dakota Retirement System.

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

4 Section 1. That subdivision (27) of § 3-12-47 be amended to read as follows:

5 (27) "Effective rate of interest," interest at an annually compounded rate to be established  
6 by the board for each fiscal year. The rate shall be no greater than ninety percent of  
7 the average ninety-one day United States treasury bill rate for the immediately  
8 preceding calendar year. In no event may the rate be less than five percent or more  
9 than ten percent. If a member withdraws contributions pursuant to § 3-12-76, 3-12-  
10 76.1, 3-12-77, 3-12-79, or 3-12-150, or if benefits are payable under § 3-12-110, the  
11 interest shall be prorated on a monthly basis to the first of the month of the  
12 withdrawal. With respect to amounts due the system under §§ 3-12-69, 3-12-69.3,  
13 3-12-80, 3-12-83 and 3-12-84, the effective rate of interest shall be the rate  
14 established by the board pursuant to § 3-12-121 for investment return for purposes  
15 of the actuarial valuation;

- 1       Section 2. Application of the prorated payment of interest as amended in section 1 of this Act
- 2       applies only to amounts which are first payable after July 1, 1998.