

# State of South Dakota

SEVENTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 1998

400B0402

## SENATE BILL NO. 51

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 a South Dakota Retirement System benefit  
2 recipient's initial annual improvement factor.

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

4 Section 1. That subdivision (41) of § 3-12-47 be amended to read as follows:

5 (41) "Improvement factor," the annual increase in the amount of the benefit allowance for  
6 each year commencing on the July first ~~that is at least twelve months~~ following the  
7 date on which the benefit was first payable and equal to three and one-tenth percent  
8 compounded annually. If the first improvement is for a period of less than twelve  
9 months, the initial improvement shall be an amount equal to three and one-tenth  
10 percent prorated based on the number of months that the benefit was payable, and  
11 subsequent improvements shall be an amount equal to three and one-tenth percent;

12 Section 2. That subdivision (59) of § 3-12-47 be amended to read as follows:

13 (59) "Projected compensation," the member's compensation that was used in the  
14 calculation of the disability or family benefit multiplied by the improvement factor for  
15 ~~each complete twelve-month~~ the period elapsed between the date of the member's

1 death or disability, whichever occurred earlier, and the date ~~he~~ the member would  
2 attain ~~his~~ normal retirement age;

3 Section 3. That § 3-12-75 be amended to read as follows:

4 3-12-75. A terminated member who has a vested right in the system may leave ~~his~~ the  
5 member's accumulated contributions on deposit with the system and receive a retirement  
6 allowance commencing at ~~his~~ the member's retirement. In calculating such allowance, the  
7 member's final compensation shall be increased by the improvement factor for ~~each full fiscal year~~  
8 the period between ~~his~~ the member's last termination and the date on which ~~his~~ the member's  
9 retirement allowance commences.

10 Section 4. Application of the improvement factor as amended in section 1 of this Act shall  
11 applies only to the benefits which are first payable after July 1, 1998.