

AN ACT

ENTITLED, An Act to provide benefit improvements for the members of the South Dakota Retirement System.

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

Section 1. That subdivision (49) of § 3-12-47 be amended to read as follows:

(49) "Other public benefits," eighty percent of the primary insurance amount or primary social security benefits that would be provided under federal social security;

Section 2. That § 3-12-91 be amended to read as follows:

3-12-91. Upon retirement, a member shall receive a normal retirement allowance, commencing at normal retirement age or thereafter as provided in § 3-12-90, for Class A credited service, equal to the larger of 1.55% of final compensation for each year of Class A credited service before July 1, 2000 plus 1.3% of final compensation for each year of Class A credited service after July 1, 2000, or 2.25% of final compensation for each year of Class A credited service before July 1, 2000, plus 2.0% of final compensation for each year of Class A credited service after July 1, 2000, less other public benefits. For purposes of this section, federal military retirement or federal national guard retirement benefits are not other public benefits. Class A credited service includes all credited service under this or any of the retirement systems consolidated pursuant to § 3-12-46.

Section 3. That § 3-12-92 be amended to read as follows:

3-12-92. Upon retirement, a member shall receive a normal retirement allowance, commencing at normal retirement age or thereafter as provided in § 3-12-90, for Class B credited service other than as a justice, judge, or magistrate judge, equal to 2.25% of final compensation for each year of Class B credited service other than as a justice, judge, or magistrate judge before July 1, 2000, plus 2.0% of final compensation for each year of Class B credited service other than as a justice, judge, or magistrate judge after July 1, 2000.

Section 4. That § 3-12-92.4 be amended to read as follows:

3-12-92.4. Upon retirement, a member shall receive a normal retirement allowance, commencing at normal retirement age or thereafter as provided in § 3-12-90, for the first fifteen years of Class B credited service as a justice, judge, or magistrate judge equal to 3.583% of final compensation for each year of Class B credited service as a justice, judge, or magistrate judge before July 1, 2000, plus 3.333% of final compensation for each year of Class B credited service as a justice, judge, or magistrate judge after July 1, 2000. A member shall also receive for Class B credited service as a justice, judge, or magistrate judge in excess of fifteen years, 2.25% of final compensation for each year of Class B credited service as a justice, judge, or magistrate judge before July 1, 2000, plus 2.0% of final compensation for each year of Class B credited service as a justice, judge, or magistrate judge after July 1, 2000.

Section 5. That § 3-12-92.5 be repealed.

Section 6. That § 3-12-92.6 be amended to read as follows:

3-12-92.6. Each member who retired prior to July 1, 1999, and each beneficiary of a deceased member who retired prior to July 1, 1999, shall receive a retirement allowance based on the provisions of § 3-12-91, 3-12-92, or 3-12-92.4 as applicable based on the member's final compensation, credited service, and other public benefits at retirement and the benefit formulas in §§ 3-12-91, 3-12-92, and 3-12-92.4 when improved by the improvement factor from the date of retirement to July 1, 1999.

Increased benefits as provided by any amendment to this section are prospective in nature and are effective July 1, 1999.

Each member or beneficiary of a member who retired prior to July 1, 1974, who is receiving benefits pursuant to § 3-12-126 or each member or beneficiary of a member who elected to retire pursuant to § 3-12-127, shall have a benefit increased by an additional 2.0% as of July 1, 1999, in lieu of the increase provided in this section.

If a member retired prior to normal retirement age, the allowance shall be adjusted in accordance

with the law in effect at the time of retirement. If a member elected an alternate method of payment under the law in effect at the time of retirement, the allowance shall be adjusted in accordance with the law in effect at the time of retirement. If the additional allowance is to be paid to a beneficiary of a deceased member, the additional allowance shall be adjusted in accordance with the law in effect at the time of the member's retirement.

No member or beneficiary whose retirement allowance terminated prior to July 1, 1999, may receive any benefits pursuant to this section.

Section 7. That § 3-12-110 be amended to read as follows:

3-12-110. If the aggregate benefits payable to a member and the member's beneficiaries pursuant to §§ 3-12-75, 3-12-91, 3-12-92, 3-12-92.4, 3-12-92.6, 3-12-94, 3-12-95, 3-12-99, and 3-12-103, after all allowances currently or potentially payable under any provision of this chapter have terminated, do not total to the member's accumulated contributions including one hundred percent of employer contributions, then the balance equal to the difference between the accumulated contributions and total payments made to date shall be paid in a lump sum as provided in this section.

Amounts payable under this section shall be paid as follows:

- (1) To the beneficiary or entity designated by the member if any is designated; or
- (2) If no beneficiary or entity is designated, then to all surviving children, irrespective of age, on a share alike basis; or
- (3) If no beneficiary or entity is designated and there are no surviving children, then to the recipient of the last benefit payment made by the system or to the member's estate.

This section does not apply to any member who withdraws accumulated contributions pursuant to § 3-12-76, 3-12-76.1, or 3-12-77 after termination of employment, or to any nonvested member who dies after termination of employment.

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I certify that the attached Act originated in the

SENATE as Bill No. 10

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 10
File No. _____
Chapter No. _____

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Received at this Executive Office this ____ day of _____ ,

19__ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 19__

Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____ , 19__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State