

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

400C0351

SENATE BILL NO. 10

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

1 FOR AN ACT ENTITLED, An Act to provide benefit improvements for the members of the
2 South Dakota Retirement System.

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

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

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

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

8 3-12-91. Upon retirement, a member shall receive a normal retirement allowance,
9 commencing at normal retirement age or thereafter as provided in § 3-12-90, for Class A
10 credited service, equal to the larger of 1.55% of final compensation for each year of Class A
11 credited service before July 1, 2000 plus 1.3% of final compensation for each year of Class A
12 credited service after July 1, 2000, or 2.25% of final compensation for each year of Class A
13 credited service before July 1, 2000, plus 2.0% of final compensation for each year of Class A
14 credited service after July 1, 2000, less other public benefits. For purposes of this section, federal
15 military retirement or federal national guard retirement benefits are not other public benefits.
16 Class A credited service includes all credited service under this or any of the retirement systems

consolidated pursuant to § 3-12-46.

~~—However, the allowance for each year of credited service prior to July 1, 1998, shall be as provided in § 3-12-92.5.~~

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.

~~—However, the allowance for each year of credited service prior to July 1, 1998, shall be as provided in § 3-12-92.5.~~

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 up to fifteen years plus 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 in excess of fifteen years after July 1, 2000.

~~—However, the allowance for each year of credited service prior to July 1, 1998, shall be as~~

provided in ~~§ 3-12-92.5~~.

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 That § 3-12-92.5 be repealed.

~~3-12-92.5. The retirement allowance for periods prior to July 1, 1998, shall be 1.475% of final compensation for each year of class A credited service.~~

~~The retirement allowance for periods prior to July 1, 1998, shall be 2.175% of final compensation for each year of class B credited service other than as a justice, judge, or magistrate judge.~~

~~The retirement allowance for periods prior to July 1, 1998, shall be 3.508% of final compensation for each year of class B credited service as a justice, judge, or magistrate judge up to fifteen years, plus 2.175% of final compensation for each year of class B credited service as a justice, judge, or magistrate judge in excess of fifteen years.~~

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, ~~1998~~ 1999, and each beneficiary of a deceased member who retired prior to July 1, ~~1998~~ 1999, shall receive a retirement allowance based on the provisions of § ~~3-12-92.5~~ . Any retiree or beneficiary receiving an allowance based on the Class A 2.0% formula provided in § 3-12-91 shall continue to receive that allowance unless the retiree or beneficiary would receive a higher benefit under the ~~1.475% formula provided in § 3-12-92.5~~ § 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 for each full fiscal year from the date of retirement to July 1, ~~1998~~ 1999.

Increased benefits as provided by any amendment to this section are prospective in nature and are effective July 1, ~~1998~~ 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, ~~1998~~
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, ~~1998~~ 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

- 1 pursuant to § 3-12-76, 3-12-76.1, or 3-12-77, ~~or 3-12-79~~ after termination of employment, or
- 2 to any nonvested member who dies after termination of employment.