

State of South Dakota

SEVENTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2002

400H0320

HOUSE BILL NO. 1032

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 certain retirement system provisions to comply
2 with the Economic Growth and Tax Relief Reconciliation Act of 2001, to authorize members
3 to acquire credited service by transferring certain retirement funds, to protect the
4 confidentiality of member information, and to declare an emergency.

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

6 Section 1. That subsection (c) of subdivision 3-12-47(20) be amended to read as follows:

7 (c) Any "compensation" in excess of the limits established in § 401(a)(17) of the
8 Internal Revenue Code as in effect on ~~January 1, 1996~~ January 1, 2002, shall
9 be disregarded for purposes of contributions or for benefit calculations under
10 the system. However, the limit does not apply to compensation earned by a
11 member if the member was employed by a participating unit on or before
12 June 30, 1996;

13 Section 2. That subdivision (28) of § 3-12-47 be amended to read as follows:

14 (28) "Eligible retirement plan," the term eligible retirement plan includes those plans
15 described in section 402(c)(8)(B) of the Internal Revenue Code of 1986, as amended;



1 as in effect on January 1, 2001;

2 Section 3. That § 3-12-89.1 be amended to read as follows:

3 3-12-89.1. Pursuant to chapter 1-26, the board shall adopt rules regulating the maximum
4 annual benefit which may be paid to a member. The rules shall conform to the provisions of
5 § 415 of the Internal Revenue Code of 1954, ~~as amended and~~ as in effect on January 1, 1997,
6 ~~and as clarified in Revenue Ruling 95-29~~ January 1, 2002.

7 Section 4. That chapter 3-12 be amended by adding thereto a NEW SECTION to read as
8 follows:

9 A contributing member may acquire credited service by utilizing a trustee to trustee transfer
10 of funds, excluding any after tax employee contributions, from a member's individual retirement
11 plan that meets the requirements of sections 403(b) or 457 of the Internal Revenue Code as in
12 effect on January 1, 2002, to pay the cost of purchase pursuant to §§ 3-12-83 or 3-12-84 or the
13 amount of a redeposit pursuant to § 3-12-80.

14 Section 5. That chapter 3-12 be amended by adding thereto a NEW SECTION to read as
15 follows:

16 Any information contained in any record pertaining to a member of the system is confidential
17 and shall be used for the sole purpose of carrying into effect the provisions of this chapter. Any
18 record containing the information is not open to inspection by any person or entity except the
19 member, the board, the employees of the system, or the member's employer. The information and
20 records may be released to the member or with the member's consent. The information and
21 records may also be released pursuant to a court order or subpoena.

22 Section 6. Whereas, this Act is necessary for the support of the state government and its
23 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in full
24 force and effect from and after its passage and approval.