

AN ACT

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

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

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

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

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

- (28) "Eligible retirement plan," the term eligible retirement plan includes those plans described in section 402(c)(8)(B) of the Internal Revenue Code as in effect on January 1, 2002;

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

3-12-89.1. Pursuant to chapter 1-26, the board shall adopt rules regulating the maximum annual benefit which may be paid to a member. The rules shall conform to the provisions of § 415 of the Internal Revenue Code as in effect on January 1, 2002.

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

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

redeposit pursuant to § 3-12-80.

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

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

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

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

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1032

Chief Clerk
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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1032
File No. _____
Chapter No. _____

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Received at this Executive Office
this ____ day of _____ ,

20____ at _____ M.

By _____
for the Governor
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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State