

HO#1

All House Bills - 1029, 30, 31 & 32
Travis Almond



2025 Proposed Legislation

South Dakota Retirement System

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Fiscal Year 2024 Highlights

Total System Membership	103,299
Active Contributing Members	42,873
Inactive Non-Contributing Members	26,307
Benefit Recipients	34,119

Fair Value of Assets	\$14.9 Billion
Actuarial Accrued Liability	\$14.9 Billion
Assumed Future COLAs	1.71%
Fair Value Funded Ratio	100.0%

Member and Employer Contributions	\$335.5 Million
Benefit Payments and Refunds	\$764.3 Million
Administrative Expenses	\$5.4 Million
Net Investment Income	\$856.1 Million

Minimum Statutory COLA	0.00%
Maximum Statutory COLA	1.71%
Prior Year Inflation	2.49%
July 2025 COLA	1.71%

Mission Statement

To responsibly manage a financially sustainable system within fixed resources and prepare our members for retirement.

Vision

To be a model retirement system that is fully funded, delivers benefits that meet our long-term benefit goals, and provides members the foundation to achieve financial security during retirement.

HOUSE BILL 1029

An Act to update provisions of the South Dakota Retirement System.

The Issue and Background

To fully understand the South Dakota Retirement System, the reader must review both the statutes and administrative rules, which are in separate locations. This makes it more difficult for someone unfamiliar with the System to navigate the provisions governing SDRS.

The Solution

Codify certain administrative rules, placing them among the related statutes, and update certain statutory provisions to enhance statutory clarity, promote transparency, and improve user experience.

Legislative Summary

- ❖ Transfer certain administrative rules to SDCL chapters 3-12C, 3-13, and 3-13A.
- ❖ Update language throughout SDCL chapters 3-12C, 3-13, and 3-13A to ensure consistency and readability. For example, rather than use the phrase “justice, judge, or magistrate judge,” simply refer to “Class B judicial member.” Similarly, rather than refer to a “Class B member other than a justice, judge, or magistrate judge” simply refer to “Class B public safety member.”

The Actuarial Statement: House Bill 1029 will have no material impact on the liabilities or assets of SDRS.

HOUSE BILL 1030

An Act to update the South Dakota Retirement System's member information protection provisions.

The Issue and Background

The current confidentiality statute could be clarified to provide a better understanding of the limited circumstances in which member information may be disclosed.

The Solution

Define "member information" and itemize the circumstances when it may be disclosed.

Legislative Summary

- ❖ Define "member information."
- ❖ Provide general rule that member information is confidential.
- ❖ List the limited circumstances under which member information may be disclosed.

The Actuarial Statement: House Bill 1030 will have no material impact on the liabilities or assets of SDRS.

Update Member Identity Verification Procedures

HOUSE BILL 1031

An Act to update the South Dakota Retirement System's member identity verification procedures.

The Issue and Background

As SDRS moves to some online processes, current statutory requirements for member verification are inefficient.

The Solution

Expand the methods by which the System can verify member identity to accommodate online processes.

Legislative Summary

- ❖ Remove the requirement of physical documents of verification if there are alternative secure methods of identity verification.

The Actuarial Statement: House Bill 1031 will have no material impact on the liabilities or assets of SDRS.

HOUSE BILL 1032

An Act to update a reference to the Internal Revenue Code in South Dakota Retirement System statutes.

The Issue and Background

The South Dakota Retirement System must comply with current federal laws to ensure SDRS's tax qualification status. One benefit of SDRS being a tax-qualified plan is that no federal income taxes on member and employer contributions and investment income are due until benefits are paid in retirement.

The Solution

Update the reference to the Internal Revenue Code.

Legislative Summary

- ❖ An annual update to the current year made to ensure that SDRS statutes reference the most recent version of the Internal Revenue Code.

The Actuarial Statement: House Bill 1032 will have no material impact on the liabilities or assets of SDRS.