



South Dakota Retirement System

Proposed 2016 Legislation

September 2, 2015

❖ **South Dakota Investment Council**

- **Currently Board of Trustees is required to make an annual appointment**
- **Amendment would make the administrator (executive director) of SDRS a permanent member**
- **Governing statute is not in SDRS chapter 3-12 but in Title 4, Public Fiscal Administration [SDCL 4-5-13]**

- ❖ Require eight votes and a majority for a board decision**
- ❖ Remove statutory reference placing SDRS budget report within budget report of Department of Labor and Regulation**
- ❖ Revise the SDRS statutory term, administrator, to executive director**

- ❖ **Replace term, market value, with fair value**
- ❖ **Revise date for Internal Revenue Code**
- ❖ **Remove specific content requirements of the quadrennial report so report is based on current, relevant measures**

- ❖ **3-12-47.3. Proration of interest**
- ❖ **3-12-120.1, 3-12-120.2, & 3-12-120.3.**
**Independent actuarial review no later than
December 1, 2000**
- ❖ **3-12-140. Regaining service lost from
mandatory refunds**

Affected Section of Law	Amendment Applicable to New Tier
3-12-47(2) Definition of accumulated contributions	Variable benefit account included. 100 percent if vested, 50 percent if not vested
3-12-47(34) Definition of final average compensation	20 consecutive calendar quarters [rather than 12 consecutive calendar quarters] during last 40 calendar quarters
3-12-47(41) Definition of improvement factor	COLA limited to consumer price index (CPI) but no less than 1 percent and no greater than 3.1 percent

Affected Section of Law	Amendment Applicable to New Tier
3-12-47(48) Definition of normal retirement age	67 for Class A and Class B Judicial; 57 for Class B Public Safety
3-12-47(60) Definition of reduction age	Not applicable
3-12-62.8 Conservation officers NRA	Age 55 not applicable to new tier members
3-12-91 Class A benefit	1.8 percent of final average compensation

Affected Section of Law	Amendment Applicable to New Tier
3-12-94 Surviving spouse benefit	Not applicable
3-12-106 Early retirement	5 percent reduction [rather than 3 percent reduction]
3-12-118.1 Alternative benefit enhancement methodology	Creation and administration of variable benefit account. How it may be used to finance early retirement, surviving spouse, etc.

