



## 2024 South Dakota Legislature

# Senate Bill 68

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

1 **An Act to amend certain provisions pertaining to the South Dakota Retirement**  
 2 **System to comply with federal law.**

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

4 **Section 1. That § 3-12C-113 be AMENDED:**

5 **3-12C-113.** For the purposes of this chapter, the term, Internal Revenue Code, or  
 6 code, means the Internal Revenue Code as in effect as of January 1, ~~2023~~ 2024.

7 **Section 2. That § 3-12C-1901 be AMENDED:**

8 **3-12C-1901.** The system shall pay all benefits in accordance with a good faith  
 9 interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the  
 10 regulations in effect under that section, as applicable to a governmental plan within the  
 11 meaning of section 414(d) of the Internal Revenue Code.

12 The member's entire interest ~~shall~~ must be distributed, or begin to be distributed,  
 13 by the required beginning date, which is April first of the calendar year following the later  
 14 of:

15 (1) The calendar year in which the member reaches ~~age seventy-two, or age seventy~~  
 16 ~~and one-half if the member attained age seventy and one-half before January 1,~~  
 17 ~~2020~~ the applicable age, which is determined as follows:

18 (a) If the member was born before July 1, 1949, the applicable age is seventy  
 19 and one-half;

20 (b) If the member attained age seventy-two before January 1, 2023, the  
 21 applicable age is seventy-two;

22 (c) If the member attains age seventy-two after December 31, 2022, the  
 23 applicable age is seventy-three; or

1           (d) Effective January 1, 2033, applicable age shall have the meaning set forth  
 2           in § 401(a)(9)(c)(v) of the Internal Revenue Code; or

3       (2) The calendar year in which the member retires and separates from service with  
 4       the member's employer.

5           A member or beneficiary eligible for benefits ~~shall~~ must apply for benefits in order  
 6       to commence distribution of benefits. The system, pursuant to a qualified domestic  
 7       relations order, may establish separate benefits for a member and alternate payee.

8       **Section 3. That § 3-13-58 be AMENDED:**

9           **3-13-58.** The system shall pay all benefits in accordance with a good faith  
 10       interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the  
 11       regulations in effect under that section, as applicable to a governmental plan within the  
 12       meaning of § 414(d) of the Internal Revenue Code.

13           The participant's entire interest ~~shall~~ must be distributed, or begin to be  
 14       distributed, by the required beginning date, which is April first of the calendar year  
 15       following the later of:

16       (1) The calendar year in which the participant reaches ~~age seventy-two, or age seventy~~  
 17       ~~and one-half if the participant attained age seventy and one-half before January 1,~~  
 18       ~~2020~~ the applicable age, which is determined as follows:

19           (a) If the member was born before July 1, 1949, the applicable age is seventy  
 20           and one-half;

21           (b) If the member attained age seventy-two before January 1, 2023, the  
 22           applicable age is seventy-two;

23           (c) If the member attains age seventy-two after December 31, 2022, the  
 24           applicable age is seventy-three; or

25           (d) Effective January 1, 2033, applicable age shall have the meaning set forth  
 26           in § 401(a)(9)(c)(v) of the Internal Revenue Code; or

27       (2) The calendar year in which the participant retires and separates from service with  
 28       the member's employer.

29           A participant or beneficiary eligible for benefits ~~shall~~ must apply for benefits in  
 30       order to commence distribution of benefits. The system, pursuant to a qualified domestic  
 31       relations order, may establish separate benefits for a participant and alternate payee.

32       **Section 4. That § 3-13A-23.1 be AMENDED:**

1           **3-13A-23.1.** The system shall pay all benefits in accordance with a good faith  
 2 interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the  
 3 regulations in effect under that section, as applicable to a governmental plan within the  
 4 meaning of § 414(d) of the Internal Revenue Code.

5           The participant's entire interest ~~shall~~ must be distributed, or begin to be  
 6 distributed, by the required beginning date, which is April first of the calendar year  
 7 following the later of:

8           (1)    The calendar year in which the participant reaches ~~age seventy-two, or age seventy~~  
 9 ~~and one-half if the participant attained age seventy and one-half before January 1,~~  
 10 ~~2020~~ the applicable age, which is determined as follows:

11           (a)    If the member was born before July 1, 1949, the applicable age is seventy  
 12           and one-half;

13           (b)    If the member attained age seventy-two before January 1, 2023, the  
 14           applicable age is seventy-two;

15           (c)    If the member attains age seventy-two after December 31, 2022, the  
 16           applicable age is seventy-three; or

17           (d)    Effective January 1, 2033, applicable age shall have the meaning set forth  
 18           in § 401(a)(9)(c)(v) of the Internal Revenue Code; or

19           (2)    The calendar year in which the participant retires and separates from service with  
 20           the member's employer.

21           A participant or beneficiary eligible for benefits must apply for benefits in order to  
 22 commence distribution of benefits. The system, pursuant to a qualified domestic relations  
 23 order, may establish separate benefits for a participant and alternate payee.

24    **Section 5. That § 3-13C-13 be AMENDED:**

25           **3-13C-13.** The system shall pay all benefits in accordance with a good faith  
 26 interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the  
 27 regulations in effect under that section, as applicable to a governmental plan within the  
 28 meaning of § 414(d) of the Internal Revenue Code.

29           The member's entire interest ~~shall~~ must be distributed, or begin to be distributed,  
 30 by the required beginning date, which is April first of the calendar year following the later  
 31 of:

32           (1)    The calendar year in which the member reaches ~~age seventy-two, or age seventy~~  
 33 ~~and one-half if the member attained age seventy and one-half before January 1,~~  
 34 ~~2020~~ the applicable age, which is determined as follows:

- 1           (a) If the member was born before July 1, 1949, the applicable age is seventy  
2                 and one-half;
- 3           (b) If the member attained age seventy-two before January 1, 2023, the  
4                 applicable age is seventy-two;
- 5           (c) If the member attains age seventy-two after December 31, 2022, the  
6                 applicable age is seventy-three; or
- 7           (d) Effective January 1, 2033, applicable age shall have the meaning set forth  
8                 in § 401(a)(9)(c)(v) of the Internal Revenue Code; or
- 9       (2) The calendar year in which the member retires and separates from service with  
10           the member's employer.

11           A member or beneficiary eligible for benefits ~~shall~~ must apply for benefits in order  
12           to commence distribution of benefits. The system, pursuant to a qualified domestic  
13           relations order, may establish separate benefits for a member and alternate payee.