

State of South Dakota

NINETIETH SESSION
LEGISLATIVE ASSEMBLY, 2015

400W0206

HOUSE BILL NO. 1008

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

1 FOR AN ACT ENTITLED, An Act to provide for a consistent refund methodology for
2 members of the South Dakota Retirement System and their beneficiaries.

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

4 Section 1. That § 3-12-110 be amended to read as follows:

5 3-12-110. ~~If the aggregate benefits payable to a member and the member's surviving spouse~~
6 ~~and minor children, after~~ After all benefits currently or potentially payable under any provision
7 of this chapter have terminated, ~~do not total to~~ if the aggregate benefits paid to a member and
8 the member's surviving spouse and minor children are less than the member's accumulated
9 contributions ~~including one hundred percent of employer contributions if the member died prior~~
10 ~~to July 1, 2010, or eighty-five percent of employer contributions if the member died on or after~~
11 ~~July 1, 2010, then the balance equal to the difference between,~~ the amount by which the
12 accumulated contributions ~~and~~ exceed total payments made to date shall be paid in a lump sum
13 as provided in this section.

14 Amounts payable under this section shall be paid as follows:

15 (1) To the beneficiary or entity designated by the member, if any is designated; or



- 1 (2) If no beneficiary or entity is designated, then to the member's surviving spouse; or
- 2 (3) If no beneficiary or entity is designated and there is no surviving spouse, then to all
- 3 surviving children, irrespective of age, on a share alike basis; or
- 4 (4) If no beneficiary or entity is designated, there is no surviving spouse, and there are
- 5 no surviving children, then to the member's estate.

6 If no claim for payment due upon the death of a deceased member is made within three years
7 from date of death, the payment shall revert to the system. However, a claim may be honored
8 after the expiration of the three-year reversion period if, in the opinion of the administrator,
9 payment of the claim is warranted by exceptional circumstances.

10 ~~—This section does not apply to any member who withdraws accumulated contributions after~~
11 ~~termination of employment, or to any nonvested member who dies after termination of~~
12 ~~employment.~~