

State of South Dakota

SEVENTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 1997

400A0288

SENATE BILL NO. 33

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

1 FOR AN ACT ENTITLED, An Act to allow class B members of the South Dakota Retirement
2 System to purchase certain public service as class B service.

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

4 Section 1. That § 3-12-47 be amended by adding thereto a NEW SUBDIVISION to read as
5 follows:

6 "Equivalent public service," any public service other than as a justice, a judge, or a magistrate
7 judge and comparable to class B service as defined by this section, if the service is in the employ
8 of a public entity that is not a participating unit.

9 Section 2. That chapter 3-12 be amended by adding thereto a NEW SECTION to read as
10 follows:

11 If a current contributing class B member of this system, other than a justice, a judge, or a
12 magistrate judge, has equivalent public service for which the member is not entitled to retirement
13 benefits from another public retirement system, the member may elect to deposit or have
14 deposited on the member's behalf an amount equal to seventy-five percent of twice the
15 appropriate class B rate of contribution multiplied by the higher of the member's annual

1 compensation at the time of making the election, or the member's final compensation calculated
2 as if the member retired on the date of the election, for each year of equivalent public service
3 for which the member wishes to receive credit as a class B member.

4 Section 3. That § 3-12-130 be amended to read as follows:

5 3-12-130. A current contributing class B member other than a justice, judge or magistrate
6 judge, may convert credited service as a county sheriff or deputy county sheriff prior to
7 January 1, 1980; credited service as a penitentiary correctional staff member prior to July 1,
8 1978; credited service as a conservation officer prior to July 1, 1983; credited service as a parole
9 agent prior to July 1, 1991; and credited service as an air rescue fire fighter prior to July 1, 1992,
10 from credited service as a class A member with benefits provided in accordance with § 3-12-91
11 to credited service as a class B member other than a justice, judge or magistrate judge, with
12 benefits provided in accordance with § 3-12-92, by election to make, or have made on ~~his~~ the
13 member's behalf, contributions based on the higher of ~~his~~ the member's current compensation,
14 or ~~his~~ the member's final compensation calculated as if ~~he~~ the member retired on the date of
15 election at a rate of four and one-half percent for each year of service for which ~~he~~ the member
16 wishes to receive credit. The provisions of this section also apply to a current contributing class
17 B member, other than a justice, judge, or magistrate judge, who previously has purchased
18 equivalent public service pursuant to the provisions of § 3-12-84.

19 Payment of a deposit with the system for the conversion of credited service in
20 accordance with this section shall be determined and due at the time the notice of intention to
21 make ~~such~~ the payment is received by the system. The amount due may be paid by periodic level
22 installments over a period of up to ten years, the value of which, if discounted for interest at the
23 current effective rate as established by the board pursuant to § 3-12-121 for investment return
24 for purposes of the actuarial valuation, is equal to the amount due at the date of the notice. If a
25 member dies before completion of the installment payments, the surviving spouse may complete

1 the payments due the system, but unless the payments are being made by a participating unit, the
2 amount shall be paid in full within ninety days of the member's death or retirement. If the periodic
3 payments are not completed or paid when due, the administrator may make a pro rata adjustment
4 to the credited service, benefits payable under this chapter or schedule of payments to allow for
5 the default.

6 If the credited service of any member or group of members becomes class B credited
7 service on a prospective basis on or after July 1, 1993, the prior credited service as a class A
8 member may be converted to class B credited service in accordance with this section.