

AN ACT

ENTITLED, An Act to prorate a South Dakota Retirement System benefit recipient's initial annual improvement factor.

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

Section 1. That subdivision (41) of § 3-12-47 be amended to read as follows:

(41) "Improvement factor," the annual increase in the amount of the benefit allowance for each year commencing on the July first following the date on which the benefit was first payable and equal to three and one-tenth percent compounded annually. If the first improvement is for a period of less than twelve months, the initial improvement shall be an amount equal to three and one-tenth percent prorated based on the number of months that the benefit was payable, and subsequent improvements shall be an amount equal to three and one-tenth percent;

Section 2. That subdivision (59) of § 3-12-47 be amended to read as follows:

(59) "Projected compensation," the member's compensation that was used in the calculation of the disability or family benefit multiplied by the improvement factor for the period elapsed between the date of the member's death or disability, whichever occurred earlier, and the date the member would attain normal retirement age;

Section 3. That § 3-12-75 be amended to read as follows:

3-12-75. A terminated member who has a vested right in the system may leave the member's accumulated contributions on deposit with the system and receive a retirement allowance commencing at the member's retirement. In calculating such allowance, the member's final compensation shall be increased by the improvement factor for the period between the member's last termination and the date on which the member's retirement allowance commences.

Section 4. Application of the improvement factor as amended in section 1 of this Act shall apply only to the benefits which are first payable after July 1, 1998.

An Act to prorate a South Dakota Retirement System benefit recipient's initial annual improvement factor.

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I certify that the attached Act originated in the

SENATE as Bill No. 51

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 51
File No. _____
Chapter No. _____

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Received at this Executive Office this ____ day of _____ ,

19__ at ____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 19__

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 19__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State