

AN ACT

ENTITLED, An Act to repeal certain provisions relating to the deferred compensation fund for public employees and to grant certain authorities to the state investment officer.

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

Section 1. That § 3-13-51 be repealed.

Section 2. That chapter 3-13 be amended by adding thereto a NEW SECTION to read as follows:

Funds held by the fund may be invested by plan participants in such investments as are deemed appropriate by the state investment officer, including, but not limited to, annuity contracts. The state investment officer is authorized to enter into contracts for investment alternatives and to offer internal investment alternatives, and the plan administrator is authorized to transfer funds to, from, and among the respective investment alternatives. The state investment officer shall be held to the standard of conduct of a fiduciary and shall carry out all functions solely in the interests of the participants and benefit recipients and for the exclusive purpose of providing benefits and defraying reasonable expenses incurred in performing such duties as required by law.

Section 3. That § 4-5-26 be amended to read as follows:

4-5-26. Money made available for investment may be invested in the following classes of securities and investments and, except as provided by § 3-12-117, chapter 3-13, and the South Dakota cement plant retirement fund, not otherwise:

- (1) Direct and indirect obligations of the United States government;
- (2) Agencies and instrumentalities of the United States government;
- (3) Direct obligations of the State of South Dakota and any of its political subdivisions;
- (4) Obligations consisting of notes, bonds, debentures, and certificates which are direct obligations of a solvent corporation or trust existing under the laws of the United States or any state thereof, provided that such investments shall be rated in the four highest classifications established by at least two standard rating services;

- (5) Savings accounts, share accounts, certificates of deposit of banks, savings and loan associations, building and loan associations and bankers' acceptances.

Section 4. That chapter 3-13 be amended by adding thereto a NEW SECTION to read as follows:

The administrator shall execute any agreements as are necessary to carry out the provisions of this chapter, except such agreements as are executed by the state investment officer pursuant to section 2 of this Act. Any contract for an investment alternative in effect on July 1, 2000, is hereby transferred by operation of law to the state investment officer as of July 1, 2000.

Section 5. That chapter 3-13 be amended by adding thereto a NEW SECTION to read as follows:

If a contract with a vendor terminates and a participant fails to notify the third-party administrator of the participant's new investment selection before the contract terminates, the third-party administrator shall transfer that participant's account to the investment alternative designated by the state investment officer.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1156

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1156
File No. _____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Ass. Secretary of State