

AN ACT

ENTITLED, An Act to provide benefit improvements for certain members of the South Dakota Retirement System, to revise the provisions for the purchase of uncredited service by members of the system, and to provide for increased contributions for certain members.

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

Section 1. That § 3-12-91 be amended to read as follows:

3-12-91. Upon retirement, a member shall receive a normal retirement allowance, commencing at normal retirement age or thereafter as provided in § 3-12-90, for Class A credited service, equal to the larger of 1.625% of final compensation for each year of Class A credited service before July 1, 2002, plus 1.55% of final compensation for each year of Class A credited service after July 1, 2002, or 2.325% of final compensation for each year of Class A credited service before July 1, 2002, plus 2.25% of final compensation for each year of Class A credited service after July 1, 2002, less other public benefits. For purposes of this section, federal military retirement or federal national guard retirement benefits are not other public benefits. For the purposes of this section, any Class A member who did not participate in federal social security during the period of credited service shall be presumed to be entitled to the maximum primary social security benefit permitted at the time of retirement. Class A credited service includes all credited service under this or any of the retirement systems consolidated pursuant to § 3-12-46.

Section 2. That § 3-12-83 be amended to read as follows:

3-12-83. A current contributing member of the system may receive credited service by election to make, or have made on the member's behalf, contributions, based on the higher of the member's current compensation, or the member's final compensation calculated as if the member retired on the date of election, at seventy-five percent of twice the member rate, for each year of service for which the member wishes to receive credit, if:

- (1) The current contributing member of the system could have established credit for any South Dakota public service by making contributions under this chapter or any prior law; or
- (2) The current contributing member was not permitted to establish credit for any South Dakota public service.

The amount of the credited service and the rate of contribution shall be at class A rates unless the service for which credit is sought was rendered as a class B member in which case class B rates shall apply. If a participating unit has failed to pay employer or member contributions to the system on behalf of a member as required under this chapter or under any predecessor system consolidated pursuant to § 3-12-46, the amount due the system shall be calculated in accordance with this section.

The member rate in effect as of July 1, 2001, shall be used in calculation of the purchase cost of any service performed prior to July 1, 2002.

Section 3. That § 3-12-84 be amended to read as follows:

3-12-84. If a current contributing member of this system has other public service for which the member is not entitled to retirement benefits from another public retirement system, the member may elect to deposit or have deposited on the member's behalf an amount equal to seventy-five percent of twice the Class A rate of contribution multiplied by the higher of the member's annual compensation at the time of making the election, or the member's final compensation calculated as if the member retired on the date of the member's election, for each year of other public service for which the member wishes to receive credit as a Class A member.

The member rate in effect as of July 1, 2001, shall be used in calculation of the purchase cost of any service performed prior to July 1, 2002.

Section 4. The benefit formula multiplier increases in section 1 of this Act are effective on July 1, 2002, only if the provisions of chapter 23 of the 2000 Session Laws are in effect on that date. If the provisions of chapter 23 of the 2000 Session Laws are repealed, the benefit formula multiplier

increases found in section 1 of this Act are likewise repealed. However, if repealed, the benefit formula multiplier increases in section 1 of this Act are applicable for any time period that increased contributions pursuant to chapter 23 of the 2000 Session Laws are received by the system.

Section 5. That chapter 3-12 be amended by adding thereto a NEW SECTION to read as follows:

Each participating unit shall make an additional contribution in the amount of six and two-tenths percent of any member's compensation in each calendar year that exceeds the maximum taxable amount for social security for the calendar year. The additional contributions shall be made only for Class A members and may not be treated as employer contributions.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1033

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. 1033
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 _____
Asst. Secretary of State