

State of South Dakota

SEVENTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2003

770I0267

SENATE ENGROSSED NO. **SB 16** - 01/27/2003

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

1 FOR AN ACT ENTITLED, An Act to revise the retirement provisions for certain members of
2 the South Dakota Retirement System and to declare an emergency.

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

4 Section 1. That § 3-12-82 be amended to read as follows:

5 3-12-82. If less than ~~one year~~ three years of credited service is performed after last reentry,
6 a retired member shall continue to receive upon subsequent retirement an allowance equal to the
7 original retirement allowance the member ~~would have~~ received ~~had the~~ prior to the time the
8 member ~~not~~ returned to employment, plus a refund of the member's ~~accumulated~~
9 plus seventy-five percent of employer contributions made during the period after last reentry.

10 If ~~one year~~ three years or more of credited service is performed after reentry into
11 employment, a retired member shall continue to receive upon subsequent retirement ~~an, the~~
12 original retirement allowance, plus an additional allowance based upon the member's ~~total~~
13 credited service and final compensation ~~from both initial and subsequent retirement. The~~
14 ~~member's total credited service from both initial and subsequent employment shall be taken into~~
15 ~~account in calculating a reduction, if any, in the member's allowance pursuant to § 3-12-106~~



1 earned during subsequent employment. Only the member's credited service from the subsequent
2 employment shall be taken into account in calculating a reduction, if any, in the member's
3 additional allowance due to reemployment pursuant to § 3-12-106, entitlement to a vested
4 benefit as defined by subdivision 3-12-47(73), or eligibility for any South Dakota Retirement
5 System benefit.

6 The improvement factor shall be suspended pursuant to § 3-12-88 for the period of
7 reemployment.

8 Section 2. That § 3-12-88 be amended to read as follows:

9 3-12-88. All benefits except those depending on the member's contribution balance shall be
10 annually increased by the improvement factor. However, the improvement factor shall be
11 suspended for the period that any retiree is reemployed as a permanent full-time employee. The
12 suspension of the improvement factor shall end when the member again retires and commences
13 the additional allowance or refunds pursuant to § 3-12-82.

14 Section 3. That § 3-12-111 be amended to read as follows:

15 3-12-111. If a retiree becomes employed as a permanent full-time employee by a participating
16 unit prior to normal retirement age, the payment of the member's annuity shall be suspended
17 during the employment. If the member again retires, the member's annuity shall be recalculated
18 to consider all the member's credited service and final compensation from both initial and
19 subsequent employment, adjusted for the present value of annuity payments made during the
20 member's first period of retirement. Any adjustment due to the annuity payments shall be
21 calculated over the member's life expectancy. This section applies only to a member who retires
22 with a reduction of the member's retirement allowance pursuant to § 3-12-106 continue during
23 the period of reemployment. The improvement factor shall be suspended pursuant to § 3-12-88
24 for the period of reemployment.

1 Section 4. The monthly payment of any retirement benefit suspended due to reemployment
2 prior to July 1, 2003, shall resume, subject to § 3-12-88, as of July 1, 2003.

3 Section 5. This Act does not apply to any retiree who is reemployed, is continuing to receive
4 a South Dakota Retirement System retirement benefit, and is contributing to the South Dakota
5 Retirement System as of July 1, 2003.

6 Section 6. Whereas, this Act is necessary for the immediate preservation of the public peace,
7 health, or safety, an emergency is hereby declared to exist, and this Act shall be in full force and
8 effect from and after its passage and approval.