

AN ACT

ENTITLED, An Act to revise certain provisions regarding the types of service necessary for certain South Dakota Retirement System benefits.

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

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

(47) "Normal retirement," the termination of employment and application for benefits by a member with three or more years of contributory service or noncontributory service as delineated in subsections (b), (e), (g) and (h) of § 3-12-47(24) on or after the member's normal retirement age;

Section 2. That subdivision (73) of § 3-12-47 be amended to read as follows:

(73) "Vested," the right to an annuity payable at normal retirement age from the system after three years of contributory service or noncontributory service as delineated in subsections (b), (e), (g) and (h) of § 3-12-47(24), even if the member leaves the employment of a participating unit, provided that the member does not withdraw accumulated contributions. A member who leaves the employment of a participating unit is not entitled to benefits under §§ 3-12-95, 3-12-98, 3-12-99, 3-12-104, and 3-12-105.

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

3-12-82. If less than three years of contributory service or noncontributory service as delineated in subsections (b), (e), (g) and (h) of § 3-12-47(24) is acquired after a retired member's reentry into covered employment, the member upon subsequent retirement shall receive a refund of the member's contributions and seventy-five percent of the employer's contributions, plus interest on both at the effective rate, made during the period after reentry.

If three years or more of contributory service or noncontributory service as delineated in subsections (b), (e), (g) and (h) of § 3-12-47(24) are acquired after a retired member's reentry into

covered employment, the member upon subsequent retirement shall receive an additional allowance based upon the member's credited service and final compensation earned during such reentry. Only the member's credited service from the subsequent employment shall be taken into account in calculating a reduction pursuant to § 3-12-106, if any, in the member's additional allowance. In addition, the annual increase applied to the original allowance pursuant to § 3-12-88 shall be eliminated for such period of reemployment, unless the member retired as a Class B member other than a justice, judge, or magistrate judge and subsequently has reentered covered employment as a Class A member.

The provisions of this section apply to any member who retired without any reduction in benefits pursuant to § 3-12-106 and who reenters covered employment on or after July 1, 2004.

Section 4. That § 3-12-95 be amended to read as follows:

3-12-95. On the death of a contributing member after July 1, 1974, and prior to the earlier of the member attaining normal retirement age or the member's retirement, who has one or more years of contributory service; or if there has been a break in the member's employment of more than one year, one-half year of contributory service having been performed after the end of the last such break; or if the member was receiving a disability allowance which commenced after July 1, 1974, the following benefits shall be paid:

- (1) A surviving spouse having the care of children shall receive an annual amount, payable in monthly installments, equal to forty percent of the member's final average compensation, plus ten percent of such final average compensation for each child to a maximum of six such children;
- (2) The conservator of each child, on whose account there is no benefit payable under subdivision (1), shall receive on behalf of each child, to a maximum of five such children, an annual amount, payable in monthly installments, equal to twenty percent of the

member's final average compensation;

- (3) If the sum of benefits payable under subdivisions (1) and (2) exceeds one hundred percent of the member's final average compensation, the benefits payable under both subdivisions (1) and (2) shall be proportionally reduced so that the total of the benefits is equal to one hundred percent of the member's final average compensation;
- (4) If there are no benefits being paid under subdivision (1) and the member's accumulated contributions have not been withdrawn pursuant to § 3-12-97, the spouse who has reached age sixty-five shall receive a monthly payment equal to sixty percent of the amount which would have been payable to the deceased member at normal retirement age based on the member's credited and projected service and projected compensation. The benefit payable under this subdivision shall be increased by application of the improvement factor for time which elapses between the date the member would have reached normal retirement age and the date benefits commence to the spouse.

Family benefits begin to accrue on the first day of the month following the death of the member.

Section 5. That § 3-12-98 be amended to read as follows:

3-12-98. A contributing member who becomes disabled and who has acquired at least three years of contributory service or noncontributory service as delineated in subsections (b), (e), (g) and (h) of § 3-12-47(24) since the member's most recent entry into active status and prior to becoming disabled or was disabled by accidental means while performing usual duties for an employer, is eligible for a disability allowance if the disability is expected to be of long, continued, and indefinite duration of at least one year. In order to be eligible for a disability allowance, a member shall be disabled on the date the contributory service ends. Any member who fails to file with the administrator an application for disability benefits within three years of the date on which the member's contributory service ends, forfeits all rights to disability benefits. For purposes of this

section, a transfer within a participating unit, or a change in employment from one participating unit to another participating unit if there is no break in contributory service, does not constitute a new entry into active status.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1017

\_\_\_\_\_  
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. 1017  
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