

**20:16:17:01. Definitions.** Terms used in this chapter mean:

- (1) "Plan," "pension plan," the retirement plan set forth in this chapter and any modifications, amendments, extensions, or renewals of it;
- (2) "Collective bargaining agreement," a written contract between a union and the commission requiring contributions to the plan or setting forth benefits to be provided, including all extensions or renewals and successor agreements of it;
- (3) "Employee," an employed person, including an officer, whose customary employment is for at least 20 hours in a week and for at least five months in any calendar year;
- (4) "Pensioner," an employee who is retired and who is receiving benefits under the plan;
- (5) "Credited service," period of employment for purposes of determining eligibility for benefits under the plan, as set forth in §§ 20:16:17:27 to 20:16:17:29, inclusive;
- (6) "Actuarial equivalent," a benefit calculated to be of equal value to the benefit otherwise payable when computed on the basis of the 1971 Group Annuity Mortality Table, as published in Appendix A at the end of this chapter, at 7.5 percent interest;
- (7) "Beneficiary," the person, estate, or trust designated by the employee or pensioner to receive any benefit payments after the death of the employee or pensioner;
- (8) "Earnings," compensation paid to an employee by the commission including base pay, the employee's elective contributions to deferred compensation plans, other deferred compensation, any short term and long term bonuses based on compensation and discretionary bonuses, but excluding any premium pay, overtime pay, higher pay rates for temporary job assignments, lump sum annual leave payment, sick leave retirement bonus payment, severance payment, or other compensation not specifically stated as being covered compensation for the retirement calculation;
- (9) "Hourly conversion rate," for the purpose of converting an hourly rate to a monthly rate four and one-third weeks a month at 40 hours a week is used;
- (10) "Final average earnings," the average of an employee's highest consecutive 36 calendar months of earnings in the last 72 calendar months of this credited service immediately preceding the earlier of the calendar month in which the employee's retirement date occurs. Final average earnings for any piece worker shall be calculated as stated in this subdivision plus piece work pay as described in the collective bargaining agreement for vacations, sick leave, or authorized leaves of absence;
- (11) "Effective date," May 1, 1970;
- (12) "Restated plan effective date," February 1, 1974;

(13) "Retirement date," the date an employee actually retires under the applicable provisions of the plan;

(14) "Normal retirement date," the first day of the calendar month coincident with or next following the employee's 65<sup>th</sup> birthday;

(15) "Fund," the fund created pursuant to SDCL chapter 3-12;

(16) "Totally disabled," a disability that prevents the employee from performing the employee's duties and entitles the employee to receive a federal Social Security Act disability benefit;

(17) "Number," the singular number includes the plural unless a different meaning is plainly required by the context;

(18) "Child or children," any employee's unmarried dependent child who is under 19 years of age; any unmarried dependent child under 23 years of age who is a full-time student; any unmarried dependent child who is totally or permanently disabled, either physically or mentally, regardless of the child's age, if the disability occurred before age 19; any stepchild or foster child who depends on the employee for support and lives in the household of the employee in a regular parent-child relationship; or any child of the employee conceived during the employee's lifetime and born after the employee's death;

(19) "Other public benefits," the benefits provided by the old age, survivors, disability, and health insurance program provided by the federal Social Security Act, the federal civil service retirement program, federal military, disability, railroad retirement plans, workers' compensation, or any other public retirement system.

**Source:** 28 SDR 109, effective February 11, 2002; 36 SDR 207, effective July 1, 2010; 40 SDR 197, effective May 27, 2014.

**General Authority:** SDCL 3-12-222.

**Law Implemented:** SDCL 3-12-218, 3-12-219.