

State of South Dakota

NINETIETH SESSION
LEGISLATIVE ASSEMBLY, 2015

400W0204

HOUSE BILL NO. 1007

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 and update certain provisions relating to the South
2 Dakota Retirement System.

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

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

5 (3) "Actuarial equivalent," a benefit of equal value, ~~including a three percent annual~~
6 ~~improvement, when discounted at a seven percent rate of interest and the 1971 group~~
7 ~~annuity mortality table, projected by Scale D to 1975, using a unisex rate that is fifty~~
8 ~~percent male and fifty percent female for employees and beneficiaries. However, for~~
9 ~~purposes of § 3-12-69.5, the 1971 group annuity mortality table, projected by Scale~~
10 ~~D to 1975 according to the sex of the payee, shall be used~~ including the improvement
11 factor assumption adopted by the board, computed on the basis of interest rate and
12 mortality assumptions adopted by the board for purposes of the actuarial valuation.
13 For purposes of this definition, if the board adopts a select and ultimate rate of
14 interest, the interest rate is the ultimate rate. Also, for purposes of this definition,
15 mortality shall be based on a unisex rate that is fifty percent male and fifty percent



1 female for employees and beneficiaries, based on the mortality rates for retired
 2 employees and beneficiaries including, if the board adopts a generational mortality
 3 table, projection of mortality improvement to the calendar year containing the
 4 beginning of the plan year;

5 Section 2. That subdivision (9) of § 3-12-47 be amended to read as follows:

6 (9) "Approved actuary," any actuary who is a member of the American Academy of
 7 Actuaries or an Associate or a Fellow of the Society of Actuaries ~~or who has at least~~
 8 ~~fifteen years of service to major public employee funds~~ who meets the qualification
 9 standards of the American Academy of Actuaries to issue actuarial opinions
 10 regarding the system or any firm retaining such an actuary on its staff and who is
 11 appointed by the board to perform actuarial services;

12 Section 3. That subdivision (41A) of § 3-12-47 be amended to read as follows:

13 (41A) "Internal Revenue Code," or "code," the Internal Revenue Code as in effect as of ~~the~~
 14 ~~date adopted by the board in rules promulgated pursuant to chapter 1-26~~ January 1,
 15 2015;

16 Section 4. That § 3-12-63 be amended to read as follows:

17 3-12-63. Membership in the system shall exclude the following:

18 (1) All elective officers except justices and judges, unless such person elects and is
 19 otherwise qualified to become a member of the system;

20 (2) All personnel in the Department of Labor and Regulation who were employed prior
 21 to July 1, 1980, and who elect to remain participants in the retirement system
 22 provided by chapter 61-2;

23 (3) ~~State Cement Plant employees;~~

24 ~~(4)~~ The governing body of any participating county, municipality, or other political

1 subdivision; and

2 ~~(5)~~(4) All personnel employed by the municipality of Sioux Falls prior to July 1, 2013.

3 However, any person employed prior to July 1, 2013, who separates from service
4 with the municipality of Sioux Falls and is subsequently rehired by the municipality
5 of Sioux Falls and begins working after June 30, 2013, as a permanent full-time
6 employee as defined in subdivision 3-12-47(54), shall be a member of the system.

7 Section 5. That ARSD 62:01:01:04 be repealed.

8 ~~62:01:01:04. Internal Revenue Code. The term, Internal Revenue Code, and the term, code,~~
9 ~~mean the Internal Revenue Code as in effect on July 1, 2014.~~