

# State of South Dakota

EIGHTY-EIGHTH SESSION  
LEGISLATIVE ASSEMBLY, 2013

400U0239

## HOUSE BILL NO. 1025

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 certain actuarial and reporting requirements  
2 relating to the South Dakota Retirement System.

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

4 Section 1. That § 3-12-122 be amended to read as follows:

5 3-12-122. The board shall review the funding of the system and shall make a report to the  
6 Governor and the Retirement Laws Committee if any of the following ~~exists~~ conditions exist  
7 as of the latest annual actuarial valuation of the system:

8 (1) The contributions do not equal the actuarial requirement for funding;

9 (2) The funded ratio is less than eighty percent, or a ratio based on the market value of  
10 assets is less than eighty percent; or

11 (3) The market value of assets is less than ninety percent of the actuarial value of assets.

12 The report shall include an analysis of the conditions ~~required for an improvement of the~~  
13 ~~funded status of the system~~ and recommendations for the circumstances and timing for any  
14 future benefit changes, contribution changes, or ~~changes in actuarial assumptions~~ any other  
15 corrective action, or any combination of actions, to improve the conditions. Based on this report



1 and the recommendations of the board, the Legislature may adopt benefit changes, contribution  
2 changes, or any other corrective action, or any combination of actions, to improve the conditions  
3 set out in this section.

4 If any of the conditions set out ~~by~~ in this section exist for a period of three consecutive  
5 annual actuarial valuations, the board shall recommend benefit reductions, contribution changes,  
6 ~~or both, shall be recommended by the board to~~ any other corrective action, or any combination  
7 of actions, for approval by the Legislature and the Governor and the Retirement Laws  
8 Committee, effective as soon as possible, to improve the ~~funded status of the system~~ conditions  
9 set out in this section.