

State of South Dakota

NINETY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2018

505Z0891

SENATE BILL NO. 206

Introduced by: Senators Curd, Cammack, Cronin, Ewing, Frerichs, Greenfield (Brock), Haverly, Heinert, Jensen (Phil), Kennedy, Killer, Klumb, Kolbeck, Langer, Maher, Monroe, Nelson, Nesiba, Netherton, Novstrup, Otten (Ernie), Partridge, Peters, Rusch, Soholt, Solano, Stalzer, Sutton, White, and Youngberg

1 FOR AN ACT ENTITLED, An Act to revise certain provisions to authorize for the inclusion
2 of legislators in the South Dakota Retirement System.

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

4 Section 1. That § 3-12-47 be amended by adding a NEW SUBDIVISION to read:

5 (51A) "Legislative member," any current or former member of Legislature who has made
6 contributions to the system while a current member of the Legislature;

7 Section 2. That subdivision (52) of § 3-12-47 be amended to read:

8 (52) "Member," any person who is participating in and has made contributions to the
9 system and is either a foundation member ~~or~~, generational member, or legislative
10 member. A person's membership ceases when the person withdraws his or her
11 accumulated contributions after termination of employment;

12 Section 3. That § 3-12-63 be amended to read:

13 3-12-63. Membership in the system shall exclude the following:



- 1 (1) All elective officers except justices ~~and~~, judges, and current members of the
2 Legislature unless such person elects and is otherwise qualified to become a member
3 of the system;
- 4 (2) All personnel in the Department of Labor and Regulation who were employed before
5 July 1, 1980, and who elect to remain participants in the retirement system provided
6 by chapter 61-2;
- 7 (3) The governing body of any participating county, municipality, or other political
8 subdivision; and
- 9 (4) All personnel employed by the municipality of Sioux Falls before July 1, 2013.
10 However, any person employed before July 1, 2013, who separates from service with
11 the municipality of Sioux Falls and is subsequently rehired by the municipality of
12 Sioux Falls and begins working after June 30, 2013, as a permanent full-time
13 employee shall be a member of the system.

14 Section 4. That § 3-12-64 be amended to read:

15 3-12-64. ~~A full-time~~ Any current elective officer ~~if he who~~ is not a contributing member of
16 the system ~~at the date the participating unit enters the system or on July 1, 1974~~, and is not
17 otherwise excluded may elect to become a member, provided, however, ~~his~~ the credited service
18 shall be limited to service for which contributions were made.

19 Section 5. That § 3-12-71 be amended to read:

20 3-12-71. The member shall make a contribution to the system, except as specified in § 3-12-
21 200, and the employer shall make an equal contribution to the system, except as otherwise
22 specified, at the following rates:

- 23 (1) Class A members five percent of compensation through June 30, 2002, and six
24 percent of compensation after June 30, 2002;

- 1 (2) Justices, judges, and magistrate judges nine percent of compensation;
- 2 (3) All other Class B members eight percent of compensation;
- 3 (4) Current members of the Legislature zero percent of compensation.

4 The employer shall cause to be deducted on each payroll of a member for each payroll
5 period the contribution payable by the member as provided in this section.

6 Except for those contributions specified in § 3-12-200, contributions required of members
7 by this section shall be made by the participating unit pursuant to the provisions of § 414(h)(2)
8 of the Internal Revenue Code. Such contributions shall be classified as member contributions
9 for all purposes under this chapter. A member may not receive the amount of such contributions
10 directly rather than as contributions under this section.

11 Section 6. That chapter 3-12 be amended by adding a NEW SECTION to read:

12 Notwithstanding § 3-12-47.7, current members of the Legislature are contributing members
13 during the time the system receives a contribution of the legislator's compensation, indicating
14 that the member is an active member.