



2024 South Dakota Legislature

Senate Bill 68

Introduced by: The Chair of the Committee on Retirement Laws at the request of the South Dakota Retirement System

1 **An Act to amend certain provisions pertaining to the South Dakota Retirement**
 2 **System to comply with federal law.**

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

4 **Section 1. That § 3-12C-113 be AMENDED:**

5 **3-12C-113.** For the purposes of this chapter, the term, Internal Revenue Code, or
 6 code, means the Internal Revenue Code as in effect as of January 1, ~~2023~~ 2024.

7 **Section 2. That § 3-12C-1901 be AMENDED:**

8 **3-12C-1901.** The system shall pay all benefits in accordance with a good faith
 9 interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the
 10 regulations in effect under that section, as applicable to a governmental plan within the
 11 meaning of section 414(d) of the Internal Revenue Code.

12 The member's entire interest ~~shall~~ must be distributed, or begin to be distributed,
 13 by the required beginning date, which is April first of the calendar year following the later
 14 of:

15 (1) The calendar year in which the member reaches ~~age seventy-two, or age seventy~~
 16 ~~and one-half if the member attained age seventy and one-half before January 1,~~
 17 ~~2020~~ the applicable age, which is determined as follows:

18 (a) If the member was born before July 1, 1949, the applicable age is seventy
 19 and one-half;

20 (b) If the member attained age seventy-two before January 1, 2023, the
 21 applicable age is seventy-two;

22 (c) If the member attains age seventy-two after December 31, 2022, the
 23 applicable age is seventy-three; or

1 (d) Effective January 1, 2033, applicable age shall have the meaning set forth
 2 in § 401(a)(9)(c)(v) of the Internal Revenue Code; or

3 (2) The calendar year in which the member retires and separates from service with
 4 the member's employer.

5 A member or beneficiary eligible for benefits ~~shall~~ must apply for benefits in order
 6 to commence distribution of benefits. The system, pursuant to a qualified domestic
 7 relations order, may establish separate benefits for a member and alternate payee.

8 **Section 3. That § 3-13-58 be AMENDED:**

9 **3-13-58.** The system shall pay all benefits in accordance with a good faith
 10 interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the
 11 regulations in effect under that section, as applicable to a governmental plan within the
 12 meaning of § 414(d) of the Internal Revenue Code.

13 The participant's entire interest ~~shall~~ must be distributed, or begin to be
 14 distributed, by the required beginning date, which is April first of the calendar year
 15 following the later of:

16 (1) The calendar year in which the participant reaches ~~age seventy-two, or age seventy~~
 17 ~~and one-half if the participant attained age seventy and one-half before January 1,~~
 18 ~~2020~~ the applicable age, which is determined as follows:

19 (a) If the member was born before July 1, 1949, the applicable age is seventy
 20 and one-half;

21 (b) If the member attained age seventy-two before January 1, 2023, the
 22 applicable age is seventy-two;

23 (c) If the member attains age seventy-two after December 31, 2022, the
 24 applicable age is seventy-three; or

25 (d) Effective January 1, 2033, applicable age shall have the meaning set forth
 26 in § 401(a)(9)(c)(v) of the Internal Revenue Code; or

27 (2) The calendar year in which the participant retires and separates from service with
 28 the member's employer.

29 A participant or beneficiary eligible for benefits ~~shall~~ must apply for benefits in
 30 order to commence distribution of benefits. The system, pursuant to a qualified domestic
 31 relations order, may establish separate benefits for a participant and alternate payee.

32 **Section 4. That § 3-13A-23.1 be AMENDED:**

1 **3-13A-23.1.** The system shall pay all benefits in accordance with a good faith
 2 interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the
 3 regulations in effect under that section, as applicable to a governmental plan within the
 4 meaning of § 414(d) of the Internal Revenue Code.

5 The participant's entire interest ~~shall~~ must be distributed, or begin to be
 6 distributed, by the required beginning date, which is April first of the calendar year
 7 following the later of:

8 (1) The calendar year in which the participant reaches ~~age seventy-two, or age seventy~~
 9 ~~and one-half if the participant attained age seventy and one-half before January 1,~~
 10 ~~2020~~ the applicable age, which is determined as follows:

11 (a) If the member was born before July 1, 1949, the applicable age is seventy
 12 and one-half;

13 (b) If the member attained age seventy-two before January 1, 2023, the
 14 applicable age is seventy-two;

15 (c) If the member attains age seventy-two after December 31, 2022, the
 16 applicable age is seventy-three; or

17 (d) Effective January 1, 2033, applicable age shall have the meaning set forth
 18 in § 401(a)(9)(c)(v) of the Internal Revenue Code; or

19 (2) The calendar year in which the participant retires and separates from service with
 20 the member's employer.

21 A participant or beneficiary eligible for benefits must apply for benefits in order to
 22 commence distribution of benefits. The system, pursuant to a qualified domestic relations
 23 order, may establish separate benefits for a participant and alternate payee.

24 **Section 5. That § 3-13C-13 be AMENDED:**

25 **3-13C-13.** The system shall pay all benefits in accordance with a good faith
 26 interpretation of the requirements in § 401(a)(9) of the Internal Revenue Code and the
 27 regulations in effect under that section, as applicable to a governmental plan within the
 28 meaning of § 414(d) of the Internal Revenue Code.

29 The member's entire interest ~~shall~~ must be distributed, or begin to be distributed,
 30 by the required beginning date, which is April first of the calendar year following the later
 31 of:

32 (1) The calendar year in which the member reaches ~~age seventy-two, or age seventy~~
 33 ~~and one-half if the member attained age seventy and one-half before January 1,~~
 34 ~~2020~~ the applicable age, which is determined as follows:

1 (a) If the member was born before July 1, 1949, the applicable age is seventy
2 and one-half;

3 (b) If the member attained age seventy-two before January 1, 2023, the
4 applicable age is seventy-two;

5 (c) If the member attains age seventy-two after December 31, 2022, the
6 applicable age is seventy-three; or

7 (d) Effective January 1, 2033, applicable age shall have the meaning set forth
8 in § 401(a)(9)(c)(v) of the Internal Revenue Code; or

9 (2) The calendar year in which the member retires and separates from service with
10 the member's employer.

11 A member or beneficiary eligible for benefits ~~shall~~ must apply for benefits in order
12 to commence distribution of benefits. The system, pursuant to a qualified domestic
13 relations order, may establish separate benefits for a member and alternate payee.