



## MEMO NO. 2021-01B

TO: MEMBERS OF THE BOARD OF TRUSTEES

FROM: TRAVIS ALMOND, EXECUTIVE DIRECTOR

SUBJECT: EFFECTIVE RATE OF INTEREST TO BE CREDITED  
FROM JULY 1, 2021, TO JUNE 30, 2022

DATE: MARCH 22, 2021

The interest rate credited to member accounts that is payable if a member terminates employment and refunds out of the system is defined in SDCL 3-12C-108 as follows:

***3-12C-108. Effective rate of interest defined.** For the purposes of this chapter, the phrase, effective rate of interest, means the interest at an annually compounded rate to be established by the board for each fiscal year. The rate shall be no greater than ninety percent of the average ninety-one day United States treasury bill rate for the immediately preceding calendar year and in no event may the rate be more than the rate established by the board pursuant to § 3-12C-227 for investment return for purposes of the actuarial valuation. If a member withdraws contributions pursuant to § 3-12C-602 or 3-12C-604, or if benefits are payable under § 3-12C-409, the interest shall be as annually compounded on the preceding June thirtieth.*

Attached is a copy of the domestic interest rate statistics for calendar year 2020, as published by the Federal Reserve Board. The U.S. Treasury bills secondary market average on 3-month issues is the average 91-day U.S. Treasury bill rate you would use in the calculation required by SDCL 3-12C-108. The Treasury bill rate for the calendar year 2020 was 0.35%. Ninety percent of the calendar 2020 T-bill rate is 0.32%.

Please bring your copy of this memo to the April board meeting, as this will be an agenda item. Please contact us if you have any questions.

TWA:dms  
Enclosure

Series Description 3-month Treasury bill secondary  
 market rate discount basis  
 Unit: Percent:\_Per\_Year  
 Multiplier: 1  
 Currency: NA  
 Unique Identifier: H15/H15/RIFSGFSM03\_N.A  
 Time Period RIFSGFSM03\_N.A

1974	7.85
1975	5.79
1976	4.98
1977	5.26
1978	7.18
1979	10.05
1980	11.39
1981	14.04
1982	10.6
1983	8.62
1984	9.54
1985	7.47
1986	5.97
1987	5.78
1988	6.67
1989	8.11
1990	7.5
1991	5.38
1992	3.43
1993	3
1994	4.25
1995	5.49
1996	5.01
1997	5.06
1998	4.78
1999	4.64
2000	5.82
2001	3.4
2002	1.61
2003	1.01
2004	1.37
2005	3.15
2006	4.73
2007	4.36
2008	1.37
2009	0.15
2010	0.14
2011	0.05
2012	0.09
2013	0.06
2014	0.03
2015	0.05
2016	0.32
2017	0.93
2018	1.94
2019	2.06
2020	.35