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## 2022 Proposed Legislation

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### **South Dakota Retirement System**

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# Fiscal Year 2021 Highlights

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<b>Total System Membership</b>	<b>94,675</b>
<b>Active Contributing Members</b>	<b>41,305</b>
<b>Inactive Non-Contributing Members</b>	<b>22,047</b>
<b>Benefit Recipients</b>	<b>31,323</b>
<b>Fair Value of Assets</b>	<b>\$14.6 Billion</b>
<b>Actuarial Accrued Liability</b>	<b>\$13.9 Billion</b>
<b>Assumed Future COLAs</b>	<b>2.25%</b>
<b>Fair Value Funded Ratio</b>	<b>105.5%</b>
<b>Member and Employer Contributions</b>	<b>\$272.3 Million</b>
<b>Benefit Payments and Refunds</b>	<b>\$661.2 Million</b>
<b>Administrative Expenses</b>	<b>\$4.9 Million</b>
<b>Net Investment Income</b>	<b>\$2,672.0 Million</b>
<b>Minimum Statutory COLA</b>	<b>0.00%</b>
<b>Maximum Statutory COLA</b>	<b>3.50%</b>
<b>Prior Year Inflation</b>	<b>5.92%</b>
<b>July 2022 COLA</b>	<b>3.50%</b>

### Mission Statement

To responsibly manage a financially sustainable system within fixed resources and prepare our members for retirement.

### Vision

To be a model retirement system that is fully funded, delivers benefits that meet our long-term benefit goals, and provides members the foundation to achieve financial security during retirement.

## SB 56

### An Act to revise certain provisions relating to the South Dakota Retirement System.

#### The Issue

Throughout the year certain statutes were identified for revision. Some to be more precise and others for more efficient administration of the system.

#### The Solution

Provide legislation to address appropriate changes.

#### Legislative Summary

- ❖ Update Internal Revenue Code. Section 1.
- ❖ Remove 10-day requirement for filing oath of office with Secretary of State. Section 2.
- ❖ Clarify payment under a qualified domestic relations order for a member receiving a disability benefit after June 30, 2015. Section 3.
- ❖ Revise method of payment for benefits paid on behalf of minors. Sections 4, 5, & 6.
- ❖ Revise and clarify provisions relating to distributions of variable retirement accounts. Sections 7 & 8.
- ❖ Remove suspension language for retirees who retired early and returned to work before 2004 and between 2004 and 2010, consistent with changes made in 2021 that eliminated the suspension of benefits for early retirements. Sections 9 & 10.
- ❖ Include contribution credit as a source of funding a Supplemental Pension Benefit. Section 11.

**The Actuarial Statement:** Senate Bill 56 will have no material impact on the liabilities or assets of SDRS.

## SB 57

### **An Act to add gaming enforcement agents to Class B membership of the South Dakota Retirement System.**

#### **The Issue**

The Department of Revenue requested that gaming enforcement agents be Class B Public Safety members and followed the procedures established for requesting Class B Public Safety membership by submitting the necessary documentation to SDRS, including support from the Bureau of Finance and Management and the Bureau of Human Resources.

#### **Background and Process**

The request was reviewed by SDRS staff, who determined that gaming enforcement agents met the criteria for Class B Public Safety membership and recommended approval to the Board of Trustees.

The Department of Revenue made a formal presentation to the Board in September and the Board approved the requested change to Class B membership.

The change requires statutory revisions to add gaming enforcement agents to Class B membership. While the Department of Revenue is responsible for advocating for these revisions, SDRS supports the legislation.

#### **The Solution**

Provide legislation to establish gaming enforcement agents as Class B Public Safety members of SDRS.

#### **Legislative Summary**

- ❖ **Revise definition of Class B member to include gaming enforcement agent.**
- ❖ **Add definition of gaming enforcement agent.**

**The Actuarial Statement:** Based on current conditions, Class B contributions do not cover the full cost of Class B benefit accruals. Reclassifying members as Class B may result in slightly lower future COLAs for all SDRS members. Because it only impacts four members, Senate Bill 57 will have a negligible impact on the liabilities and assets of SDRS.

# Benefits Payable by County

The following exhibit presents a schedule of the annualized benefits payable as of July 1, 2021, by SDRS on a county-by-county basis.

County	Benefit Recipients	Annual Benefits	County	Benefit Recipients	Annual Benefits	County	Benefit Recipients	Annual Benefits
Aurora	136	\$2,231,224	Fall River	333	\$5,018,952	McPherson	83	\$1,283,174
Beadle	529	\$10,293,977	Faulk	117	\$1,651,829	Meade	748	\$14,652,945
Bennett	53	\$906,732	Grant	204	\$3,557,660	Mellette	55	\$690,569
Bon Homme	329	\$5,422,321	Gregory	168	\$2,724,009	Miner	80	\$1,613,349
Brookings	1,627	\$42,311,137	Haakon	67	\$1,054,253	Minnehaha	4,272	\$100,720,754
Brown	1,342	\$28,861,374	Hamlin	199	\$3,304,946	Moody	201	\$3,220,043
Brule	149	\$3,127,844	Hand	118	\$1,951,818	Oglala Lakota	20	\$368,471
Buffalo	3	\$52,152	Hanson	55	\$954,064	Pennington	3,653	\$82,894,166
Butte	341	\$5,657,255	Harding	38	\$530,284	Perkins	91	\$1,344,939
Campbell	68	\$1,036,942	Hughes	1,479	\$39,685,118	Potter	111	\$1,934,909
Charles Mix	244	\$4,693,599	Hutchinson	266	\$4,725,634	Roberts	287	\$4,970,094
Clark	131	\$1,979,083	Hyde	67	\$883,648	Sanborn	92	\$1,611,073
Clay	670	\$17,844,805	Jackson	51	\$955,155	Spink	439	\$7,225,904
Codington	846	\$19,993,931	Jerauld	78	\$1,246,732	Stanley	251	\$6,176,434
Corson	57	\$944,512	Jones	37	\$839,083	Sully	63	\$924,176
Custer	412	\$7,397,051	Kingsbury	238	\$4,108,552	Todd	63	\$1,130,047
Davison	596	\$13,493,971	Lake	470	\$10,009,142	Tripp	207	\$3,612,874
Day	222	\$3,817,288	Lawrence	1,027	\$22,449,392	Turner	252	\$3,965,621
Deuel	133	\$2,129,509	Lincoln	457	\$8,033,407	Union	347	\$6,628,644
Dewey	111	\$1,893,234	Lyman	104	\$1,780,752	Walworth	234	\$4,240,420
Douglas	92	\$1,578,393	Marshall	201	\$3,382,834	Yankton	937	\$19,060,665
Edmunds	113	\$2,049,434	McCook	159	\$3,083,053	Ziebach	25	\$443,331

<b>Total SDRS Benefits Payable in South Dakota</b>	<b>\$ 568,358,687</b>
<b>Total SDRS Benefits Payable Outside of South Dakota</b>	<b>\$ 80,015,113</b>
<b>Total SDRS Benefits Payable</b>	<b>\$ 648,373,800</b>



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