

2021 Legislation Signed into Law

During the 2021 Legislative Session, four bills were introduced by the Retirement Laws Committee on behalf of the South Dakota Retirement System (SDRS) Board of Trustees. All four bills passed through each house of the Legislature and were signed into law by the Governor.

House Bills 1030 and 1031: Clean-Up

House Bill 1030 added to statute the key Internal Revenue Code (IRC) provisions pertaining to required minimum distributions (RMDs). RMDs are minimum benefit amounts a member or participant must withdraw annually once they separate from service and reach a certain age, which is currently age 72.

House Bill 1031 revised terminology regarding crediting contributions on pay not used in calculating final average compensation when compensation caps are reached. The bill also added a requirement for photo identification for many SDRS processes, such as enrollments and retirements.

House Bill 1032: Cost of Living Adjustment

The cost of living adjustment (COLA) is an annual increase, if any, in an eligible member's benefit payments. The SDRS Board of Trustees' goal is for the COLA to provide protection to retirees from loss of purchasing power due to inflation during retirement.

The SDRS COLA is designed to vary with inflation from year to year, but the COLA must also be affordable on an ongoing basis. Paying a COLA equal to inflation, or even any COLA, during severe economic conditions may not be affordable. Additionally, in periods of extremely low inflation, paying a COLA in excess of inflation is not consistent with the board's goal. Therefore, House Bill 1032 lowered the minimum COLA from one-half percent to zero percent. The maximum COLA remains at 3.5 percent.

These bills are effective July 1, 2021.

House Bill 1033: Reemployment After Retirement

Retirement from SDRS requires a bona fide separation from service—a complete severance of the employment relationship, including severance of employer-provided benefits and payout of any leave balances and/or contract. House Bill 1033 clarified that a separation of service means that the employee is no longer working for the employer in any capacity, whether it be full-time, part-time, temporary, seasonal, contractual, leased, or any other designation.

A retired member must have three consecutive months of separation from service, as described above, before returning to work for an SDRS participating employer. Returning to work prior to meeting the three-month separation invalidates the member's retirement status.

If the retired member is required to work less than 1,250 hours during the SDRS employer's fiscal year, the bill further provided for two exceptions:

1. If the member had a three-month separation from service, the member's benefit is unaffected and no contributions are required. However, if the member subsequently works more than 1,250 hours, the member's benefit is prospectively reduced by 15 percent, the COLA is suspended, and contributions are required for the duration of the reemployment period.
2. If the member was at least age 59 1/2 at retirement, the member is exempt from the required three-month separation from service. The member's benefit is unaffected and no contributions are required. However, if more than 1,250 hours are worked, the member's benefit is suspended prospectively for the duration of the reemployment period.

This bill became effective April 1, 2021.



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Event Schedule

As we continue to navigate through the COVID-19 public health emergency, SDRS workshops and forums will continue to be presented virtually via ZOOM. To register for a workshop or forum, visit the Events section of the SDRS website at sdrs.sd.gov.

When registering, be sure to include a valid email address. Prior to the event, registrants will be emailed additional information to access the virtual workshop or forum.

Individual counseling sessions will be available via phone or virtual meeting through Microsoft Teams during regular office hours Monday through Friday 8:00 AM to 5:00 PM (CT).

To schedule an appointment time for an individual counseling session, please call the SDRS office toll-free at 1-888-605-SDRS (7377).

Online Workshops and Forums Via ZOOM

Pre-Retirement Planning Workshops

5/4/2021	Mitchell Area	6:00-8:00 PM (CT)
5/11/2021	Pierre Area	6:00-8:00 PM (CT)
5/18/2021	Watertown Area	6:00-8:00 PM (CT)
6/1/2021	Brookings Area	6:00-8:00 PM (CT)
6/8/2021	Aberdeen Area	6:00-8:00 PM (CT)
6/14/2021	Spearfish Area	6:00-8:00 PM (MT)
7/6/2021	Yankton Area	6:00-8:00 PM (CT)

Retiree Forums

5/4/2021	Mitchell Area	3:00-4:00 PM (CT)
5/11/2021	Pierre Area	3:00-4:00 PM (CT)
5/18/2021	Watertown Area	3:00-4:00 PM (CT)
6/1/2021	Brookings Area	3:00-4:00 PM (CT)
6/8/2021	Aberdeen Area	3:00-4:00 PM (CT)
6/14/2021	Spearfish Area	3:00-4:00 PM (MT)
7/6/2021	Yankton Area	3:00-4:00 PM (CT)

Online Workshops and Forums Via ZOOM

Early & Mid-Career Workshops

4/27/2021	Yankton Area	6:00-8:00 PM (CT)
5/25/2021	Rapid City Area	6:00-8:00 PM (MT)
6/22/2021	Brookings Area	6:00-8:00 PM (CT)
6/29/2021	Watertown Area	6:00-8:00 PM (CT)

Women & Financial Planning Workshops

5/12/2021	Aberdeen Area	5:30-7:30 PM (CT)
5/26/2021	Pierre Area	5:30-7:30 PM (CT)
6/9/2021	Yankton Area	5:30-7:30 PM (CT)
6/23/2021	Spearfish Area	5:30-7:30 PM (MT)

The information presented in Outlook is neither a legal reference nor a complete statement of South Dakota laws or administrative rules. In any conflict between this information and South Dakota laws or administrative rules, the laws and administrative rules shall prevail.

Outlook is produced to communicate the plan provisions, changes in law, and issues of interest to members of the South Dakota Retirement System. It is published with funds provided through the contributions of teachers, school boards, state government, state employees, county commissions, county employees, municipal governments, municipal employees, and other local units and employees. 40,200 copies of this document were printed on recycled paper by SDRS at a cost of \$0.058 per document.