

About SDRS

The South Dakota Retirement System (SDRS) is a cost sharing, multiple employer, public employee retirement system that provides retirement, disability, and survivor benefits for employees of the state of South Dakota and its political subdivisions.

SDRS includes three main categories of membership: Class A, Class B Public Safety, and Class B Judicial.

SDRS is one plan with two different benefit designs. Class A and B members that joined SDRS prior to July 1, 2017, are Foundation members. Class A and B members joining SDRS on and after July 1, 2017, are Generational members.

SDRS benefits are funded through member and employer contributions and investment income. Members and their employers make matching contributions, which are defined in statute at 6% of salary for Class A members, 8% of salary for Class B public safety members, and 9% of salary for Class B judicial members.

This brochure is designed to provide a brief overview of SDRS. A more detailed description of the System and its benefits can be found in the SDRS Class handbooks available from the SDRS office or on the SDRS website at:

www.sdrs.sd.gov.

Refund: A member who terminates employment may choose to receive a lump-sum refund payment of all member contributions and a portion of employer contributions, plus credited interest.

A non-vested member (less than three years of credited service) would receive 100% of the member contributions and 50% of the employer contributions, plus credited interest.

A vested member (three or more years of credited service) would receive 100% of the member contributions and 85% of the employer contributions, plus credited interest.

By taking a refund, a vested member makes an irrevocable decision to forfeit a lifetime retirement benefit, forfeit the spouse's lifetime survivor benefit (if applicable), and forfeit the right to share in future benefit improvements. Generational Members (joining SDRS on/after July 1, 2017) will also forfeit any Variable Retirement Account contributions made on their behalf.



Information for Elected Officials



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Information for Elected Officials

Eligibility: As an elected official in South Dakota, you are eligible to participate in SDRS if:

- You work at least 20 hours per week and 6 months per year, and
- Your employer identifies your position as permanent and full-time.

Note: all elective officers except justices and judges shall be excluded from SDRS membership unless such person elects and is otherwise qualified to become a member of the system. (SDCL 3-12C-302)

Election to Participate or Opt-Out: All elected officials not currently members of SDRS must make the election to participate or opt-out of participation in SDRS at the time of their initial term or appointment by completing SDRS Form E-4, "Election to Participate in SDRS by Elected Official." The decision to participate or opt-out is irrevocable and remains in effect during the official's entire elected career.

Important notes:

- If an elected official is a current contributing SDRS member or has previously participated in the system, no election is available and the official must participate in the system.
- If an elected official is not a current contributing member, has not previously participated, or has not had a prior election to participate, that official must make an irrevocable election to participate or not participate in the system.
- If an elected official has previously elected not to participate in the system, that official is not eligible to make a new election.

Enrollment: If you choose to become a member of SDRS as an elected official, the enrollment procedures, in addition to completing SDRS Form E-4, are as follows:

- Complete SDRS Form E-1, "Application for SDRS Enrollment."
- Complete SDRS Form E-5, "Beneficiary Designation Form."
- Submit all completed SDRS forms to your authorized agent.
- The authorized agent will submit the completed forms to SDRS and the payroll unit will begin making contributions to SDRS.

Vesting: A member is entitled to a retirement benefit after completing three years of contributory service. Therefore, if you choose to join SDRS and only serve one four-year term in office, you would be vested and entitled to a lifetime retirement benefit payable to you at retirement age.

Tax Efficiency: A member's contributions to SDRS are deducted from pay before federal income taxes are applied. Taxes are not paid until the member initiates payments.

Partial Inflation Protection: Eligible SDRS benefit payments are increased by an annual cost-of-living adjustment (COLA). The COLA is indexed to the consumer price index (CPI) and the SDRS fair value funded status with a minimum of 0.5% and a maximum of 3.5%. The COLA is also applied to a vested member's final average compensation from the time the member terminates employment until retirement benefits are initiated.

Retirement Benefits: Vested members can begin drawing lifetime retirement benefits at retirement age. The benefit amount is calculated using a multiplier, final average compensation, and years of credited service.

Detailed information regarding retirement eligibility and benefits can be obtained from the appropriate SDRS Class handbook, which is available from your employer, the SDRS office, or the SDRS website.

Other Benefits: SDRS also provides disability benefits if an illness or accident prevents a member from working as well as survivor benefits for a member's spouse and family if the member dies.

Purchasing Service: Active members can purchase other public service for which they are not entitled to retirement benefits.

Eligible public service includes active-duty military service, out-of-state public employment, prior credited service under SDRS forfeited as a result of refunding contributions, service as a full-time elected official while not a member of SDRS. Note: Service must be verified, and if part-time, hours worked must be proven.

Members who have five years of contributory service may also purchase up to five years of non-qualified permissive service ("air time").

The cost to purchase service depends upon your age at the time of purchase and is an actuarially determined percentage of your current salary or final average compensation, whichever is higher.