



# Outlook

Membership Newsletter • October 2020

## SDRS Remains Fully Funded; Contingency Planning Essential

The South Dakota Retirement System (SDRS) has met the challenges of COVID-19 for the fiscal year ended June 30, 2020, despite the uncertain economic conditions that have impacted the investment markets. The SDRS variable benefit structure, which includes the cost of living adjustment (COLA), automatically restricts benefits when investment returns are less than anticipated. SDRS will continue to meet its funding and benefit goals as of June 30, 2020. In short, the System is working as intended with the flexibility to successfully adapt to changing economic conditions.

The SDRS trust fund finished the fiscal year ended June 30, 2020, earning a 1.59 percent investment return. The actuarial valuation as of June 30, 2020, will be finalized this month and it is projected that it will show the following:

- SDRS continues to be fully funded based on three factors: the current affordable COLA; the fixed, statutory contribution rate; and the long-term annual investment return assumption of 6.5 percent, which aligns with the South Dakota Investment Council's outlook.
- The SDRS COLA payable July 1, 2021, will very likely equal inflation, which is the SDRS Board of Trustees' long-term goal. The COLA payable beginning July 2021 will be finalized in December after the rate of inflation is known.

Prior to the COVID-19 pandemic, the Board had begun updating its long-term plans for managing SDRS during severe economic downturns to ensure the System's sustainability. Planning efforts intensified as the pandemic hit and the stock market plummeted this spring. Although

the markets rebounded before the fiscal year end, economic conditions continue to be volatile. Planning for the "what-ifs" of the future remains essential.

SDRS is expected to remain fully funded in most economic conditions. While no corrective actions are necessary at this time, the Board is committed to its contingency planning efforts and what actions could be taken if a severe downturn causes the System to fall below 100 percent funding. The Board has focused on expanding SDRS' ability to automatically adjust to extreme economic conditions and has identified and discussed numerous potential corrective actions, including reducing the minimum COLA to zero percent.

At its December meeting, the Board will finalize its legislative proposals that will be presented to the Retirement Laws Committee during the 2021 Legislative Session.

### SDRS Logo Gets Updated Look



The SDRS logo has received a new, modern look; however, our commitment to our members remains the same. We are dedicated to helping you bridge the transition between your working career and retirement!



222 East Capitol Avenue, Suite 8  
 PO Box 1098  
 Pierre, SD 57501

## SDRS Event Schedule

To curb the spread of COVID-19 and protect the health of our members and staff, SDRS will not be holding in-person events for the time being. However, members can have an individual counseling session via phone or virtual meeting through Microsoft Teams during our normal office hours of 8:00 AM to 5:00 PM (CT) Monday through Friday and extended hours as indicated.

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

Workshops and forums will be presented virtually via ZOOM for the foreseeable future. To register for a workshop or forum, visit the Events section of the SDRS website at [sdrs.sd.gov](http://sdrs.sd.gov).

### Individual Counseling Sessions

#### Via Phone or Virtual Meeting Through Microsoft Teams

10/20/2020	Aberdeen Area Members	2:00-8:00 PM (CT)
10/21/2020	Aberdeen Area Members	8:00 AM-8:00 PM (CT)
10/27/2020	Vermillion Area Members	2:00-8:00 PM (CT)
10/28/2020	Vermillion Area Members	8:00 AM-8:00 PM (CT)
11/2/2020	Belle Fourche Area Members	2:00-8:00 PM (MT)
11/10/2020	Milbank Area Members	2:00-8:00 PM (CT)
11/17/2020	Spearfish Area Members	2:00-8:00 PM (MT)
11/18/2020	Spearfish Area Members	8:00 AM-8:00 PM (MT)
11/24/2020	Mobridge Area Members	2:00-8:00 PM (CT)
12/1/2020	Springfield Area Members	2:00-8:00 PM (CT)
12/8/2020	Madison Area Members	2:00-8:00 PM (CT)
12/9/2020	Madison Area Members	8:00 AM-8:00 PM (CT)
12/15/2020	Webster Area Members	2:00-8:00 PM (CT)
12/21/2020	Martin Area Members	2:00-8:00 PM (MT)

### Online Workshops and Forums

#### Via ZOOM

#### Pre-Retirement Planning Workshops

11/9/2020	Yankton & Brookings Area	6:00-8:00 PM (CT)
12/14/2020	Spearfish Area	6:00-8:00 PM (MT)

#### Women & Financial Planning Workshops

11/2/2020	Rapid City & Spearfish Area	5:30-7:30 PM (MT)
-----------	-----------------------------	-------------------

#### Retiree Forums

11/9/2020	Yankton & Brookings Area	3:00-4:00 PM (CT)
12/14/2020	Spearfish Area	3:00-4:00 PM (MT)

For workshops and forums: Please be sure to include an email address in your online registration. Prior to the event, registrants will be emailed additional information to access the virtual workshop or forum.

*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. 41,950 copies of this document were printed on recycled paper by SDRS at a cost of \$0.058 per document.*