



South Dakota Retirement System

Retiree Survey Results

September 2021



Retiree Survey

- Retirees were surveyed on retirement planning and experiences during retirement
- Topics covered included:
 - Retirement expectations, planning, and changes to plans
 - Savings outside of SDRS and Social Security
 - Retirement expenses
 - Health Insurance coverage and costs
 - Whether retirees have been able to maintain their standard of living
 - Whether members retired too soon, too late, or at the right time
 - Comments or suggestions for other SDRS members
- Surveys were mailed on **June 10** with a response requested by **July 2**

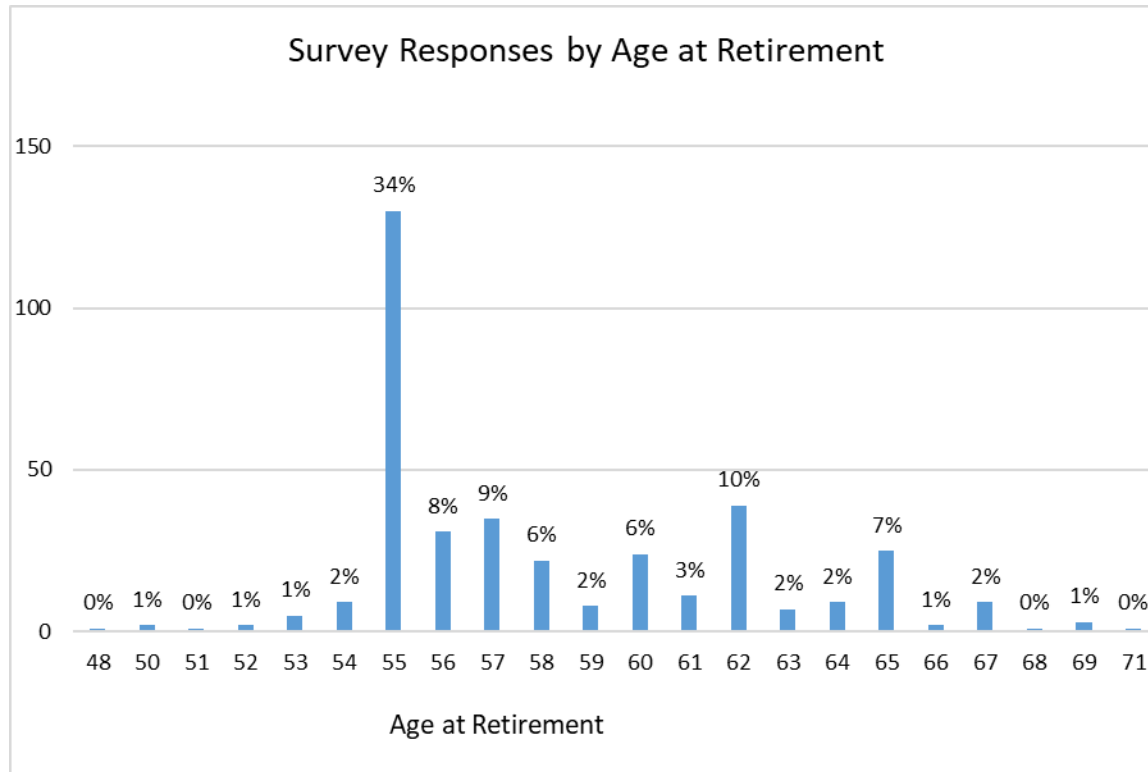


Survey Recipients and Responses

- Survey sent to **2,269** retirees:
 - Equal number of recipients selected from four bands of SDRS service, four bands of time retired, and five compensation bands
 - In each category, youngest retirees selected
 - Most responses received from **those who retired at younger ages**
- **510** responses received
 - Not all responses were complete



Age at Retirement

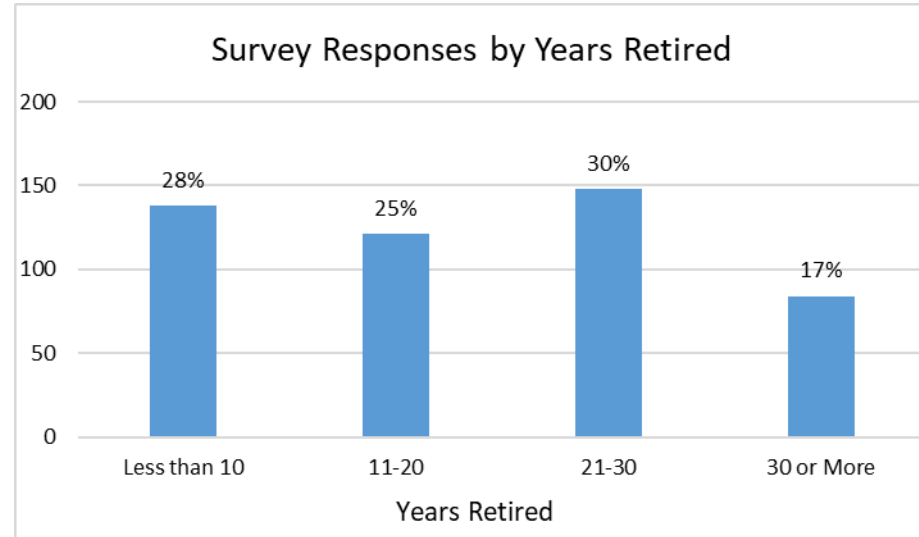
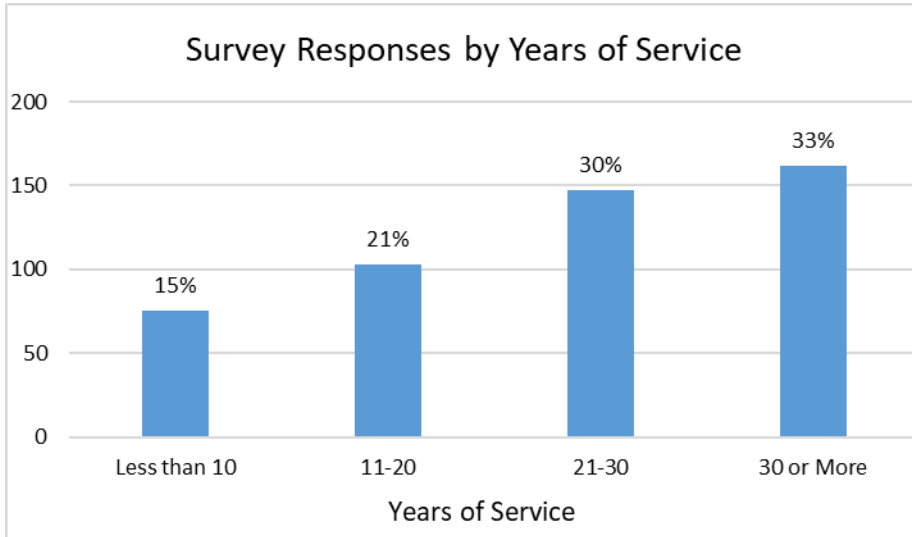


- 89% retired before age 65

Percentages reflect only those answering the question. 26% did not provide age at retirement



Service and Years Retired



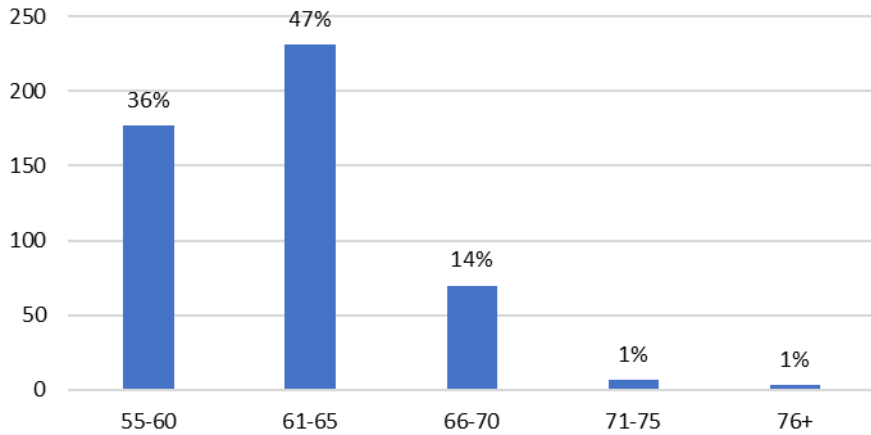
- Surveys sent to a similar number in each service and time retired category
 - Longer service members responded at a greater rate (20+ years of service: 51% of recipients, 61% of respondents)
 - Time retired did not strongly influence response rate (20+ years retired: 47% of recipients, 47% of respondents)

Percentages reflect only those answering the question. 5% did not provide service and 4% did not provide time retired.

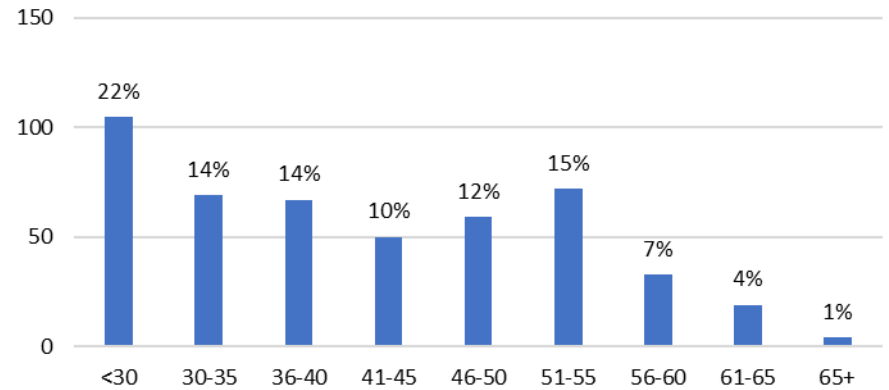


Retirement Planning

What age did you expect to retire?



What age did you start planning for retirement?



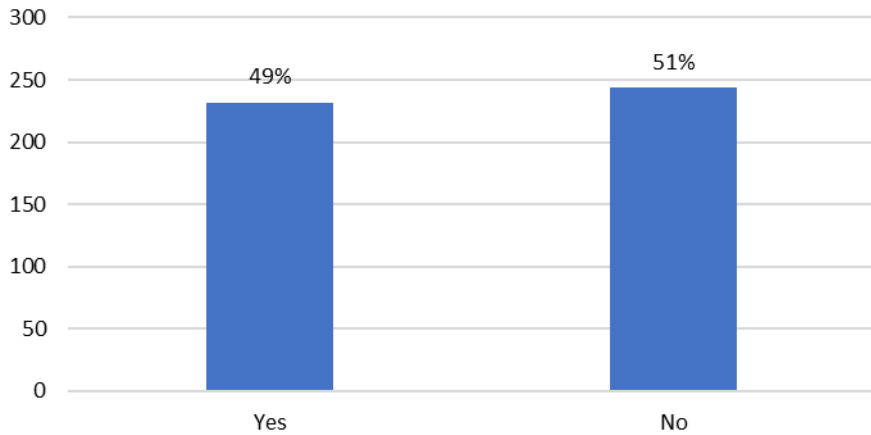
- 36% expected to retire by age 60 and over 80% by age 65
- Wide distribution when members started planning for retirement

Percentages reflect only those answering the question. 4% did not provide planned retirement age and 6% did not provide when they started planning.



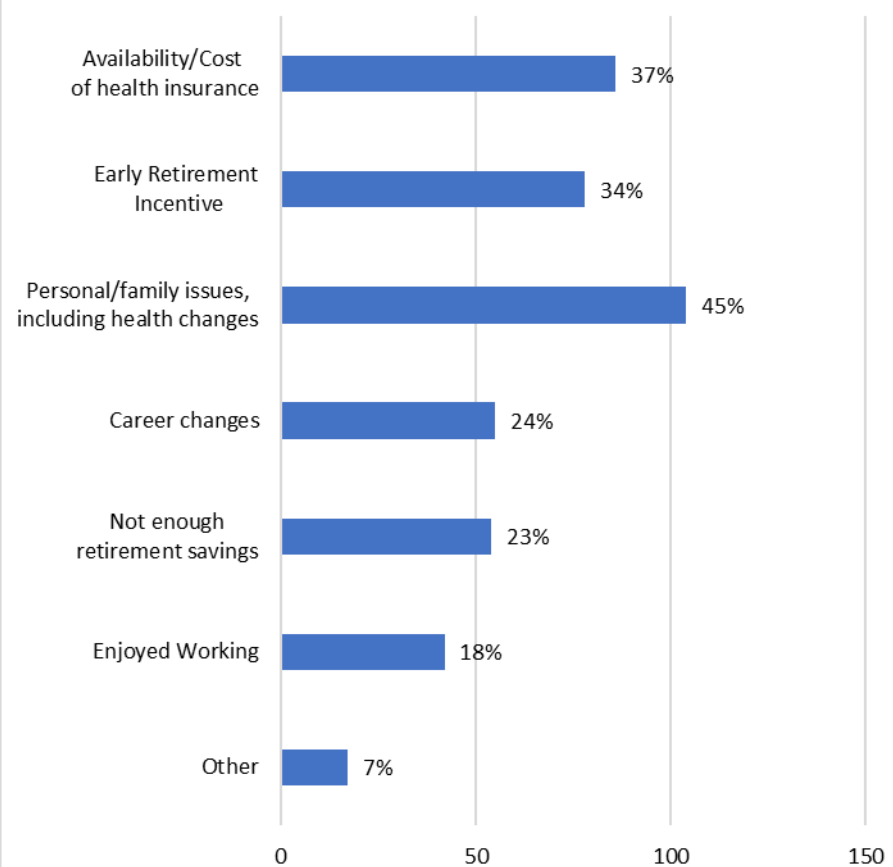
Retirement Planning Changes

Did your retirement plans change?



- Retirement plans changed for almost half

If Yes, check reasons that apply

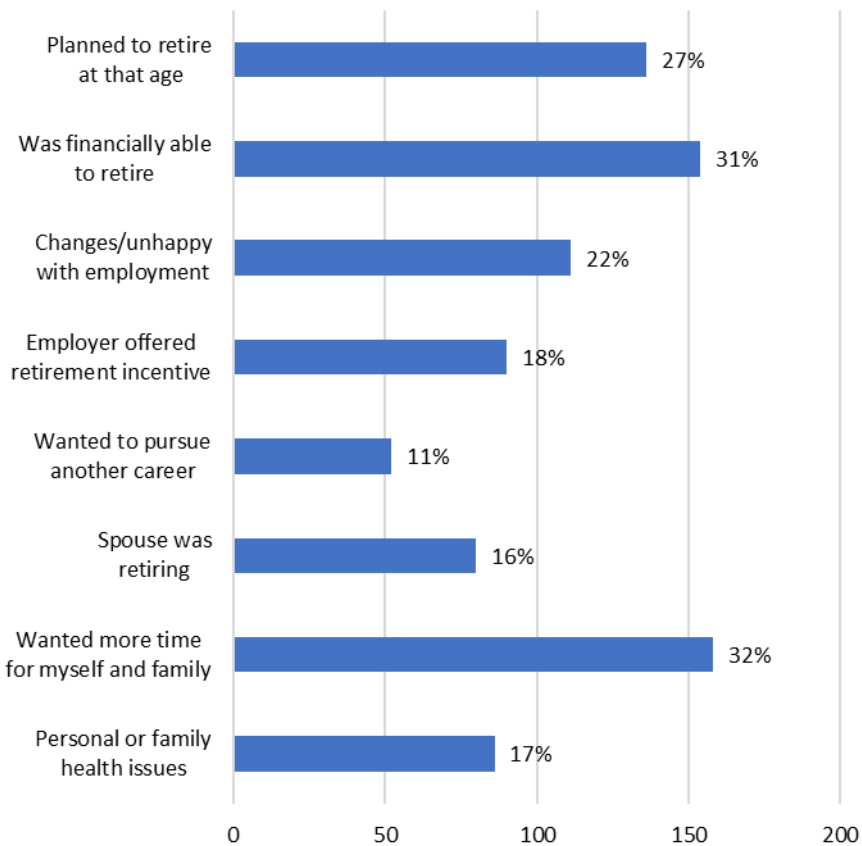


Percentages reflect only those answering the question. 7% did not answer if retirement plans changed.

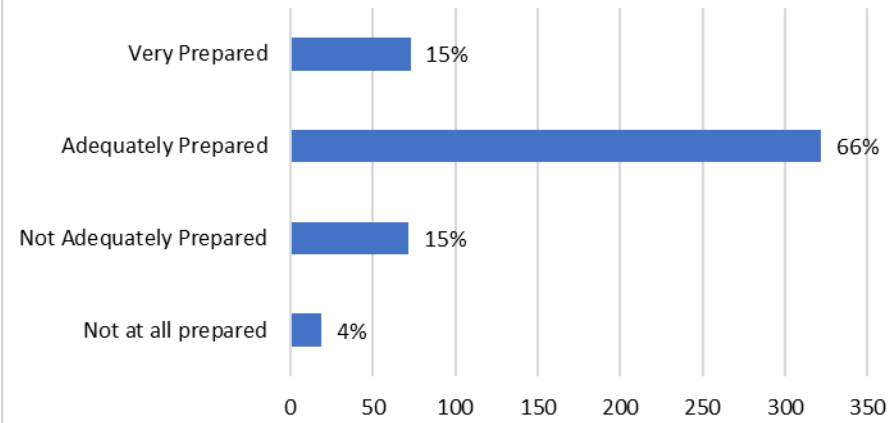


Retirement Motivation and Preparation

What motivated you to retire when you did?



How prepared were you for retirement?

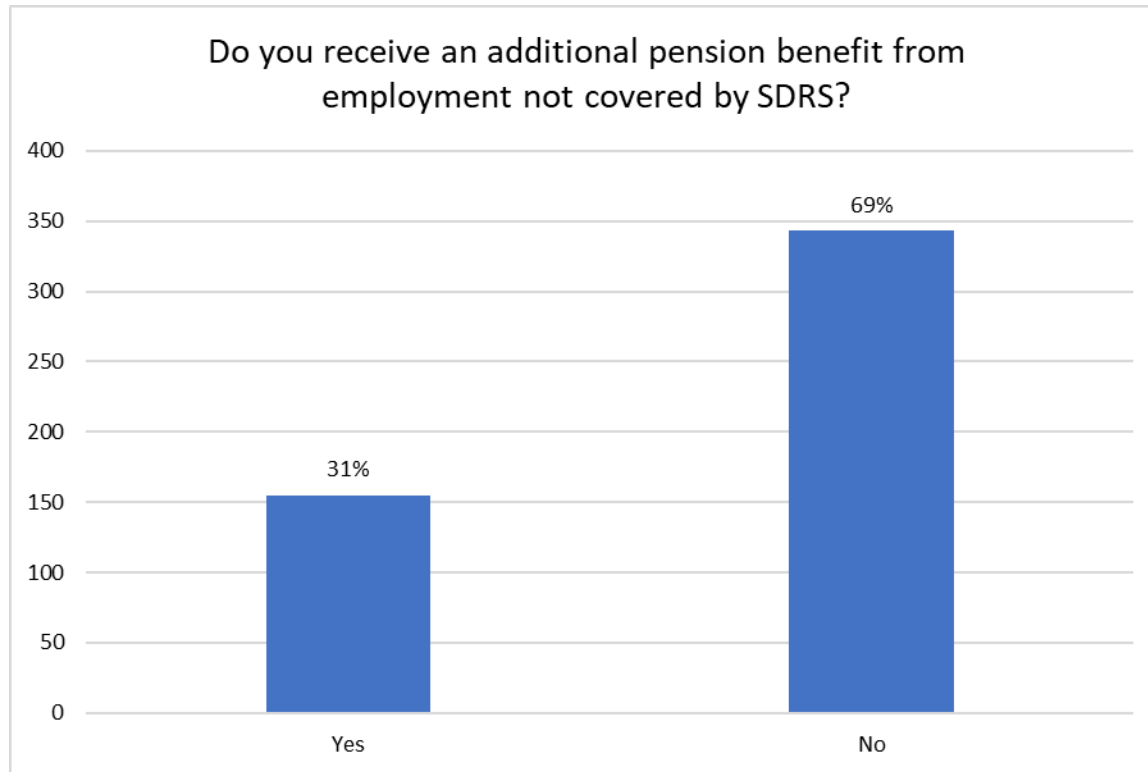


- Over 80% adequately prepared or very prepared for retirement

Percentages reflect only those answering the question. 3% did not give motivation and 5% did not assess preparation.



Additional Pension Benefit

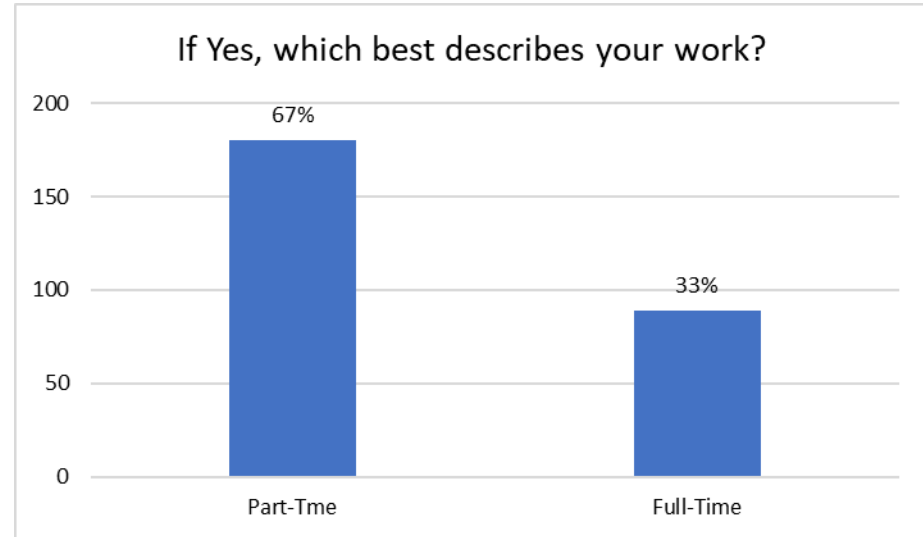
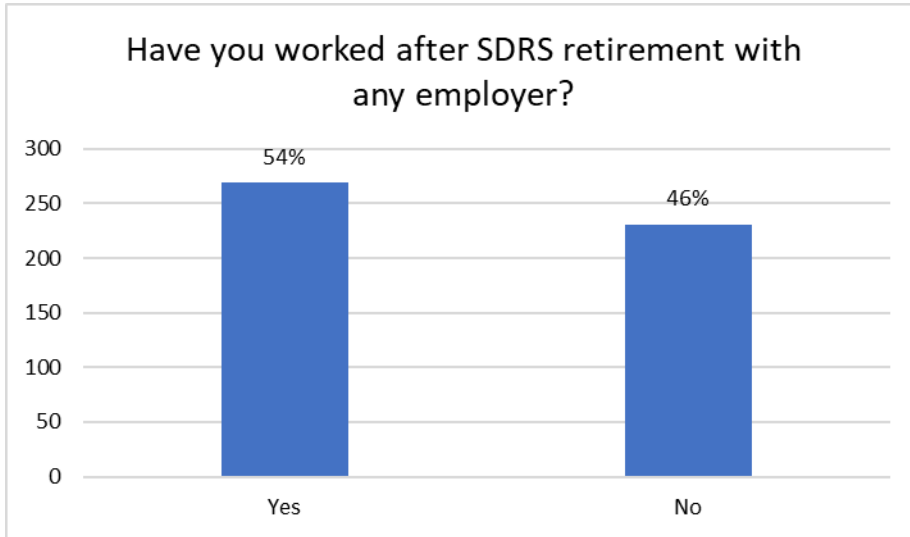


- Only 31% have a pension benefit from employment not covered by SDRS

Percentages reflect only those answering the question. 2% did not respond to the question.



Working after SDRS Retirement



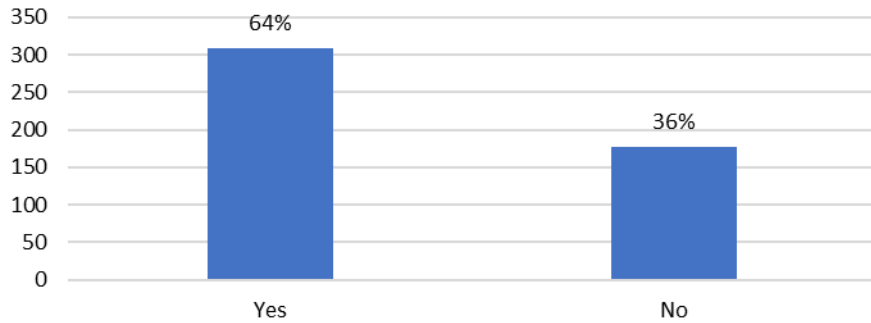
- Over half reported working in retirement, mostly part-time

Percentages reflect only those answering the question. 2% did not respond if they had worked in retirement.

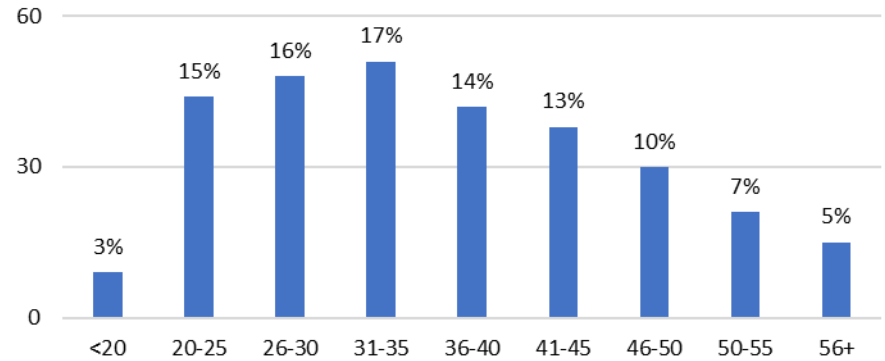


Additional Savings

Besides SDRS and Social Security, did you participate in additional retirement savings programs offered by your employer or did you accumulate personal savings?

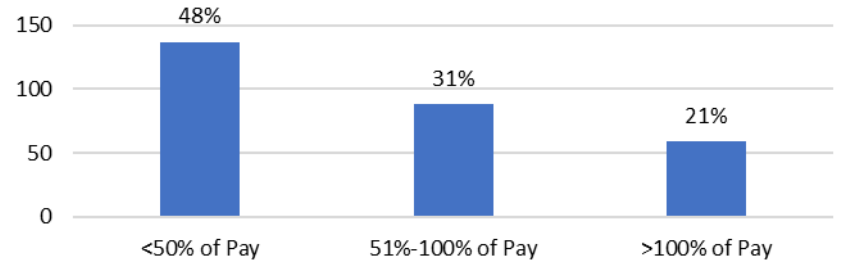


If Yes: Excluding contributions to SDRS and Social Security, at what age did you begin saving for retirement?



- Nearly two-thirds had additional savings for retirement
- Over 50% started saving before age 36
- Very few saved the 100% of pay goal

If Yes: How much were you able to save at retirement?

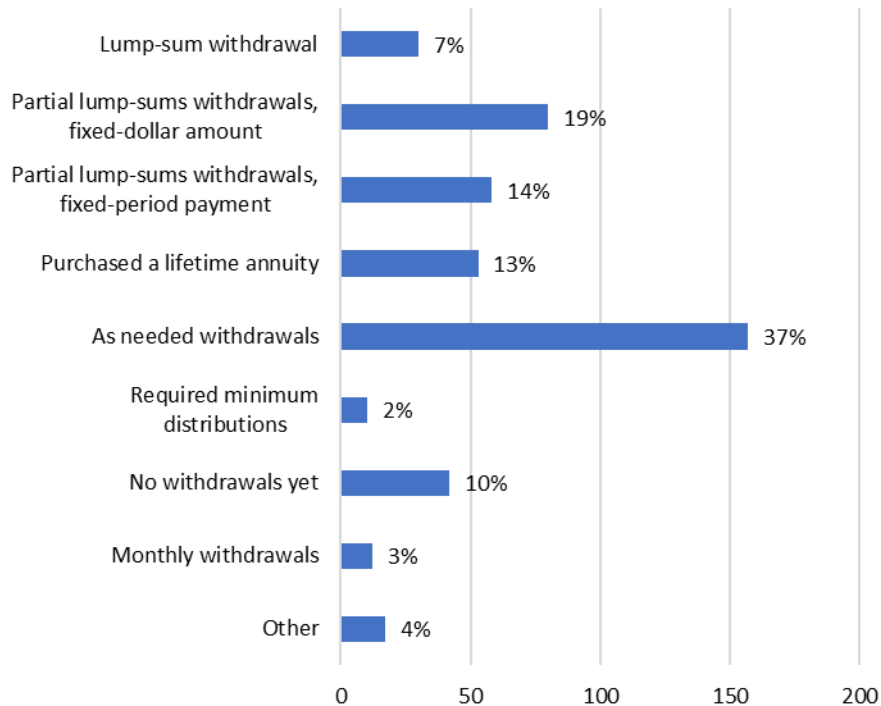


Percentages reflect only those answering the question. 5% did not respond if they had additional savings, 3% did not report the age they started savings and 8% did not report their savings at retirement.

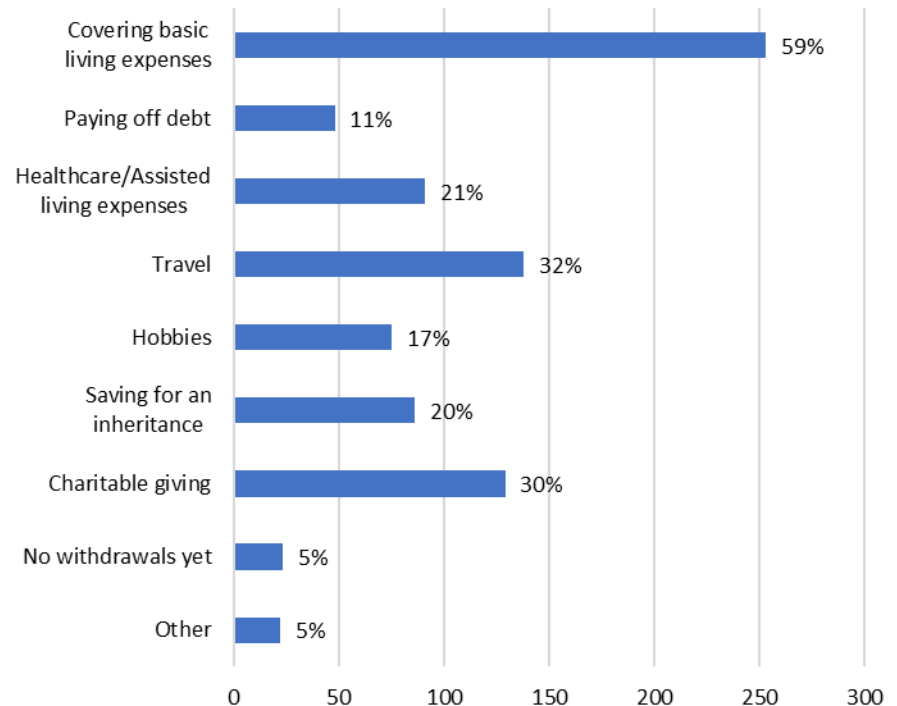


Distributions from Additional Savings

How are you taking distributions from these programs?



How are you using these additional retirement savings?

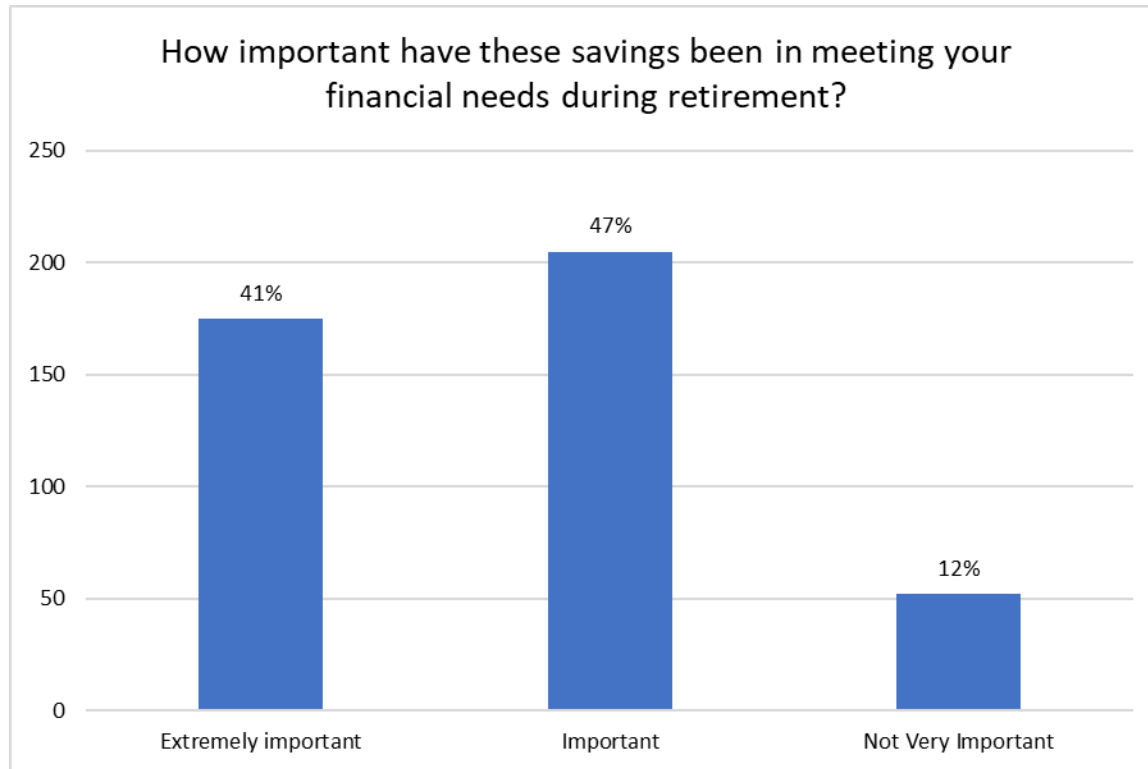


- Over 50% using additional savings for basic living expenses

Percentages reflect only those answering the question. 18% did not report the distribution method and 16% did not report how the savings were used.



Importance of Additional Savings

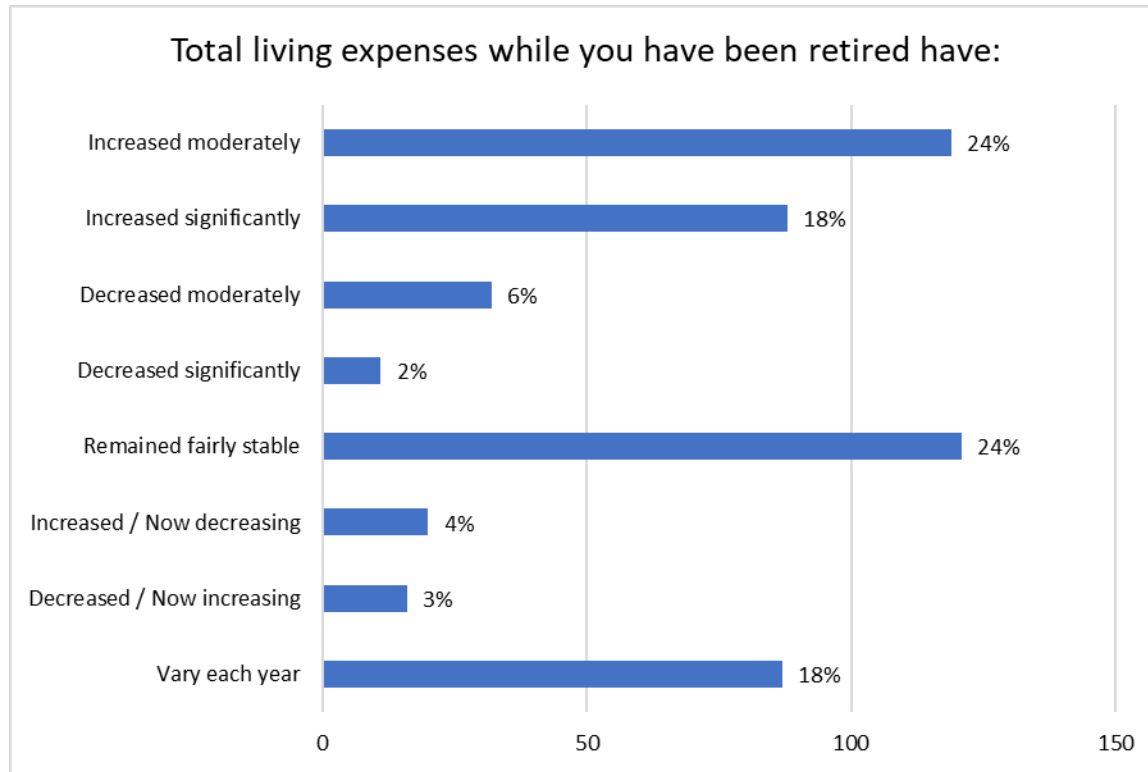


- 88% reported additional savings being important or extremely important

Percentages reflect only those answering the question. 15% did not report the importance of additional savings.



Living Expenses Trend

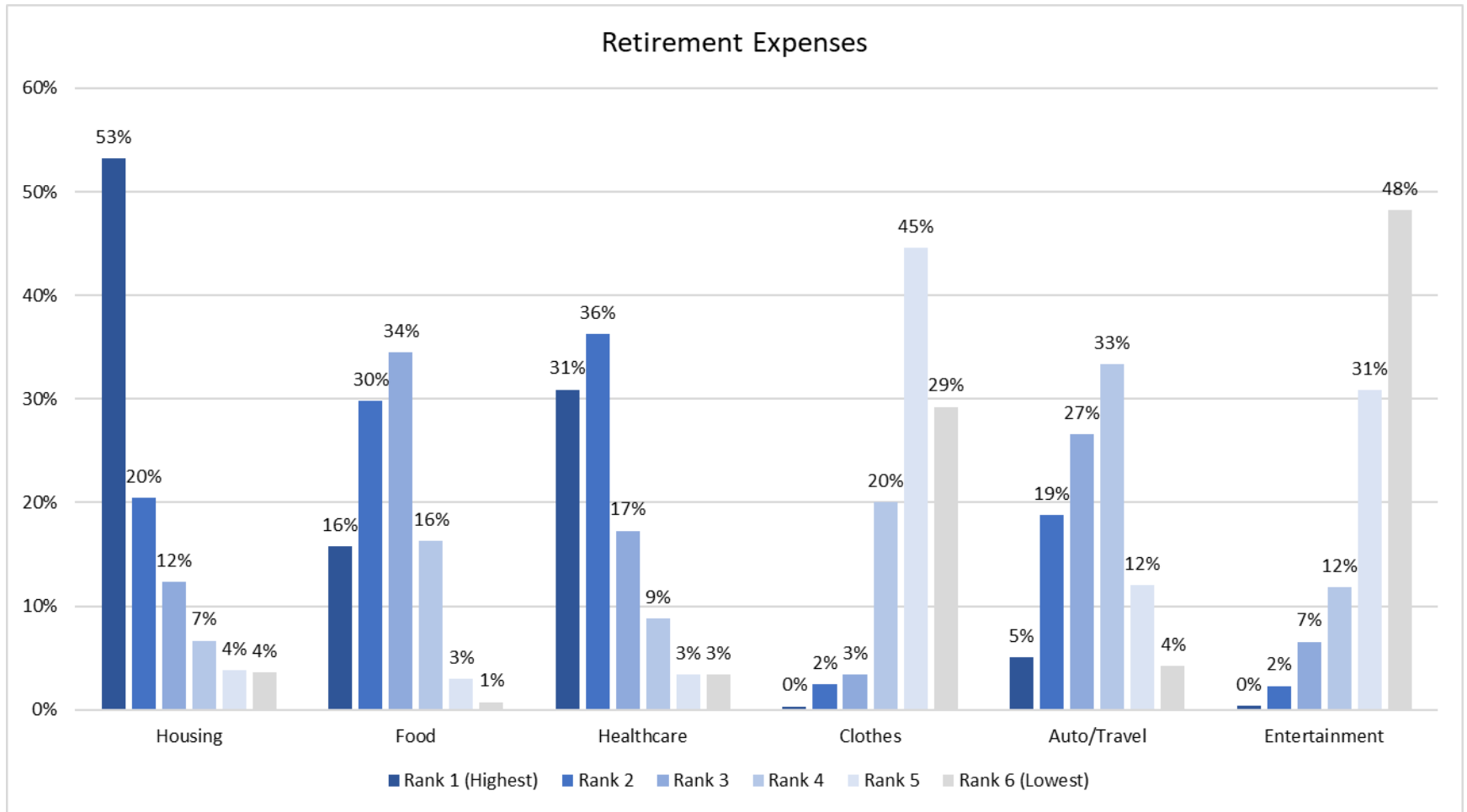


- Responses on how living expenses have progressed varied significantly

Percentages reflect only those answering the question. 3% did not report whether living expenses increased or decreased



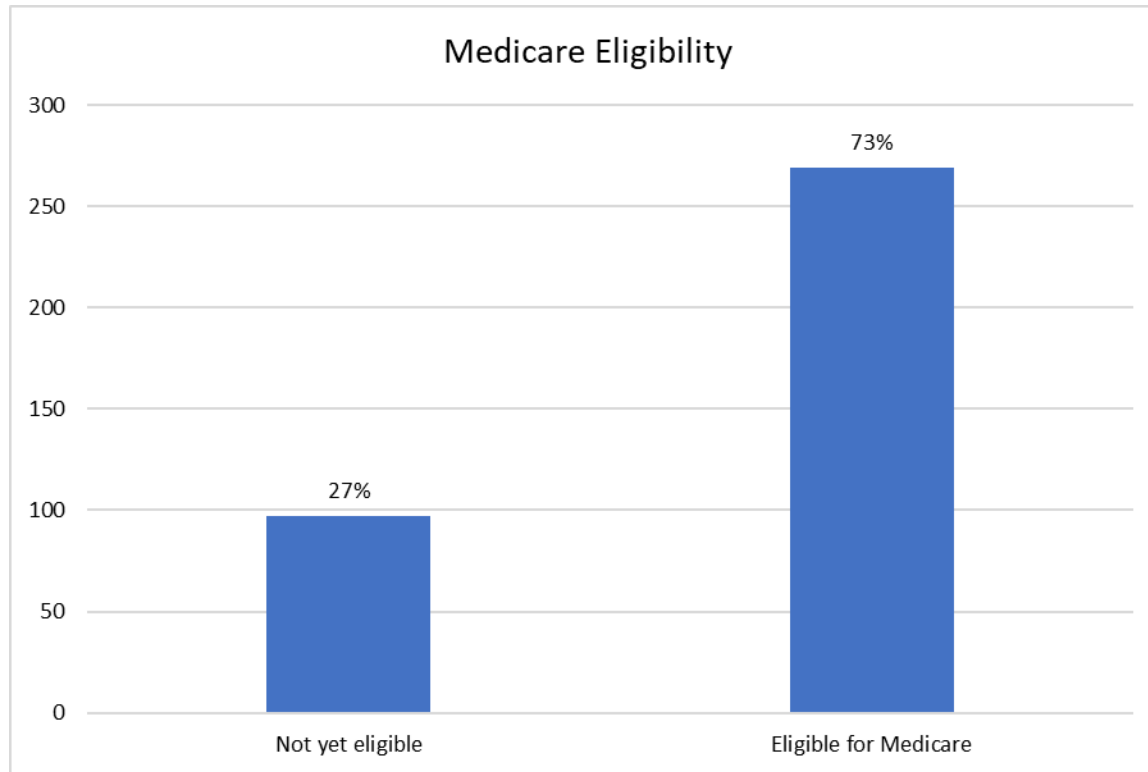
Retirement Expenses Ranking



Percentages reflect only those ranking those specific expenses. 11% of respondents reported no expense ranking.



Medicare Eligibility



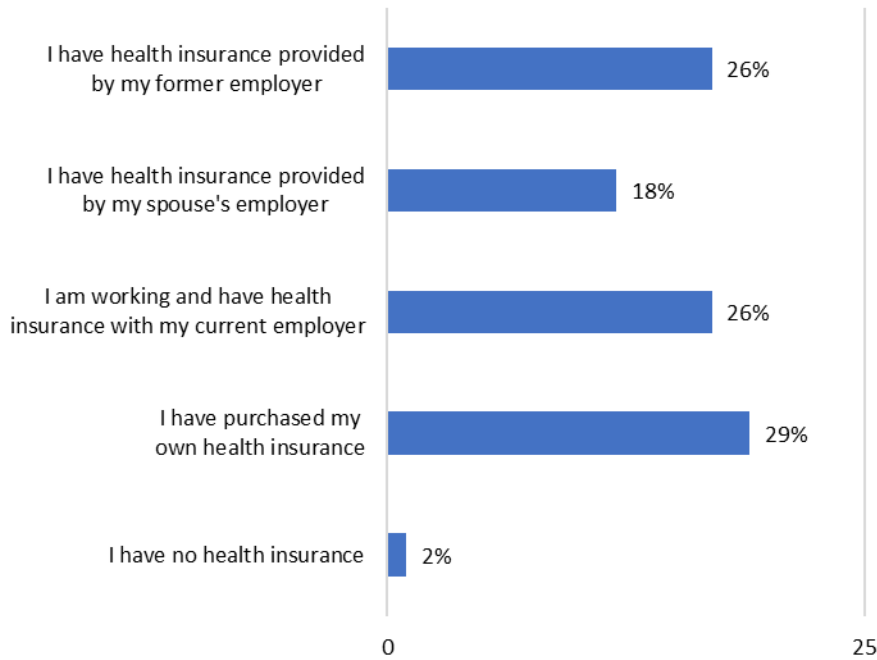
- 73% reported being eligible for Medicare

Percentages reflect only those answering the question. 28% of respondents did not report Medicare eligibility.

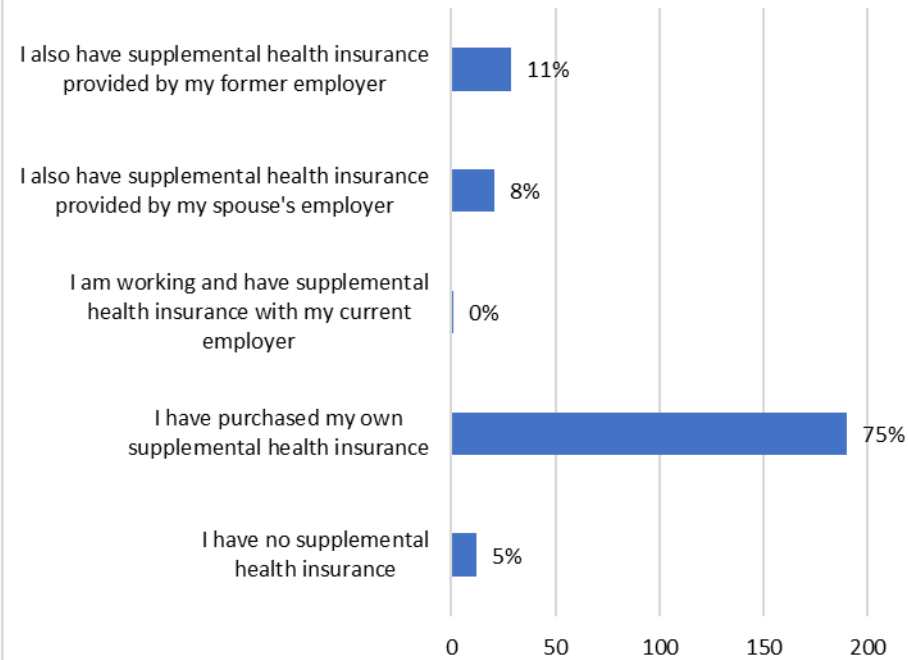


Basic Health and Supplemental Insurance

Not yet eligible for Medicare:



Eligible for Medicare:

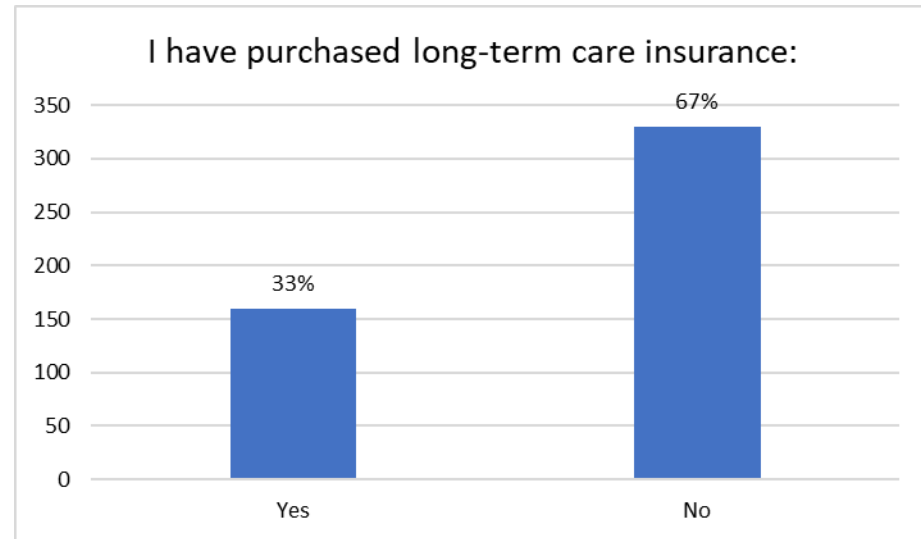
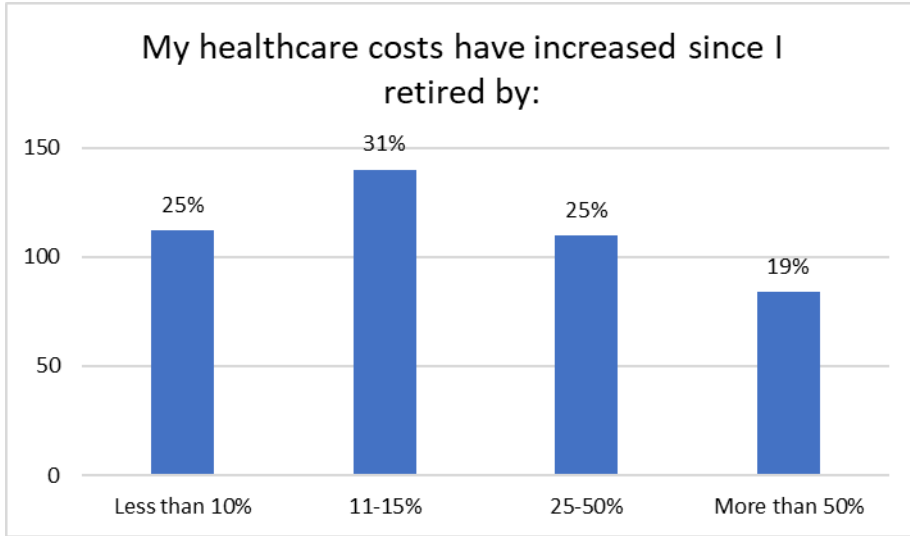


- Only a very few reported having no basic health or supplemental insurance
- Over 75% of Medicare eligible retirees have purchased their own supplemental insurance

Percentages reflect only those answering the question. 32% of those not eligible and 6% of those eligible did not report health or supplemental insurance coverage



Healthcare Costs and Long-Term Care

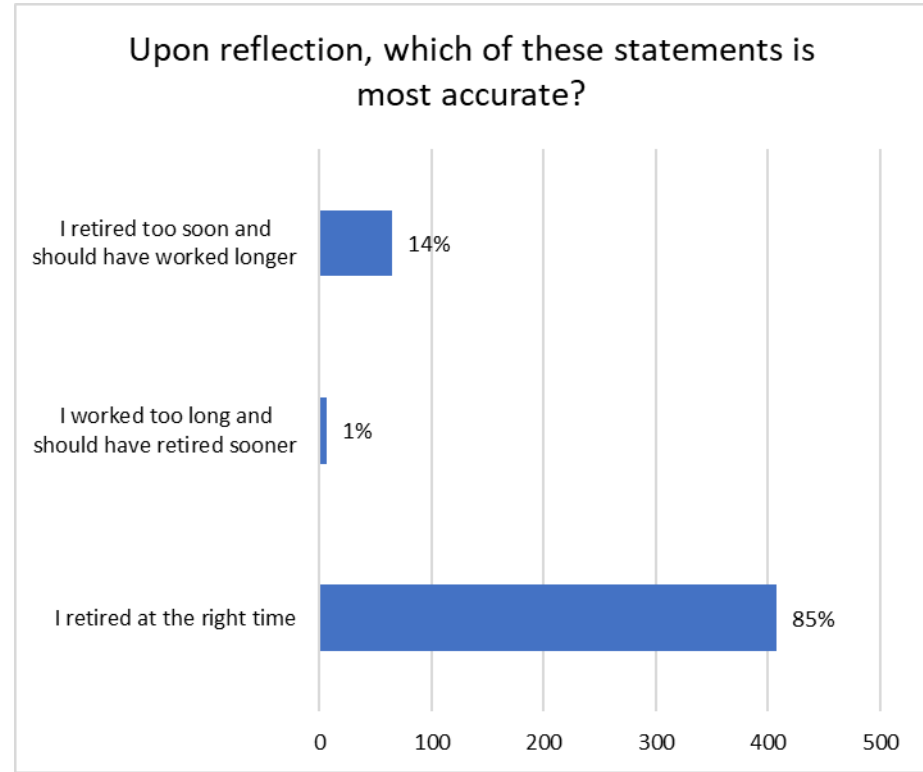
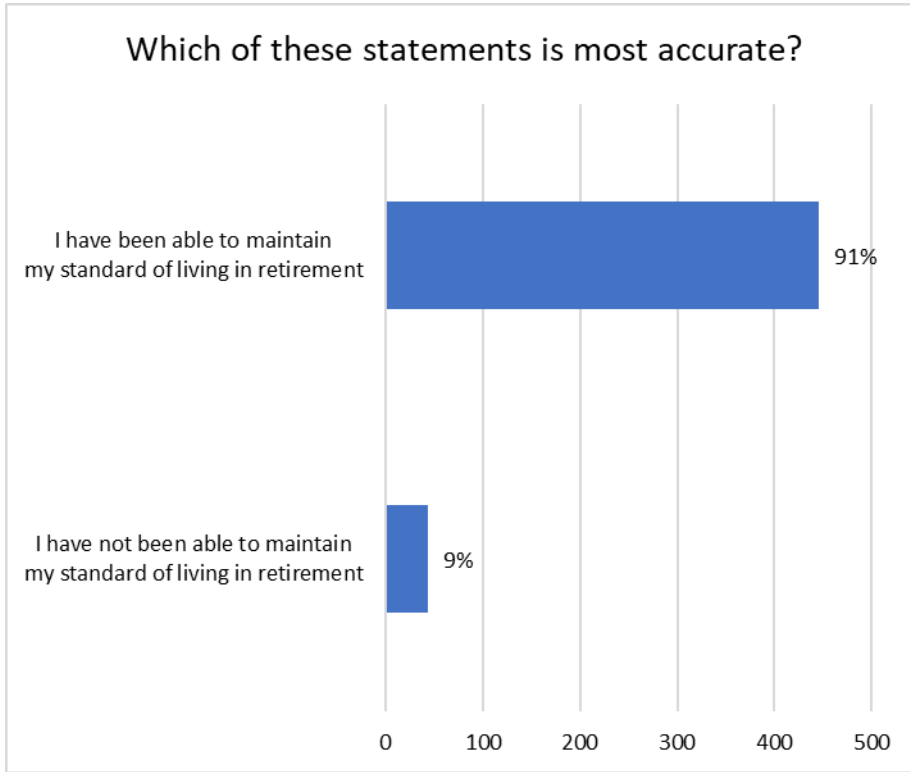


- Most reported healthcare cost increases have been moderate, but almost 20% reported increases more than 50%
- Two-thirds have not purchased long-term care insurance

Percentages reflect only those answering the question. 13% of respondents did not answer the healthcare cost question and 4% did not answer the long-term care insurance question.



Standard of Living in Retirement Retiring at the Right Time



- 91% report being able to maintain their standard of living
 - Response varies based on savings at retirement (85% if less than 50%; 98% if 50% or more saved)
- 85% report retiring at the right time

Percentages reflect only those answering the question. 3% of respondents did not answer standard of living question and 6% did not answer retirement timing question.



Retiree Comments

- Please share any comments or suggestions that may be helpful to other SDRS members as they prepare for retirement; **187 comments received**
- Some comments were specific to the member's situation, but **repeated comments** could be generally categorized as:
 - Complimentary to SDRS: 52
 - Save early or more: 32
 - Referencing high healthcare or long-term care cost: 17
 - Referencing work in retirement: 16
 - Be frugal or eliminate debt: 14
 - Complaints: 13
 - Life or job changes impacting retirement decision: 7
 - Consider spouse's situation: 6



Summary of Responses

- 89% retired before age 65 and 67% participated in SDRS for less than 30 years
- Most felt **adequately prepared** for retirement and **retired at the right time**
- About half changed their retirement plans
- Two-thirds accumulated additional savings for retirement and **overwhelmingly recognized** their importance
- Over half worked after SDRS retirement—most often part-time
- Housing costs were most often identified as highest costs with healthcare the next most frequent highest cost
- A **remarkable 91%** feel they have maintained their standard of living in retirement even though most retired before age 65 and two-thirds did not meet the SDRS career definition