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Four tips for building confidence in your retirement security

October is National Retirement Security Month! This national effort was established by a congressional resolution in 2006 to encourage workers to save for retirement through their employer-sponsored retirement plans, such as SDRS Supplemental Retirement Plan (SRP).

Today, 1 out of 3 public employees don't feel confident in their retirement savings due to factors such as inflation and the cost of living, according to a recent survey by the Employee Benefit Research Institute (EBRI).¹

Here are a few steps you can take to build confidence in your retirement security:

1. Set your retirement savings goal.

Experts suggest you will need between 80 percent and 90 percent of your pre-retirement income to maintain your current lifestyle in retirement.²

Consider using the SDRS-SRP My Interactive Retirement PlannerSM tool, available online at www.SRP457.com, to help identify your retirement income needs, sources of retirement income, and how much you may need to save to achieve your goal.

2. Regularly increase your contributions.

Consider boosting the amount you contribute to your SDRS-SRP by at least one percent every year. A little bit extra can really add up!

3. Avoid emotional investing.

When you save for retirement, you are invested for the long-term. Don't let short-term factors such as market volatility and fear of missing out affect your investment strategy. Instead, adjust your investment strategy only as necessary to rebalance your assets as you approach retirement.

4. Design your retirement goals.

Take the time now to fine-tune your vision of retirement. Adjust accordingly and check in on your progress regularly to ensure that you're moving toward your goals.

Scan the QR code to access more resources during this National Retirement Security Month by visiting the SDRS-SRP NRSM page.

¹ 2023 Retirement Confidence Survey, EBRI.

² "Taking the Mystery out of Retirement Planning," U.S. Department of Labor, Employee Benefits Security Administration, <https://www.dol.gov/sites/dolgov/files/legacy-files/ebsa/about-ebsa/our-activities/resource-center/publications/taking-the-mystery-out-of-retirement-planning.pdf> (November 2021).

Questions? Contact the SDRS-SRP office in Pierre at 605-224-2230.

Visiting the SDRS-SRP office

If you are planning to visit the SDRS Supplemental Retirement Plan (SRP) office in Pierre, please be sure to schedule an appointment by calling 605-224-2230.

The key to long-term growth is time in the market — not market timing

Time in the market, not market timing, is a more strategic investment approach for most investors. When markets turn volatile, investors often sell out of the market and wait for the “perfect” time to re-enter it. Trying to time the market seldom yields good results. It is highly unlikely that an investor will be able to consistently miss the worst market days while capturing only the best ones.

Historically, a buy-and-hold approach has generated higher gains over the long-term rather than trying to perfectly time when to enter or exit the market. The key to long-term growth is to invest in the market over the long run rather than trying to guess the best and worst days.

Asset allocation and diversification

When you build a diversified portfolio, you create a balanced investment mix that can help support your retirement goals.

Here is how it works: In a diversified portfolio, your contributions are typically divided among stocks, bonds, and cash and other equivalents. How your contributions are divided depends on how much time you have until your anticipated retirement date and your investment risk comfort level.

The SDRS Supplemental Retirement Plan (SRP) offers three investment approaches to create a diversified portfolio:

#1 Pick your mix:

If the idea of creating your own portfolio by choosing your investments is appealing to you, the SDRS-SRP offers a broad spectrum of options that are selected by the South Dakota Chief Investment Officer.

#2 Target date funds:

If creating your own portfolio does not appeal to you, the SDRS-SRP offers target date funds designed to make investing for retirement easier. Each fund provides a diversified mix of assets to help most investors achieve their goals. As your retirement target year nears, your asset allocation becomes more conservative.

#3 Do it for me:

Nationwide ProAccount® is a managed account service available to SDRS-SRP participants for an additional fee. Your investments are selected for you based on your age and risk tolerance, then monitored and adjusted over time to keep you on track toward your retirement goals.

Contact us

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In Pierre, 605-224-2230
SRP457.com

The SDRS Supplemental Retirement Plan is a deferred compensation plan regulated by Section 457 of the Internal Revenue Code and offered by the South Dakota Retirement System (SDRS). Plan administration and enrollment services are provided by Nationwide® Retirement Solutions.

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SDRS-SRP Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA, Columbus, Ohio.

Nationwide and its representatives do not give legal or tax advice. An attorney or tax advisor should be consulted for answers to specific questions.

Prudential Guaranteed Interest Account

Prudential has announced a **3.00%** annual effective yield for the fourth quarter of 2023.

This is an available option within the SDRS Supplemental Retirement Plan.

Guarantees and protections are based on the claims-paying ability of the underwriting insurance company.

Payout changes

Note: If you are receiving distributions from the SDRS-SRP, you may be able to change your payout decisions. Call the SDRS Supplemental Retirement Plan office in Pierre at 605-224-2230 to review your account and/or payout options.

Investing involves market risk, including possible loss of principal. Actual results will vary depending on your investment and market experience.

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