



# focus

NRM-2911SD.54 • 4th Quarter 2018



## The market has its ups and downs...

It is important to think long-term when it comes to investing

All investing involves risk, including the risk of losing money. The past year has been a volatile one for the stock market. While it can be unpleasant to experience market downturns, it is important to not react emotionally when it comes to your investments.

Here are three tips to help keep your emotions in check during market downturns:

1. A good strategy is a good strategy, regardless of market conditions.  
If you have a good financial plan in place, stick with it.
2. You are in this for the long-term.  
It is important to not make investment decisions based on short-term gains or losses. Evaluate how an investment fits into your overall financial strategy.
3. Talk with your SDRS-SRP representatives.  
Volatile markets have been experienced before and will be experienced again in the future. Your SDRS-SRP representatives are available to help you evaluate your investment strategy so you can make informed decisions. Information provided is for educational purposes only and not intended as investment advice.

*Investing involves risk, including possible loss of principal. Asset allocation models and diversification do not promise any level of performance or guarantee against loss of principal. Investment in the funds is subject to the risks of the underlying funds. The principal value of the funds is not guaranteed at any time. Target Date Funds invest in a wide variety of underlying funds to help reduce investment risk. So, in addition to the expenses of the Target Date Funds, you pay a proportionate share of the expenses of the underlying funds. Target Maturity Funds are designed for people who plan to withdrawal funds during or near a specific year. Like other funds, target date funds are subject to market risk and loss. Loss of principal can occur at any time, including before, at or after the target date. There is no guarantee that target date funds will provide enough income for retirement.*

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

# 2019 Maximum Contributions

Effective January 1, 2019, you can contribute as much as \$19,000 in your SDRS Supplemental Retirement Plan (SRP) account.

If you are at least age 50, you could contribute an additional \$6,000, for a total of \$25,000.

If you are within three years of retirement, you can utilize the Special 457 Catch-up provision to contribute up to twice the annual maximum or \$38,000.

The table presented below illustrates the contribution per pay period (based on 12 or 24 pay periods) if you wanted to contribute the maximum of \$19,000. For additional information and assistance, please contact your SDRS-SRP Retirement Specialist in Pierre at 605-224-2230.

|                | Under age 50                      | Age 50 (Catch-up)*                | Within three years of retirement (Special 457 Catch-up)* |
|----------------|-----------------------------------|-----------------------------------|--|
| 12 pay periods | \$1,583.33 maximum per pay period | \$2,083.33 maximum per pay period | \$3,166.66 maximum per pay period                        |
| 24 pay periods | \$791.66 maximum per pay period   | \$1,041.66 maximum per pay period | \$1,583.33 maximum per pay period                        |

## If you took a distribution during 2018, look for your IRS Form 1099-R in early February

As a participant in the SDRS-SRP, you enjoy a benefit that has certain tax considerations, such as pre-tax contributions, as permitted under the Internal Revenue Code. The Code specifies that ordinary income taxes must be paid on tax-deferred assets as they are distributed from the SDRS-SRP. Your distributions are reported to the IRS using IRS Form 1099-R.

Your IRS Form 1099-R will detail the gross amount of your distribution(s), the taxable amount, the amount withheld for federal income taxes, and a distribution code

that explains the type of distribution you received.

Your IRS Form 1099-R will be mailed to you after recordkeeping for the 2018 tax year has been finalized by the SDRS-SRP, which generally takes several weeks to complete following December 31. Recognizing that many taxpayers will begin preparing their tax returns, plan administrators, such as the SDRS-SRP, are required to mail the form no later than January 31. Corrected forms may be mailed after this date if any errors are found in the original reporting.

## Feel confident about your retirement readiness

When you enroll in Nationwide ProAccount, the managed account service available through the SDRS-SRP, you are taking advantage of a service that researches, selects, monitors, and adjusts your investments over time, helping you stay on track toward your retirement goals. From the beginning, Nationwide ProAccount offers:

- Easy online enrollment
- An experienced investment manager making informed investment decisions for your account
- Periodic account adjustments based on market conditions
- A 90-day trial period to try the service with no obligation

To learn more about the Nationwide ProAccount service or to enroll, contact the SDRS-SRP office in Pierre at 1-605-224-2230.

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

Nationwide Investment Advisors, LLC (NIA) provides investment advice to plan participants enrolled in Nationwide ProAccount. NIA is an SEC registered investment adviser. NIA assesses participants an asset-based fee for the managed account services. Retirement products are offered by Nationwide Trust Company, FSB, or Nationwide Life Insurance Company.

NIA has retained Wilshire® as an Independent Financial Expert for Nationwide ProAccount. Wilshire provides investment allocation portfolios based on participant ages and their personal tolerance for investment risk.

NIA assesses participants an asset-based fee for the managed account services.

Retirement products are offered by Nationwide Trust Company, a division of Nationwide Bank®, or Nationwide Life Insurance Company.

Wilshire is a registered service mark of Wilshire Associates, which is not an affiliate of Nationwide or NIA.

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## Contact us

### SDRS Supplemental Retirement Plan

222 E. Capitol Ave., Suite 1  
Pierre, SD 57501  
800-959-4457  
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.

Contract #: GA-00619

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

Neither Nationwide nor any of its representatives give investment, legal or tax advice. For such guidance, you should consult your own counsel.

## Prudential Guaranteed Interest Account\*

Prudential has announced a **3.00%** annual effective yield for the 1st quarter 2019.

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

*\*Available option within the SDRS Supplemental Retirement Plan*

## 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.