



focus

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Simplify Through Rollovers

According to the Bureau of Labor Statistics of the United States Department of Labor, a person holds an average of 11.7 jobs between ages 18 and 48.¹ If each job provides some type of retirement account, it becomes more difficult to track these different accounts. Additionally, each individual account may not seem like it amounts to much; however, when they are combined together those accounts could add up to a considerable amount.

If you have multiple retirement accounts, consider rolling them into the SDRS Supplemental Retirement Plan (SRP). By consolidating your accounts with the SDRS-SRP, you have:

- Access to low cost investments. Rolling the funds to the SDRS-SRP can potentially save you money.
- Simplification. One statement. One place to manage your accounts.
- Tax advantages. The SDRS-SRP allows your money to grow tax-deferred.

¹ <http://www.bls.gov/news.release/pdf/nlsoy.pdf>

The SDRS-SRP can accept rollovers from the following types of pre-tax plans:

- Traditional IRAs
- 401(k) plans
- 457 plans
- 401(a) plans
- 403(b) plans

Simplify your retirement planning. Contact an SDRS-SRP Retirement Specialist at 605-224-2230 for assistance.

Qualified retirement plans, IRAs, and deferred compensation plans have different rules, including fees and withdrawal restrictions. Assets rolled from other plans into your SDRS-SRP account might still be subject to a 10 percent early distribution penalty if you choose to withdraw prior to age 59 ½. All withdrawals are taxed as ordinary income. Consider all factors and speak with your tax advisor for advice.



eDelivery is a great way to stay informed about your account activity. Sign up today!

If you received a distribution in 2015, look for your 1099-R by early February

The SDRS-SRP must report distributions to participants on IRS Form 1099-R. If you received a distribution this past year, you will need this form to prepare your 2015 Federal income tax return. Once the forms have been mailed, a message will be posted on the SDRS-SRP website, www.SRP457.com. If you took a distribution, including an unforeseeable emergency withdrawal, from your SDRS-SRP account in 2015 and do not receive a 1099-R by February 15, please contact the SDRS-SRP office in Pierre at 605-224-2230.

How Confident are you about Your Retirement Planning?

Recent research indicates that just 18 percent of Americans feel very confident they have enough money to live comfortably in retirement.² The remaining 82 percent may not be as confident as they would like to be. Fortunately, you have already taken a step toward feeling more confident about your retirement planning by enrolling and contributing to the SDRS-SRP.

Each year the Internal Revenue Service adjusts the maximum contribution limits for personal retirement savings plans like the SDRS-SRP. For 2016, participants may contribute up to \$18,000 to their SDRS-SRP account. Participants who are age 50 or older may contribute an additional \$6,000 (for an annual maximum of \$24,000). Eligible participants may contribute up to \$36,000 under the 3-year retirement catch-up provision. For eligibility, please contact the SDRS-SRP office at 605-224-2230.

	Standard deferral	Age 50+ catch-up	3-year retirement catch-up
2016	\$18,000	\$24,000	\$36,000

A little can go a long way. By increasing your contributions as little as \$25, you can feel more confident in your retirement planning. The following table shows the potential outcome of contribution increases.

Growth period			Ending balance		
Deferral per pay	Paycheck impact	Annual pay reduction	Accumulation 10 years	Accumulation 20 years	Accumulation 30 years
\$25	\$18.75	\$488	\$9,304	\$27,605	\$63,607
\$50	\$37.50	\$975	\$18,607	\$55,210	\$127,214
\$75	\$56.25	\$1,463	\$27,911	\$82,812	\$190,821
\$100	\$75.00	\$1,950	\$37,214	\$110,420	\$254,428
\$150	\$112.50	\$2,925	\$55,821	\$165,631	\$381,642
\$200	\$150.00	\$3,900	\$74,429	\$220,841	\$508,856

IRS Announces 2015 Pension Plan Limitations, IR-2015-118, October 21, 2015

Investments involve market risk, including the possible loss of principal. Actual investment results will vary depending on your investment and market experience. Account Executives cannot offer investment, tax or legal advice. Contact your own counsel before making decisions about retirement plan participation.



Boost your retirement planning confidence! Call the SDRS-SRP office in Pierre at 605-224-2230 or, visit the SDRS-SRP website at www.srp457.com to increase your contributions.

² EBRI 2015 Retirement Confidence Survey, Issue Brief #397, March 2014

Contact us

SDRS Supplemental Retirement Plan

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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 first quarter of 2016.

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 Plan, you may be able to change your payout decisions. Call the SDRS Supplemental Retirement Plan office at 605-224-2230 or call 800-959-4457 to review your account and/or payout options.