



Plan enhancements coming your way!

Saving for your retirement is one of the most important things you can do with your money. And, saving through the SDRS Supplemental Retirement Plan (SRP) is a smart way to go about it. The SDRS-SRP offers features and benefits you may not find elsewhere.

The South Dakota Retirement System works hard to ensure SDRS-SRP plan costs remain as low as possible while maintaining quality retirement savings vehicles for its members. As a result of contract updates between SDRS and Nationwide Retirement Solutions, the third-party administrator of the SDRS-SRP, the annual asset fee was reduced by 24 percent, from 0.21 percent to 0.16 percent. The new annual asset fee became effective January 1, 2018, for SDRS-SRP and SPP participants.

The new fee structure will be completed in two steps:

- A prorated annual asset fee of 0.01333 percent (1/12 of 0.16 percent) will be applied to your account balance for the months of January, February, and March 2018.
- Effective April 1, 2018:
 - If your account balance is less than \$7,500, the administrative cost will be \$12 per year (\$1 per month).

- If your account balance exceeds \$7,500, the 0.16 percent annual asset fee will apply.
- Annual asset fees will be capped at \$500 (combined maximum). The annual cap only applies to participants with account balances exceeding \$315,000.
- New enrollees will have no fees for the first two years. Beginning in the third year, if your account balance is less than \$7,500, the administrative cost will be \$12 per year (\$1 per month). When your balance exceeds \$7,500, the 0.16 percent annual asset fee will apply.

Please note that if you were a participant in the SDRS Special Pay Plan prior to July 1, 2007, the fee structure modifications will become effective April 1, 2018, as follows:

- The \$45 annual fee will be eliminated. A prorated annual asset fee of \$3.75 per month (1/12 of \$45) will be assessed to your account for the months of January, February, and March 2018.
- After April 1, 2018, if your account balance is less than \$7,500, the administrative cost will be \$12 per year (\$1 per month). If your account balance exceeds \$7,500, the 0.16 annual asset fee will apply.
- Annual asset fees will be capped at \$500 (combined maximum).

New Fund Added

Effective December 18, 2017, the Vanguard Target Retirement 2065 Fund was added to the SDRS Supplemental Retirement Plan (SRP). The ticker symbol for this fund is VSXFX. You can learn more about SDRS-SRP investment options by visiting

the SDRS-SRP website, www.srp457.com. Fund prospectuses can be accessed by clicking on "About SDRS-SRP" and following the link provided under the Investment Options section. You may also contact the SDRS-SRP office in Pierre at 1-605-224-2230 for more information about investment options.

IRS increases maximum contribution limits for 2018

	2018 Annual Limit	Monthly Contribution* (12 Pay Periods)	Bi-Monthly Contribution* (24 Pay Periods)	Bi-Weekly Contribution* (26 Pay Periods)
Standard Deferral	\$18,500	\$1,541	\$770	\$711
Age 50+ Catch-up	\$24,500	\$2,041	\$1,020	\$942
Special 457(b) Catch-up	Up to \$37,000	Up to \$3,083	Up to \$1,541	Up to \$1,423

*Contribution amounts are pre-tax and rounded down to the nearest dollar.
Source: IRS Announces 2018 Pension Plan Limitations, IR-2017-177, Oct. 19, 2017

The IRS has announced the 2018 maximum contribution limits. The maximum amount you may contribute to 457 plans, such as the SDRS Supplemental Retirement Plan (SRP), in 2018 is \$18,500. This is an increase of \$500 from the 2017 limit.

The additional Age 50+ Catch-up contribution is \$6,000 in 2018. This means that if you are age 50 or older during the 2018 calendar year you may contribute an additional \$6,000 above the maximum, for a total of \$24,500.

The Special 457(b) Catch-up contribution amount has also increased for 2018 to \$18,500. If you are within three years of attaining your normal retirement age under the South Dakota Retirement System, you may contribute up to a maximum of \$37,000 to the SDRS-SRP.

To learn more about the Special 457(b) Catch-up, please contact your SDRS-SRP Retirement Specialist in Pierre at (605) 224-2230.

Get SDRS-SRP news, transaction confirmations, and statements sooner

When you enroll in Paperless Delivery, you will receive an email notice whenever the SDRS Supplemental Retirement Plan (SRP) has account information available for you. Signing up is easy. Simply log into your SDRS-SRP account at www.srp457.com, click "Contact Preferences" in the left-hand column, and click "Update" in the Paperless Delivery section. After reading the Terms and Conditions, select "Yes", enter your email address, and "Save."



Investing involves market risk, including possible loss of principal. No investment strategy can guarantee a profit or avoid loss. Actual results will vary depending on your investment and market experience.

Nationwide representatives cannot offer investment, tax or legal advice. You should consult your own counsel before making retirement plan decisions.

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Contact us

SDRS Supplemental Retirement Plan

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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 2018.

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.