

South Dakota Retirement System
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South Dakota Retirement System

May 16, 2013

Dear SDRS Participating Employer:

The South Dakota Retirement System (SDRS) is pleased to announce that the SDRS Roth 457 program will be available beginning July 1, 2013.

Because this new program requires a minor change to an employer's payroll system, SDRS is asking each participating employer to confirm their intent to offer the SDRS Roth 457 program as part of their employees' elective benefits package. For your review, attached is a sample letter that could be used for such authorization. Once authorized, the marketing of the SDRS Roth 457 will be made available to your employees.

In review, the Small Business Jobs Act of 2010 authorized governmental 457(b) plans, such as the SDRS Supplemental Retirement Plan (SRP), to offer designated Roth contribution programs. In 2012, Senate Bill 29 (codified in SDCL 3-13-57) was enacted and signed into law authorizing the SDRS Board of Trustees to establish a designated Roth contribution program within the deferred compensation plan. The SDRS Roth 457 program will provide public employees an additional savings option that allows them to make after-tax contributions to the program with the opportunity of qualified tax-free withdrawals.

If you have any questions regarding the provisions and features of the new Roth 457 option or the overall SDRS Supplemental Retirement Plan (SRP), please contact the SDRS-SRP office in Pierre at (605) 224-2230. Additional information about the SDRS Roth 457 option will be mailed to you in the near future. SDRS stands ready to work directly with you in offering this new savings option to your employees.

Sincerely,

Robert A. Wylie
Executive Director/Administrator