

HOUSE COMMEMORATION NO. 1018

Introduced by: Representatives Rounds, Duba, McCleerey, Perry, Ring, and Zikmund and
Senators White, Kolbeck, Nesiba, Partridge, and Wismer

A LEGISLATIVE COMMEMORATION, Commending the South Dakota Retirement System Board of Trustees for its sound fiscal management and the national recognition of its innovative retirement plan design.

WHEREAS, the South Dakota Retirement System (SDRS) is a cost-sharing, multiple-employer public employee retirement system established to provide retirement, disability, and survivor benefits for employees of the state of South Dakota and its political subdivisions. Members of SDRS are full-time employees of over four hundred ninety employers, which include public schools, the state, the Board of Regents, city and county governments, and other public entities; and

WHEREAS, on June 30, 2018, SDRS was one hundred percent funded based on the Fair Value of Assets (current assets compared to the value of benefits accrued to date), and all the funding objectives were met, marking the twenty-third time out of the last twenty-eight actuarial valuations that SDRS has been at least one hundred percent funded on a fair value basis. The SDRS one hundred percent funded ratio compares to an estimated average of seventy-one percent for all statewide plans; and

WHEREAS, the SDRS Board of Trustees, as a leader in best practices, sound financial management, and innovative benefits, recognized that it must adapt to demographic changes and prepare for future economic challenges, and initiated a new benefit design with significantly reduced subsidies, increased normal retirement benefits, and improved alignment with employer workforce needs. In addition, a portion of the benefit and the cost-of-living adjustment vary with investment performance and affordability, providing flexible benefits that share in the success of the South Dakota Investment Council and enhance plan sustainability while alleviating or potentially precluding corrective actions; and

WHEREAS, the success of SDRS has been achieved not only through the prudent oversight of



the SDRS Board of Trustees, but also with the outstanding long-term success of the South Dakota Investment Council and the ongoing support of the executive and legislative branches of state government and the SDRS membership; and

WHEREAS, the Society of Actuaries, a research and education professional actuarial organization, issued a call for models on governmental pension designs, seeking real-world solutions that provide secure retirement benefits in a sustainable design and selected SDRS's new plan design as one of the most innovative retirement plan designs suited for the economic and demographic needs of North America in the twenty-first century:

NOW, THEREFORE, BE IT COMMEMORATED, by the Ninety-Fourth Legislature of the State of South Dakota, that the Legislature commends the South Dakota Retirement System Board of Trustees for its sound fiscal management and congratulates SDRS for its recognition from the Society of Actuaries.