

**SOUTH DAKOTA BOARD OF REGENTS**

**Full Board**

**AGENDA ITEM: 21**

**DATE: April 1-2, 2015**

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**SUBJECT: BOR Policy 4:18 Retirement**

As the result of the South Dakota Legislature Chapter §13-14.4 through §13-14.10 in 2007, the Board of Regents is no longer authorized to implement an incentive early retirement program. The revisions to the attached document align the Regents policy with the State laws.

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**RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR**

Approve revisions to BOR Policy 4:18.

**SOUTH DAKOTA BOARD OF REGENTS****Policy Manual****SUBJECT:** Retirement**NUMBER:** 4:18

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**1. Preamble**

To ensure that employees have a well-rounded benefit package, the state of South Dakota has established a retirement program (401a) for eligible employees. This 401(a) is managed by the South Dakota Retirement System (SDRS). SDRS's mission is to plan, implement and administer income replacement programs that give SDRS members and their families the opportunity to achieve financial security at retirement, death or disability. In addition to the SDRS benefit, the Board of Regents has provided additional investment vehicles in which employees can participate.

**2. South Dakota Retirement System**

Employees in a benefit eligible position as defined by SDCL § 3-12-47 and § 3-12-62 who are employed by the South Dakota Board of Regents (SDBOR) are required to participate in the South Dakota Retirement System. Compensation paid by SDBOR will be subject to SDRS withholding and employer match requirements. For more information on SDRS Retirement, please see <http://www.sdrs.sd.gov/>.

**3. Supplemental Retirement**

Benefit eligible employees may participate in a supplemental retirement plan. This voluntary benefit is 100% employee supported. Employees may select from a 457 and/or 403(b) plans. SDRS sponsors the 457 voluntary benefit and the BOR has allowed IRS approved vendors to sponsor the 403(b) plans.

**4. Special Pay Plan**

Effective July 1, 2004, the legislature approved a 401(a) Special Pay Plan that is 100% participatory for all employees of the State and the Board of Regents who terminate employment and are age 55 or older and have a minimum of \$2,000 dollars payout from termination pay. This termination pay includes annual, sick and longevity pay. This plan allows employees to invest all lump sum final payments in a portfolio of choice (as defined by SDRS).

**5. ~~Incentive Early Retirement~~**

~~The Board of Regents is legislatively authorized to implement an incentive early retirement program. The Board of Regents may authorize use of this program from year to year effective July 1 of each year.~~

~~Eligibility criteria, compensation amounts, and utilization procedures are subject to change. Copies of the Incentive Early Retirement Program agreements are on file in the Board of Regents Office.~~

**SOURCE: BOR 2-79 p.246; amended 8-20/21-87; SDCL 3-12; ~~SDCL 13-49-14.4 through 13-49-14.10~~; Revised, BOR, March 1992; BOR, June 1997; BOR, October, 2005; BOR, March 2015.**