



**To:** Participants, Department of Labor Employee Retirement Plan  
**From:** Emily Ward, Administrative Services Director, Department of Labor and Regulation  
**Subject:** Department of Labor Employee Retirement Plan Merger with South Dakota Retirement System  
**Date:** May 6, 2020

#### MERGER

On February 26, 2020, Governor Noem signed legislation to merge the Department of Labor Employee Retirement Plan (ERP) with the South Dakota Retirement System (SDRS). This was done after receiving support from the SDRS Board of Trustees and ERP Board members and unanimous approval from both chambers of the Legislature.

#### EXPLANATION OF MERGER

On July 1, 2020, the ERP will merge with the SDRS. Current ERP participants will become a separate class in SDRS called Class D and retain the same benefits they have been receiving.

The ERP assets will be merged with the SDRS assets, which are managed by the South Dakota Investment Council.

Principal will make the July 1, 2020, benefit payments to ERP participants, including the SDRS cost of living adjustment (COLA) of 1.56%, which is effective July 1, 2020. Beginning with the August payment and thereafter, your benefit payments will be made by SDRS. Future COLAs will be calculated based on inflation and affordability considering SDRS as a whole.

SDRS will assume all administration of the ERP, including counseling for active and retired members. SDRS contact information is:

South Dakota Retirement System  
P.O. Box 1098  
222 E. Capitol Ave., Suite 8  
Pierre, SD 57501  
1.888.605.7377  
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