



## 401(a) Special Pay Employer Procedures

All questions or concerns regarding the 401(a) should be directed to the 401(a) Special Pay Plan at 605-224-2230.

### 401(a) Special Pay Procedures

1. Employee gives notice of termination of employment
2. Employer and employee meet
3. Employer determines if the employee has termination pay available that meets these conditions:
  - Age 55 or older or employee has reached the first day of the calendar month prior to their 55th birthday
  - Minimum account balance of \$600 (2023 maximum is \$66,000)
4. Employer provides the employee with a Participation Agreement and 401(a) Special Pay Plan Highlights
5. Employer assists the employee in completing the Participation Agreement
6. Employer sends B-1 Termination form to the South Dakota Retirement System
7. Employer sends the completed Participation Agreement to:  
SDRS Special Pay Plan  
222 E. Capitol Ave., Suite 1  
Pierre, SD 57501
8. Employer is responsible in remitting the initial, one-time per participant fee of \$45.
9. The check is sent to the South Dakota Retirement System:  
South Dakota Retirement System  
Attn: John Saylor  
PO Box 1098  
Pierre, SD 57501

**NOTE:** Employer is responsible to send the completed participation agreement to the SDRS Special Pay Plan Office 10 days prior to issuance of the check. This is to ensure the account is set-up and funds can be applied on the day of receipt.

### Receipt of Participation Agreement

- Participant account will be established on the system.

### Receipt of Funds

- Funds will be applied to the Prudential Guaranteed Interest Account
- Confirmation letter will be sent to the employee (plan participant)
- Once the employee has received confirmation letter, the funds are available to be reallocated into other Investment options, available for rollover to another eligible retirement plan or IRA, or be distributed to the participant.

### 401(a) Special Pay Information Reporting

- 401(a) Special Pay Plan information will be updated quarterly on the Employer Reports.
- 401(a) Special Pay Plan participant information will be included on quarterly Participant Statements.
- 401(a) Special Pay Plan participant information will be updated on the South Dakota Web site ([www.SRP457.com](http://www.SRP457.com))
- 401(a) Special Pay Plan participant information will be voiced on the VRU (Voice Response Unit).