**Employer Election to Adopt**

**Automatic Enrollment with Automatic Escalation Provision**

**For the SDRS Supplemental Retirement Plan**

**Whereas,** SDCL 3-13-56 offers SDRS participating employers the opportunity to choose to add an automatic enrollment provision with automatic escalation for the employer’s employees that are hired on or after the date of this election;

**Whereas,** \_\_Elkton School District \_\_\_\_\_\_\_\_\_ (name of participating employer) understands and agrees to the following points:

* The decision to become an automatic enrollment unit with automatic escalation shall be made by the elected official, the appointed official, or the governing body in charge of the employer;
* The employer shall become an automatic enrollment unit with automatic escalation on July 1, 2015, or as soon as notice of the decision has been delivered in writing to the system, whichever is later;
* That all permanent full-time employees hired on or after the effective date of this election shall be automatically enrolled in the SDRS-Supplemental Retirement Plan (SRP);
* That all new employee identification data via SDRS Form E-1 will be submitted to SDRS electronically;
* That twenty-five dollars ($25) per month shall be initially deferred to the plan from the employee’s compensation, effective with the employee’s first pay date;
* That the SRP deferral shall continue from the effective date of hire unless the employee officially provides notice to the system of his/her election not to participate;
  + Special Rule for Automatic Enrollees: if the enrollee elects not to participate in the plan within 90 days after his or her first pay date and gives notice of that election to the system, the deferred compensation amount and the associated gains or losses, less federal income tax withholding, shall be refunded to the enrollee within 30 days of receipt of the final contribution.
* If the employer elects January 1 as its annual automatic escalation date, notice of this election must be received by the system no later than September 15; if the employer elects July 1 as its automatic escalation date, notice of this election must be received by the system no later than March 15.

That the SRP deferral amount shall annually increase by ten dollars ($10) per month on the unit’s automatic escalation date for each automatically enrolled employee whose hire date is at least one year prior to the automatic escalation date.

* If the employee is eligible for but elects not to participate in automatic escalation or elects to defer a lesser or greater amount, then the employee must annually provide notice to the system of his/her election no later than December 15 for a January escalation or June 15 for a July escalation.
  + Special Rule for Automatic Escalation Enrollees: if the enrollee fails to timely notify the system each year of his/her desire not to participate in automatic escalation or desire to defer a lesser amount, the enrollee may later notify the system to stop any future increased deferrals for that year but any additional amount previously deferred will not be refunded to the enrollee.

**Now, Therefore, Be It Resolved**, that \_Elkton School District \_\_\_\_\_\_\_\_\_\_\_ (name of participating employer) elects to add the automatic enrollment with automatic escalation provision as provided under SDCL chapter 3-13, Deferred Compensation Plan for Public Employees, and agrees to the terms and conditions as set forth by SDRS, with an effective date of \_\_May 14, 2018\_\_\_\_\_\_\_\_ for automatic enrollment and an effective date of January 1/July 1 (circle one) for automatic escalation each subsequent year.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature of the Employer’s Chief Administrative Date

Officer or An Officer of the Employer’s Governing Body