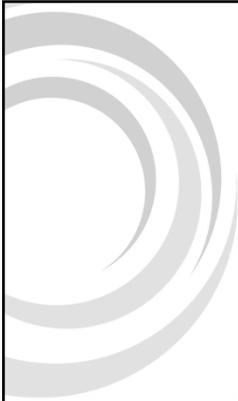


Retirement Starts Now



The road to retirement

Where are you?

2

Retirement could be longer than you think



- When will you retire?
 - 74 percent of U.S. workers think they will work past age 65.¹
 - 67 percent of U.S. workers actually retired before age 65.²
- Retirement comes sooner than you think.
- A sure way to an unsure future is to put off planning for retirement.

http://www.opeba.com/html/213044/employees/65th_bor_work_past_retirement_age_65e
http://www.opeba.com/html/213039/employees/willthey65th_retirement_age_65e

3

Think about your retirement now



- Do you know what you want to do and where you want to be in retirement?
- Do you have an idea how you're going to get there?
- Start asking yourself these questions and identify steps you can take to secure your financial future.

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How will you get to retirement from here?



- Start thinking about the things you hope to do in retirement.
- Know your possible sources of retirement income.
- Understand your PEBA-administered retirement plan.
- Consider the effects of the other benefits and programs PEBA offers.
- Stay connected with PEBA.

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The "what-if" questions



- What if you have health issues?
- What if you have assisted living costs?
- What if the kids don't leave?
- What if the kids come home in crisis?
- What if inflation rises?
- What if you have unpaid debts?

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Identify your income sources

Which ones will you have?

7

Possible income sources



PEBA-administered retirement plans	Other monthly benefits	Personal savings and investments
<ul style="list-style-type: none"> • Lifetime monthly benefit from defined benefit plan; or • Distributions from defined contribution plan. 	<ul style="list-style-type: none"> • Social Security. • Military pension. • Other pensions. 	<ul style="list-style-type: none"> • South Carolina Deferred Compensation Program; • Personal savings accounts; • Certificates of deposit (CDs); • Money market accounts; and • Individual Retirement Accounts (IRAs).

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PEBA's defined benefit plans



- SCRS and PORS are the two largest defined benefit plans administered by PEBA.
- Expect to receive about 50 percent of your pre-retirement income after a full career of service.
- Work longer to increase your years of service credit and receive a slightly bigger benefit.
- Purchase service credit.

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PEBA's defined contribution plan



- State ORP provides a defined contribution retirement plan alternative to SCRS for certain eligible employees.
- Retirement income based on your account balance at retirement.
- Any fees and expenses, distributions, and investment gains or losses will affect this balance.
- Eligible for distribution at termination or age 59 ½.

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Social Security benefits



- Monthly benefit based on your indexed lifetime earnings, your age and other variables.
- Visit the Social Security Administration's website, www.ssa.gov, to create your Social Security account.
 - Check your statement;
 - Estimate your benefit; and
 - Access other helpful information.

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Other employer retirement plans



- Remember to take into account any additional benefits from past employment.
- Military pensions.
- Review your work history.
- Contact past employers.

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S.C. Deferred Compensation Program



- A voluntary, supplemental defined contribution program to help employees save additional money for retirement.
- Offers 401(k) and 457 plans.
- Both plans offer Roth options.
- Currently administered by Empower Retirement.
- Access to local retirement plan advisers.
- Multiple retirement planning tools available at www.southcarolinadcp.com.

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Other personal savings and investments



- Begin to set aside additional funds now through options offered by your local bank or credit union.
 - Personal savings accounts;
 - Certificates of deposit (CDs);
 - Money market accounts; and
 - Individual Retirement Accounts (IRAs).

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Understand your retirement plan

What benefits does PEBA offer?

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Retirement plans



- South Carolina Retirement System (SCRS).
- Police Officers Retirement System (PORS).
- State Optional Retirement Program (State ORP).

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Employee contributions effective July 1, 2018



- SCRS – 9 percent of pay.
- PORS – 9.75 percent of pay.
- State ORP – 9 percent of pay.

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SCRS and PORS



- Defined benefit plans.
- Plans bear the investment risk.
- Class Two and Class Three membership.
- Provides a monthly service retirement benefit based on a formula.
- Must meet eligibility requirements to receive retirement benefits.

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SCRS Class Three service retirement eligibility



- Must have eight years of earned service.
- For an unreduced monthly retirement benefit, you must:
 - Meet the Rule of 90 (age and years of service add up to 90); or
 - Be age 65 or older.
- For a reduced monthly retirement benefit, you must be age 60 (permanently reduced 5 percent for each year of age less than 65).
- Rule of 90 example: 56-year-old member with at least 34 years of service would be eligible for retirement ($56 + 34 = 90$).

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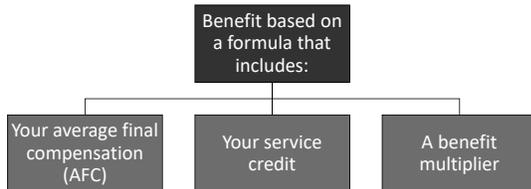
PORS Class Three retirement eligibility



- Must have eight years of earned service.
- For a monthly retirement benefit, you must:
 - Have 27 years of service; or
 - Be age 55 or older.

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SCRS, PORS service retirement monthly benefit



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SCRS, PORS Class Three AFC calculation, unused leave



- AFC includes your 20 highest consecutive quarters of earnable compensation divided by 5.
- AFC does not include annual leave payouts.
- Earnable compensation does not include pay for overtime not mandated by the employer for SCRS members. This does not apply to PORS members.
- No sick leave added to service credit.

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Monthly benefit calculation¹



- Step 1** • Multiply your AFC by 1.82% (SCRS members) or 2.14% (PORS members).
- Step 2** • Multiply the result by your years of service credit.
- Step 3** • Divide the result by 12 to arrive at your monthly retirement benefit.

¹Early retirement reductions will apply for SCRS members who retire before reaching eligibility for an unselected monthly retirement benefit. Reduction applies when choosing joint retiree/survivor payment plan.

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Class Three SCRS, PORS monthly benefit example



AFC = \$30,000		
SCRS	$\$30,000 \times 1.82\% =$	\$546.00
	$\$546 \times 30 \text{ years} =$	\$16,380.00
	$\$16,380 \div 12 =$	\$1,365.00
PORS	$\$30,000 \times 2.14\% =$	\$642.00
	$\$642 \times 27 \text{ years} =$	\$17,334.00
	$\$17,334 \div 12 =$	\$1,444.50

- Early retirement penalties and/or reductions may apply.
- Reduction factors will apply to members who select a joint retiree/survivor payment plan.

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State ORP



- A 401(a) defined contribution plan.
- Employee contributes 9 percent.
- Employer contributes 5 percent to selected service provider.
- Alternative to the defined benefit plan for some employees.
- Retirement benefit is accumulated account balance.
- Any fees, distributions, and investment gains or losses will affect this balance.
- Eligible for distribution at termination or age 59 ½.

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SCRS, PORS disability eligibility



- Must be in service with a participating employer.
- Class Three members must have eight years of earned service unless job-related injury.
- SCRS members must be approved for Social Security disability benefits.
- PORS members must be found permanently disabled from performing the duties of their job by a medical board.

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SCRS in-service death benefit



- If you die in service as an active member, your beneficiary may be entitled to receive:
 - A refund of your contributions plus the interest earned on your account; or
 - A monthly annuity if you are a Class Three member with at least eight years of earned service credit and either have at least 15 years of total service credit or are at least age 60 at time of death.

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PORS in-service death benefit



- If you die in service as an active member, your beneficiary may be entitled to receive:
 - A refund of your contributions plus the interest earned on your account; or
 - A monthly annuity if you are a Class Three member with at least eight years of earned service credit and either have at least 15 years of total service credit or are at least age 55 at time of death.

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State ORP in-service death benefit



- If you die in service as an active State ORP participant, your beneficiary may be entitled to receive:
 - The cash value of your account through lump-sum distributions, periodic withdrawals or annuities.

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Active member incidental death benefit



- Employer must provide the coverage.
- Must have at least one year of earned service unless death results from job-related injury.
- A payment equal to your current annual earnable compensation will be paid to your designated beneficiary.

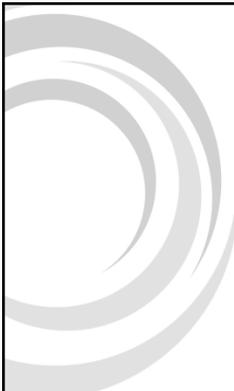
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PORS Accidental Death Program



- Employer must provide the coverage.
- Provides a survivor annuity if employer is covered and your death is result of a job-related injury.
- Paid monthly to surviving beneficiary.

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Retiree insurance

Will you be eligible?

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Eligibility for retiree insurance with PEBA



- Must meet certain eligibility requirements to continue insurance coverage in retirement.
- Changing jobs could affect your eligibility for funding.
- Only PEBA can determine retiree insurance eligibility.
- Refer to the [Insurance Benefits Guide](#) for more information.

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Stay connected
How can you stay connected during your career?

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Member Access features for active SCRS, PORS members



- Log in or create an account.
- View your account and service credit statement.
- Estimate your benefit amount.
- Update your address and contact information.
- Calculate service purchase cost estimate.
- Submit service purchase request.
- Review your beneficiary designations.
- Apply for retirement.
- Apply for a refund.

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Member Access features for active State ORP participants



- Log in or create an account.
- Link to your State ORP service provider website.
- View your PEBA incidental death beneficiaries.
- Update your address with PEBA.
- Receive messages regarding State ORP annual open enrollment (January 1 to March 1).
 - Change your State ORP service provider.
 - Irrevocable election to SCRS (if eligible).

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Member Access



- To register for Member Access, you will need:
 - Your last name;
 - Your Social Security number;
 - Your dated of birth; and
 - A valid email address.
- See [Member Access flyer](#) for more information.

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Get in touch with PEBA



- www.peba.sc.gov
- Contact us:
 - www.peba.sc.gov/contactus.html.
 - 803.737.6800 or 888.260.9430.
- Visit us:
 - 202 Arbor Lake Drive
 - Columbia, SC 29223

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Get social with PEBA



[SCPEBA](#)



[PEBA TV](#)



[SCPEBA](#)



[SCPEBA](#)



[South Carolina Public Employee Benefit Authority](#)

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Are you on track?



- Retirement income needs and sources.
- Understand your PEBA-administered retirement plan.
- Stay connected with PEBA.
- Do not assume everything will work out on its own.
- Get started.

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Disclaimer



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