



Serving those who serve South Carolina

**Be aware and prepare**

**Get Set for Retirement**

*For employees within a few years of retirement*

*A sure way to an unsure future is to put off planning for retirement.*

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**Get set for retirement**

Are you ready?

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**Get set for retirement**



- Important retirement decisions in front of you
- Our goal is to help you get set
- Be aware and prepare so you can make the right decisions for you and your retirement
- A sure way to an unsure future is to put off planning for retirement

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**Are you set for retirement?** 

- Learn the PEBA-administered retirement plan eligibility rules
- Estimate your PEBA benefit
- Understand the payment plan options
- Know the application requirements

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**Are you set for retirement?** 

- Understand the return-to-work rules for retirees
- Learn about the retiree incidental death benefit
- Consider the emotional aspects of retirement
- Stay connected with PEBA

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**Retirement eligibility**  
Learn the rules for your PEBA-administered retirement plan

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**Retirement eligibility** 

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Defined benefit plans:

- South Carolina Retirement System (SCRS)
- Police Officers Retirement System (PORS)

Defined contribution plan:

- State Optional Retirement Program (State ORP)

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**Retirement eligibility** 

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**Class Two members**

- Date of membership prior to July 1, 2012

**Class Three members**

- Date of membership July 1, 2012 and after

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**Retirement eligibility** 

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**SCRS Class Two**

Normal retirement - (*unreduced benefit*)

- 28 years of service credit with at least five years of earned service, or
- Age 65 on date of retirement with at least five years of earned service

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## Retirement eligibility



### SCRS Class Two

Early retirement - (*reduced benefit*)

- Age 60 or older on the date of retirement with five years of earned service, or
  - 5 percent reduction for each year member retires before age 65
- Age 55 on date of retirement and at least 25 years of service credit, including at least five years of earned service
  - Benefit permanently reduced 4 percent for each year of service less than 28 years.

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## Retirement eligibility



### SCRS Class Three

Normal retirement - (*unreduced benefit*)

- Age 65 with at least eight years of earned service, or
- Rule of 90 (age and years of service must add up to 90) with eight years of earned service
  - Example: 56-year-old member with at least 34 years of service, would be eligible for retirement ( $56 + 34 = 90$ )

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## Retirement eligibility



### SCRS Class Three

Early retirement - (*reduced benefit*)

- Age 60 or older on the date of retirement with eight years of earned service
  - 5 percent reduction for each year member retires before age 65

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**Retirement eligibility** 

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**PORS Class Two**

- At least 5 years of earned service; and
- At least 25 years of credited service or at least age 55

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**Retirement eligibility** 

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**PORS Class Three**

- At least 8 years of earned service; and
- At least 27 years of credited service or at least age 55

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**Retirement eligibility** 

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**State ORP**

- There is no minimum age or years of service required for State ORP retirement
- Request distribution of account balance at termination of employment or age 59 ½
- Leave your balance on deposit to accumulate tax-deferred earnings until you elect to receive them
  - IRS required minimum distribution age of 70 ½

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**Retirement eligibility** 

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**SCRS and PORS disability retirement**

- Must be “in service” with a participating employer
- Class Two members must have at least five years of earned service unless job-related injury
- Class Three members must have eight years of earned service unless job-related injury

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**Retirement eligibility** 

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**SCRS disability retirement**

- Must apply within 90 days of date of termination from covered employer
- Must be approved for Social Security disability benefits to be approved for SCRS disability retirement benefits
- Submit approval letter from Social Security Administration (but do not wait to file SCRS application until after SSA approval)
- Benefit based on average final compensation and service credit at time of retirement (no projection of service credit)

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**Retirement eligibility** 

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**PORS disability retirement**

- Must be permanently incapacitated from the further performance of your job duties
- Initial claim reviewed by Medical Board of three physicians
- Disability benefit calculated with a projection of service credit to age 55 or 25 years of service credit, whichever is less

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## PEBA benefit

Estimate your PEBA benefit and possible adjustments

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## PEBA benefit



### State ORP

Retirement benefit is accumulated account balance

- Any fees, distributions, and investment gains or losses will affect this balance
- Early withdrawal penalties for distribution prior to age 59 ½

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## PEBA benefit



### SCRS and PORS

Benefit based on a formula that includes:

- Your average final compensation (AFC)
- Your service credit, and
- A benefit multiplier

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## PEBA benefit



### Average final compensation (AFC)

- Three highest consecutive years of earnable compensation for Class Two members divided by 3
- Five highest consecutive years of earnable compensation for Class Three members divided by 5

Earnable compensation does **not** include pay for overtime not mandated by the employer for SCRS Class Two and Three members. This does not apply to PORS members.

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## PEBA benefit



### Estimate your SCRS or PORS benefit

1. Calculate your AFC
2. Multiply your AFC by 1.82 percent (SCRS members) or by 2.14 percent (PORS members)
3. Multiply your result by the number of years of your service credit
4. Divide your result by 12 to arrive at your monthly annuity

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## PEBA benefit



### Maximum payment plan Option A example:

	AFC = \$30,000	
SCRS	\$30,000 x 1.82% =	\$546
	\$546 x 28 years =	\$15,288
	\$15,288 / 12 =	\$1,274.00
PORS	\$30,000 x 2.14% =	\$642
	\$642 x 25 years =	\$16,050
	\$16,050 / 12 =	\$1,337.50

- 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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**PEBA benefit**

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**Unused leave at retirement**

**Class Two members:**

- Up to 45 days' pay for unused annual leave from your last termination payment included in AFC
- May receive service credit for up to 90 days of unused sick leave from last employer

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**PEBA benefit**

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**Unused leave at retirement**

**Class Three members:**

- Unused sick leave not included in service credit
- Annual leave payouts not included in AFC

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**PEBA benefit**

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**SCRS disability retirement**

- Under continuing review until age 65:
  - Must provide evidence of continued receipt of Social Security disability benefits to PEBA each year
  - Also subject to disability retiree earnings limitation

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**PEBA benefit**

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**PORS disability retirement**

- Under continuing review until age 55:
  - May be scheduled for continuing disability reviews
  - Subject to disability retiree earnings limitation



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**PEBA benefit**

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**SCRS and PORS benefit estimates**

- You can get a benefit estimate from your employer or by contacting PEBA by phone or e-mail
- You may also use the benefit calculators on the PEBA website
- Use your benefit estimate to help select your retirement date and decide if you want to provide a survivor benefit to your beneficiary



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**PEBA benefit**

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**Benefit adjustments**

- For SCRS and PORS Members:
  - Each July 1, current law provides for a 1 percent benefit adjustment up to an annual maximum of \$500



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## Payment options

Understand the monthly annuity payment options

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## Payment options



- **Option A** – Maximum retiree-only monthly benefit
- **Option B** – 100%-100% joint retiree-survivor monthly benefit (non-spousal restrictions may apply)
- **Option C** – 100%-50% joint retiree-survivor monthly benefit

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## Post-retirement payment option changes



- If you choose Options B or C and all of your beneficiaries predecease you, your benefit will revert to Option A effective on the date the last beneficiary died
- You must notify PEBA of the death of your beneficiary

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## Post-retirement payment option changes



- If you have a change in marital status, you may change your payment option within five years of the qualifying event
- You can only change your payment option twice regardless of the number of qualifying events that may occur

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## Applying for retirement

Understand the process

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## Ready to start the process?



- How to apply:
  - Call or email Customer Contact Center for an application package;
  - Visit our office and meet with a benefits counselor;
  - Submit a service retirement application online; or,
  - Download the forms from our website.
- Apply within six months before your date of retirement
- Retiring member's service application checklist

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## What to include with your application



- Copy of your birth certificate;
- Copy of your driver's license or state-issued identification card; and
- Copy of birth certificate for each beneficiary, if you are selecting a survivor option

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## Important Deadlines



- Apply as early as six months prior to your date of retirement
- Apply no later than 90 days after your date of retirement
- Contact PEBA if you do not receive notification of receipt of your application within 10 days after submission
- Do not terminate employment until you receive official notice of your retirement eligibility

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## Return-to-work

Understand the return-to-work rules for retirees

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### Returning to covered employment after retirement



- A complete, bona fide severance or termination of employment is required
- After thirty days of retirement, you may be hired by a participating employer (TERI exclusion)
- Contribute the same percentage of earnable compensation as active members
- Employment status

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### Returning to covered employment after retirement



#### SCRS & PORS Class Two and Three members:

- \$10,000 per year earnings limitation
- Earnings limitation does not apply to:
  - members who retire after age 62 (SCRS) or age 57 (PORS);
  - members who retired prior to January 2, 2013;
  - members in elected and certain appointed positions; or
  - participants in the TERI Program during the period they participate in the Program.

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### Incidental Death Benefit

Learn about the retiree incidental death benefit

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## Incidental Death Benefit



### TERI participants and working retirees:

- If your employer provides incidental death benefit coverage and you die in service, a payment equal to your current annual earnable compensation will be paid to your designated beneficiary

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## Incidental Death Benefit



### Non-working retired members:

SCRS Service Credit	Benefit	PORS Service Credit
10-19 years	\$2,000	10-19 years
20-27 years	\$4,000	20-24 years Class Two 20-26 years Class Three
28 or more years	\$6,000	25 or more years Class Two 27 or more years Class Three

Your employer immediately prior to retirement must offer the incidental death benefit for your beneficiary to receive this benefit.

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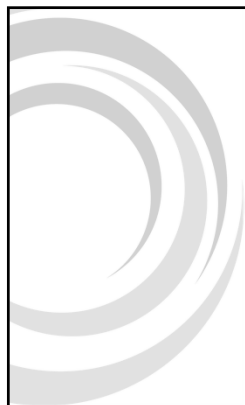
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## Emotional preparedness

Are you emotionally ready?

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## Emotional preparedness

Well-being encompasses three fundamental, yet distinct human goals:

- Prosperity – economic well-being
- Health – physical well-being
- Happiness – pleasure and satisfaction

Lexicology of Well-Being  
Nelson, J.E.. (2015). Retirement Well-Being. Retrieved from www.retirementwellbeing.com

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## Emotional preparedness

### Prosperity

- Plan now for your financial future
- Reduce future financial stress

### Health

- Take advantage of PEBA's wellness initiatives

### Happiness

- Think about what retirement means to you
- Ask yourself what you hope to do in retirement

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## Emotional preparedness

1. Continuers – keep using existing skills and interests
2. Adventurers – start entirely new endeavors
3. Searchers – explore new options through trial and error
4. Easy gliders – enjoy unscheduled time and let each day unfold
5. Involved spectators – care deeply about the world but engage in less-active ways
6. Retreaters – take time out or disengage from life

Schlossberg, N. K. (2009). *Revitalizing retirement: Reshaping your identity, relationships, and purpose*. Washington, DC: American Psychological Association.

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## Stay connected

Are you enrolled in Member Access?

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## Member Access

- Access your retirement account
- Print a member statement
- Update your address
- View your beneficiaries and service credit
- Apply for service retirement
- View the status of retirement application

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## Member Access

- Inactive members may:
  - View and print member statement;
  - **Submit a service retirement application (if eligible);** and
  - Change address.
- State ORP participants may:
  - View selected State ORP vendor and vendor contact information;
  - View State ORP membership date;
  - Calculate an unofficial cost estimate to purchase service credit;
  - View designated Incidental Death beneficiaries; and
  - Change address.

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## Member Access



- Retired members may:
  - Change tax withholdings and address;
  - View and print a 1099-R form;
  - View and print a Teacher and Employee Retention Incentive (TERI) program statement;
  - View and print an annuity verification letter;
  - View current payment method;
  - Change payment method from paper check to direct deposit; and
  - Modify an existing direct deposit account or add an additional direct deposit account.

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## Stay connected



- [www.peba.sc.gov](http://www.peba.sc.gov)
- *be aware and prepare* educational series
- Contact us at 803.737.6800, 888.260.9430, or [cs@peba.sc.gov](mailto:cs@peba.sc.gov)
- Visit us at 202 Arbor Lake Drive, Columbia SC 29223
- Social Media – [Facebook](#), [Twitter](#), [PEBA TV \(YouTube\)](#)

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## Are you set for retirement?



- Do you understand the retirement eligibility rules?
- What income will your PEBA-administered retirement plan provide?
- What is the best payment option for you?
- Do you understand the application requirements?
- Do you know the rules for returning to work?
- Have you considered the emotional impact of retirement?
- Are you connected?

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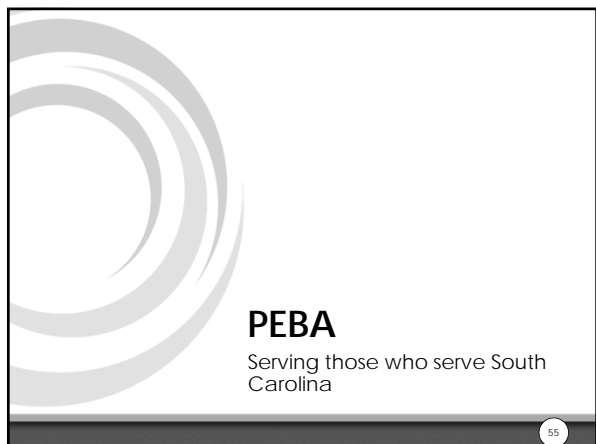
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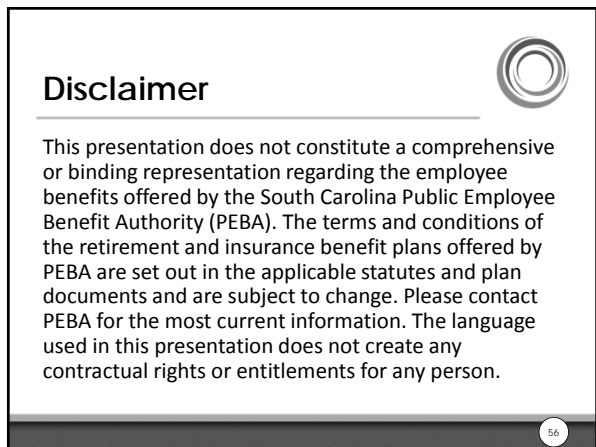
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