



State Optional Retirement Program at a glance

Refer to the *Select Your Retirement Plan Guide*, found at www.peba.sc.gov, for detailed information and when making retirement plan decisions.

Benefits

- Your retirement benefit consists of your account balance at retirement, made up of contributions made by you and your employer throughout your years of employment as well as any earnings on those contributions. It is not based on a set formula, and you assume all investment and longevity risk.
- You select one of four service providers, contracted by PEBA, to administer your State ORP account. You choose the provider that has the service model and investment options that best suit your needs.
- You have immediate rights to your entire account balance, including employee and employer contributions, when you leave employment or reach age 59 ½.
- Unlike the South Carolina Retirement System (SCRS), which serves as an alternative to the State ORP, there is no disability protection.
- An active member incidental death benefit is available through PEBA, if your employer provides this coverage.

Eligibility and enrollment

- Membership requires you to be employed by and receiving compensation from an employer that participates in the State ORP.
- Initial enrollment, including service provider selection, must take place within 30 days of your initial hire.
- You will need to establish an account with the service provider you select in order to provide direction on how you want your contributions to be invested and to designate a beneficiary for your State ORP account balance. The current providers are MassMutual, MetLife Resources, TIAA and VALIC. Learn more and find contact information at www.peba.sc.gov/sorp.html.
- During State ORP annual open enrollment, which occurs from January 1 to March 1, you can choose to change service providers.
- You may also elect to irrevocably switch to SCRS during annual open enrollment if it has been at least one year, but not more than five years, since your initial enrollment in the State ORP.

Contributions

- You contribute a tax-deferred 9 percent of gross pay, while your employer contributes 5 percent of your gross pay to your chosen

Continued on back

service provider.

- By law, the employee contribution rate and the total employer contribution rate are equal to the rates for SCRS.

Incidental death benefit

- If you die in service after one year of participation, your beneficiary is eligible for a payment equal to one year's gross salary.
- If death is a result of a job-related injury, the one-year requirement is waived.
- No incidental death benefit is payable if you die after you are no longer in service, although your beneficiary would be eligible to receive the balance of your State ORP account.

Distribution options

- You have multiple payment options, including lump sum and periodic withdrawals.
- Although you are eligible to take a distribution when you leave covered employment before age 59½, you may be subject to a penalty tax in addition to regular income tax unless you rollover the funds into an eligible retirement plan. There are some exceptions to the penalty tax. Consult a tax advisor for more information.
- You can access all the funds in your account – employee and employer contributions – at age 59½. You can do this even if you are actively working and contributing to the plan. Although the distribution will not be subject to the penalty tax, it will be a taxable distribution unless the funds are rolled over into an eligible retirement plan.

- You may leave your balance in your account until you choose to take withdrawals or until the IRS requires you to take annual minimum distributions. Keep in mind that while you are actively employed by an employer participating in the plan, you are not obligated to take a required minimum distribution.

Retiree insurance eligibility

- For State ORP participants, eligibility is determined as if the participant were a member of SCRS.
- Only PEBA can make retiree insurance eligibility determinations. Contact PEBA before making final arrangements for retirement.
- The amount you pay in retiree insurance premiums is based on several factors, including your years of service, when you were hired, and the type of employer from which you retire.
- Please refer to either the *Retiree Insurance Eligibility, Funding for members who work for a state agency, state institution of higher education or public school district* flyer for more information.

Learn more

- Contact your human resources office.
- Go to www.peba.sc.gov or contact PEBA by phone at 803.737.6800 or 888.260.9430.
- Visit PEBA, with or without an appointment, at 202 Arbor Lake Drive, Columbia, SC 29223.