

- You may then receive the balance in your TERI account through either a taxable, single-sum distribution payable directly to you or through a tax-deferred rollover into a qualified retirement plan.
- Any distribution paid directly to you is subject to ordinary federal and state income taxes, and may be subject to an additional 10 percent federal penalty for early withdrawal.
- The 10 percent penalty is waived for public safety employees age 50 and older, and military reservists and national guardsmen who are called to active duty for at least 180 days.

Returning to covered employment/earnings limitation

- If you plan to return to work for a covered employer after your TERI period ends, you must consult with your employer regarding your employer's employment severance and return-to-work policy.
- You are not guaranteed employment; a covered employer decides whether or not to hire you after your TERI period has ended.
- If you return to work after your TERI participation has ended, you will make employee contributions.
- If you begin TERI participation after January 2, 2013, and before you reach age 62, you will be subject to a \$10,000 per year earnings limitation if you return to covered employment after you end your TERI participation.

To find out more

- Contact your human resources office.
- Contact PEBA at 803.737.6800 or toll free at 888.260.9430, or via our website www.peba.sc.gov.
- You may also visit us, with or without an appointment, at 202 Arbor Lake Drive, Columbia, SC 29223.
- For specific information about rollovers from your TERI account, contact the retirement plan into which you are rolling over your TERI account balance.

TERI Program closes June 2018

- The TERI program will be closed effective June 30, 2018.
- SCRS Class Two members who enter the TERI program after July 1, 2013, will not be eligible to participate in TERI for the full 60 months. Instead, their TERI participation will end before or on June 30, 2018, regardless of when they entered the program.

THIS BROCHURE DOES NOT CONSTITUTE A COMPREHENSIVE OR BINDING REPRESENTATION REGARDING THE EMPLOYEE BENEFITS OFFERED BY THE SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY (PEBA). THE TERMS AND CONDITIONS OF THE RETIREMENT AND INSURANCE PLANS OFFERED BY PEBA ARE SET OUT IN THE APPLICABLE STATUTES AND PLAN DOCUMENTS AND ARE SUBJECT TO CHANGE. PLEASE CONTACT PEBA FOR THE MOST CURRENT INFORMATION.

THE LANGUAGE USED IN THIS BROCHURE DOES NOT CREATE ANY CONTRACTUAL RIGHTS OR ENTITLEMENTS AND DOES NOT CREATE A CONTRACT BETWEEN THE MEMBER AND THE SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY. THE SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY RESERVES THE RIGHT TO REVISE THE CONTENT OF THIS BROCHURE.



TERI Program Overview

January 2016 Edition

The Teacher and Employee Retention Incentive (TERI) program is a retirement option available to Class Two members of the South Carolina Retirement System (SCRS) who are eligible for service retirement.

If you are an active Class Two member of the South Carolina Retirement System (SCRS) who is considering retiring and participating in the Teacher and Employee Retention Incentive (TERI) program, please read this brochure. Class Two members are employees whose membership in SCRS was effective prior to July 1, 2012.

Eligibility

- The Teacher and Employee Retention Incentive (TERI) program is a deferred retirement option plan available to retiring Class Two members of the South Carolina Retirement System (SCRS).
- Active SCRS Class Two members eligible for service retirement may elect to participate in TERI.
- TERI participation allows you to retire and begin accumulating your retirement benefit on a deferred basis without terminating employment.
- You must enroll in the TERI program at the time of retirement.
- You may participate in TERI only once.
- TERI participants will not earn service credit or interest on their TERI accounts.
- TERI participants are not eligible for disability retirement benefits.

- TERI participants cannot purchase service credit.

Employment status and rights

- TERI participants employed by an agency that adheres to state personnel policies will be exempt from the State Employee Grievance Procedure Act. This means your employment is at will.
- If a TERI participant works for an employer not governed by state personnel policies, the TERI participant would be subject to his employer's policies concerning employment status and rights.

Employee contributions

- During your TERI period, you will contribute a tax-deferred percentage of your gross pay into your SCRS retirement account.
- The employee contribution is 8.16 percent.

Deferred annuity

- If your TERI participation began prior to July 1, 2013, you may

defer receipt of your retirement benefit for up to 60 months.

- Your monthly annuity is accumulated in your TERI account.
- No interest is paid on the benefits accumulated in your TERI account.
- Retiree benefit adjustments are applied to a TERI participant's monthly benefit in the same manner in which other retirees receive such adjustments.

Incidental death benefits

- If you die during your TERI participation period and your employer provides incidental death benefit coverage, your beneficiary may be entitled to a payment equal to one year's earnable compensation.
- If you die while participating in TERI, in addition to any eligible incidental death benefit, the total amount of your benefit accumulated in your TERI account will be distributed to the beneficiary you designated for your retirement benefit.

- A designated beneficiary who is a spouse may roll over the taxable portion of the TERI balance into an Individual Retirement Account (IRA), a 401(k) plan, a 401(a) eligible plan, a 403(b) plan, or a 457 plan.
- A non-spousal beneficiary may roll over the taxable portion of the TERI balance into an inherited IRA only.

Unused leave

- When you elect TERI participation, you may receive service credit for up to 90 days of unused sick leave from your last employer at no cost to you. This service credit cannot be used to meet retirement eligibility.
- Upon termination of employment at the end of your TERI participation, your benefit will be recalculated to include payment for up to 45 days of unused annual leave paid at termination.

TERI distribution

- At the end of your TERI period, you must terminate employment.
- Confirmation of your actual termination date is required from your employer.