



TERI program overview

Active Class Two members of the South Carolina Retirement System (SCRS) can choose to enroll in the Teacher and Employee Retention Incentive (TERI) program when they retire. Class Two members are those who entered SCRS before July 1, 2012. Learn more by reviewing these program features.

What is TERI and when do I enroll?

- The program closes to all participation June 30, 2018.
- TERI allows you to retire and continue working for a limited time. You defer receipt of your monthly retirement benefits while you're working. PEBA deposits your deferred benefits into your TERI account. When your TERI period ends, you must end employment. Then, you can choose how PEBA will distribute the balance in your TERI account.
- If you want to participate, you must enroll in TERI at the time you retire.
- You can participate in TERI only once.

Determining your initial benefit amount

- When you retire and enroll in TERI, your service credit and your average final compensation determine the amount of your deferred benefits. Your average final compensation uses the 12 highest consecutive quarters of earnings.
- You may apply up to 90 unused sick leave days to your service credit when entering TERI. Your employer reports these days to PEBA. The deferred benefits calculation will not

include any payment for unused annual leave.

Retirement benefits available during TERI

- Your TERI account does not earn interest.
- Your deferred benefit receives applicable retiree benefit adjustments while you are participating. PEBA makes these adjustments at the same time and at the same percentage as for non-TERI retirees.
- The monthly benefit deferred into your TERI account is the gross amount, or amount before deductions.
- If you die during TERI, your beneficiary will receive the money in your TERI account. Depending on which benefit option you selected when you retired, your beneficiary receives either a survivor benefit or a refund of any contributions still in your account.
- Your most recent employer may provide incidental death benefit coverage. If so, and if you die while in TERI as a retired contributing member, your beneficiary will be eligible for an incidental death benefit equal to your annual earnable compensation.
- Because TERI participants are already retired,

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they are ineligible for disability retirement.

Working during TERI

- State law classifies TERI participants as retired even though they are still working.
- You can occupy a full-time, temporary, temporary grant or other time-limited position. Your TERI participation does not guarantee continued employment during or after your TERI period.
- Your employment earnings continue to have tax-deferred retirement contributions deducted. These contributions go into your retired member account, which is separate from your TERI account.
- TERI participants cannot earn any more service credit. They are also ineligible to purchase service credit.

Time limits

- The TERI program has a five-year limit, but closes to all participation on June 30, 2018.
- You can continue working until one day before your fifth anniversary in TERI, or June 30, 2018, whichever comes first. For example, if you retired and began TERI on June 23, 2013, you could continue working for a covered employer until June 22, 2018. Because benefits are payable on the last business day of the month, the last monthly benefit that will defer into your TERI account will be May 2018. To begin TERI, you cannot have participated in it before. You also cannot have previously received an SCRS service retirement benefit.*
- Even if you chose a 60-month TERI period when you enrolled, you can end your employment and TERI early. To end participation, notify both your employer and PEBA.

Ending TERI

- At the end of your TERI period, you must stop employment. Your employer must confirm your actual termination date with PEBA. PEBA cannot distribute your benefits until this takes place.
- You can take a single-sum payment or roll over your balance tax-deferred into a qualified retirement plan. If your employer participates in the South Carolina Deferred Compensation Program, you can roll over your payment to an established account with it to take advantage of its low participant fees.
- Learn about how to end your TERI participation at www.peba.sc.gov/endingteri.html.

Returning to work

- After you end your TERI period and employment, you may later be hired and return to work for a covered employer. All post-retirement earnings are subject to employee contributions.
- If you want to return to work in a position covered by a PEBA retirement system and continue receiving your benefit, you must not return to work for at least 30 consecutive days after retirement. Because TERI participants are retired, participation in the program counts toward this 30-day requirement. Even so, participants must terminate employment at the end of their TERI participation before they may return to covered employment.
- If you begin TERI participation after January 2, 2013, and before you reach age 62, you will have a \$10,000 earnings limitation if you return to covered employment after ending TERI participation.

*Some exceptions to these eligibility rules exist in Section 9-1-2210(I) of the SC Code of Laws.

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