



# Your retirement plan payment options

Maybe you see your South Carolina state pension as a steady source of retirement income for you. Did you know, though, that your plan also gives you a way to provide for your survivors after you die?

Two benefit payment options give your survivors a lifetime monthly payment. In the South Carolina Retirement System (SCRS) or Police Officers Retirement System (PORS), you have these options.

	Option A: maximum payment option	Option B: 100% survivor payment option	Option C: 50% survivor payment option
<b>You receive</b>	A lifetime monthly benefit equal to the maximum benefit payable to you by law.	A lifetime monthly reduced benefit. The reduction accounts for the benefit your survivors receive after you die.	A lifetime monthly reduced benefit. The reduction accounts for the benefit your survivors receive after your death.
<b>After your death, surviving beneficiaries receive</b>	<ul style="list-style-type: none"> <li>The monthly benefit for your month of death, if not received; and</li> <li>Any member contributions not exhausted through the monthly benefits you received in retirement.</li> </ul>	A lifetime monthly retirement benefit. The amount is equal to what you were receiving at the time of your death.	A lifetime monthly retirement benefit. The amount is equal to 50 percent of the amount you were receiving at the time of your death.
<b>Beneficiary naming restrictions</b>	None	Your beneficiary must be a living person. Monthly benefits cannot be paid to your estate or other entity. Also, you may not designate a person as your sole beneficiary under Option B, if: <ul style="list-style-type: none"> <li>The person is not your spouse; and</li> <li>If the person is more than 10 years younger than you, as determined by IRS rules.</li> </ul>	Your beneficiary must be a living person. Monthly benefits cannot be paid to your estate or other entity

## How much will Option B or C reduce your benefit payments?

Members receive lifetime payments. Your age and the age of your beneficiaries at the time you retire determine your reduction. PEBA uses actuarial tables that project life expectancy when determining the reduction. Call or visit PEBA to learn more.

For Option B, naming a beneficiary who is the same age as you generally leads to about a 12 to 15 percent reduction. For Option C, a beneficiary who is your age typically leads to a reduction of around 6 to 8 percent. Selecting a younger beneficiary generally creates a larger reduction. An older beneficiary leads to a smaller reduction.

## Can you select more than one beneficiary?

You may name multiple beneficiaries. For Option A retirees, surviving beneficiaries will receive equal shares of available funds when the retiree dies.

Option B or C retirees will have their monthly retirement benefit reduction calculated using the average age of their beneficiaries. After a retiree's death, beneficiaries receive an equal share of the monthly benefit payable. The individual amounts will not increase if one beneficiary dies before the others.

If all named beneficiaries die before a retiree who chose Option B or C, the retiree's payment option reverts to Option A. Anytime a beneficiary dies, you will need to notify PEBA.

## When can you change a beneficiary or payment option?

- **At retirement.** You designate post-retirement beneficiaries and choose your payment option. You cannot select your payment option unless you are eligible to file a

retirement application.

- **After retirement, Option A.** You can change beneficiaries at any time. You can change your payment option within five years of a marital status change. This includes marriage, divorce or death of a spouse. You can only change the form of your retirement benefit twice in total. Each change must have a separate qualifying event. If your benefit reverts to Option A from Option B or C, this counts toward this limit.
- **After retirement, Options B or C.** You cannot change your beneficiaries unless you have a change in marital status.<sup>1</sup> You can change your beneficiaries and/or payment option within five years of a marital status change. Also, if all of your beneficiaries predecease you, your benefit will revert to the Option A amount. You must notify PEBA of the death of your beneficiaries. You can only change the form of your retirement benefit twice in total. Each change must have a separate qualifying event. If your benefit reverts to Option A from Option B or C, this counts toward this limit.

<sup>1</sup> You can also change your beneficiaries for the retired member incidental death benefit at any time. See the member handbook for your retirement system to learn more.

## More information

- [www.peba.sc.gov](http://www.peba.sc.gov)
  - Read the member handbook for your retirement system
  - Find the retirement application for your retirement system
  - Find the *Retired Member Change of Beneficiary Form*
- Member Access ([online.retirement.sc.gov](http://online.retirement.sc.gov))
  - Review your beneficiary designation
- PEBA Customer Contact Center (803.737.6800 or 888.260.9430)