



## Retirement processes: returning to covered employment

Retirement Benefits Training  
Fiscal year 2026



Serving those who serve South Carolina

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### Returning to covered employment

- Member must have a complete, bona fide severance or termination from covered employment to retire under SCRS or PORS.
- SCRS or PORS retirement benefit will be suspended if retiree returns to covered employment sooner than 30 consecutive calendar days after retirement date.
- Return-to-work retirees contribute the same percentage of earnable compensation as active members.
- Return-to-work state employees are at-will.
- Provide these flyers:
  - [How Returning to Work Will Impact Your Retirement Benefits](#); and
  - [How the Earnings Limitation Works](#).

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### Service retiree earnings limitation

- Once an SCRS or a PORS retiree earns more than \$10,000 in a calendar year from covered employment, their retirement benefit stops for remainder of year.
  - The annual earnings limitation is increased to \$50,000 for some retired SCRS members who retired on or before April 1, 2019, and return to covered employment in the K-12 public education system. If a retired member is otherwise subject to the earnings limitation, all other employment remains subject to the regular \$10,000 earnings limitation. A retiree may only qualify for this increased earnings limitation for a maximum period of 36 consecutive months of employment.
- The retirement benefit will be reinstated the next January or when retired member terminates all covered employment.
- To notify PEBA, upload the [Termination of Retired Member Working Under Earnings Limit](#) in EES.

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**SCRS, PORS service retirement earnings limitation exceptions**

Earnings limitation does not apply to:

Members who retired after age 62 (SCRS) or age 57 (PORS).	Members who retired before January 2, 2013.	Teachers who meet critical needs exemption as determined by the S.C. Department of Education.	Certain appointed or elected officials.
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Certain PORS retirees who return to work as critical needs school resource officers.

SCRS and PORS retirees who had a period of at least 12 consecutive months after retirement, during which the member did not work for any covered employer in any capacity (subject to continued inclusion in the state budget).

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**Disability retiree earnings limitation**

- Subject to individual calendar-year earnings limitation for public and private employment up to age 65 for SCRS, and age 55 for PORS.
  - Before age 65 for SCRS, or age 55 for PORS, disability retiree receives letter each February indicating earnings limit amount.
- If annual earnings from covered employment are equal to or greater than adjusted AFC:
  - Disability benefit ends; and
  - Retiree returns to active membership.
- Subject to same earnings limitation as service retirees after age 65 for SCRS, or age 55 for PORS.

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**SCRS return-to-work disability retiree**

- Retired member must annually establish continued approval for Social Security disability until they reach age 65.
- Employment that causes loss of Social Security disability also causes loss of SCRS disability.

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**Employer responsibilities**

- You must notify PEBA when hiring a retired member by submitting return-to-work date and estimated monthly salary in EES immediately.
  - Via *Employed Retirees – Return to Work Date Entry* option.<sup>1</sup>
- Error message appears if return-to-work date does not satisfy 30-day requirement.
- Earnings limitation monitored through return-to-work data.
- Employer is required to repay any benefits incorrectly paid to a retired member if the employer fails to notify PEBA of the engagement of retired member in a timely manner.

<sup>1</sup>Not applicable to state agencies that report their payroll through the Office of the Comptroller General.

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**Monitoring requirements and limitations**

**30-day break-in-service requirement**

- Benefits suspended for retirees in violation of the 30-day break-in-service requirement.
- PEBA mails letter (Form 7411) to the retiree if benefits suspended.
  - PEBA also directly contacts the retiree via phone to notify of the suspension.
- Based on response, PEBA will take necessary actions to ensure compliance with laws governing the retirement systems.

**Earnings limitation**

- PEBA projects three months in advance to determine when a retiree might exceed limit.
- A monthly *Service Earnings Limit Report and Letters* (Form 7413) are available in EES under Reports & Documents.
  - Prevents PEBA from unnecessarily suspending benefits; and
  - Minimizes the possibility of overpaying benefits.
- PEBA mails a letter (Form 7412) to the retiree the month prior to when they are expected to exceed the limit.
- Based on response, PEBA will take necessary actions to ensure compliance with laws governing the retirement systems.

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**Returning to active membership**

- Return-to-work retired member can choose to return to active membership if they:
  - Work 48 consecutive months for covered employer; and
  - Earn 75% of average final compensation.
- Returning to active membership means retirement benefits end.
- Retired member should contact PEBA for more information about this option.

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**Disclaimer**

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