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Retirement processes: returning to covered employment


Retirement Benefits Training
Fiscal year 2023



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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.

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Service retiree earnings limitation

- Once an SCRS or PORS retiree earns more than \$10,000 in a calendar year from covered employment, his 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; and
 - Certain PORS retirees who return to work as critical needs school resource officers.
- SCRS and PORS retirees who return to work to participate in the state's public health preparedness and response to the COVID-19 virus (July 1, 2022, through June 30, 2023).
- SCRS and PORS retirees who had a period of at least 12 consecutive months during which the member did not work for any covered employer in any capacity (July 1, 2022, through June 30, 2023).

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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 he reaches 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.
- Submit return-to-work date and estimated monthly salary in EES immediately.
 - Via *Employed Retirees – Return to Work Date Entry* option.¹
- 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 wrongly paid to a retired member if the employer fails to notify PEBA of the engagement of retired member in a timely manner.

¹Not applicable to employers who report payroll through the Comptroller General payroll system.



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Monitoring the 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.

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Monitoring the earnings limitation

- PEBA projects three months in advance to determine when a retiree might exceed the limit.
- A monthly *Service Earnings Limit Report and Letters* (Form 7413) is 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 he is 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 he:
 - Works 48 consecutive months for covered employer; and
 - Earns 75 percent 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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