




**Retirement processes:
service retirement**

Retirement Benefits Training
Fiscal year 2025



Serving those who serve South Carolina

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SCRS retirement eligibility

Class Two

- Must have five years of earned service.
- For an unreduced monthly retirement benefit, member:
 - Must have at least 28 years of service; or
 - Be age 65 or older.
- For a reduced monthly retirement benefit, member:
 - Must be age 60 (permanent 5% reduction for each year before age 65); or
 - Must be age 55 with 25 years of service (permanent 4% reduction for each year of service less than 28).
 - If eligible for both early retirement options, the option that reduces the benefit the least will be applied.

Class Three

- Must have eight years of earned service.
- For an unreduced monthly retirement benefit, member must:
 - Meet the Rule of 90 (age and years of service add up to at least 90); or
 - Be age 65 or older.
- For a reduced monthly retirement benefit, member must be age 60 (permanently reduced 5% for each year of age less than 65).

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PORS retirement eligibility

Class Two

- Must have five years of earned service.
- For a monthly retirement benefit, member must:
 - Have at least 25 years of service; or
 - Be age 55 or older.

Class Three

- Must have eight years of earned service.
- For a monthly retirement benefit, member must:
 - Have at least 27 years of service; or
 - Be age 55 or older.

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SCRS, PORS service retirement monthly benefit

Benefit based on formula that includes:

Average final compensation (AFC)

Service credit

A benefit multiplier

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SCRS, PORS AFC calculation

Class Two

- AFC includes 12 highest consecutive quarters of earnable compensation and termination payment for up to 45 days of unused annual leave divided by 3.
- Up to 90 days unused sick leave at retirement added to service credit.

Class Three

- AFC includes 20 highest consecutive quarters of earnable compensation divided by 5.
- AFC does not include unused annual leave payouts.
- No unused sick leave added to service credit.

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Monthly benefit calculation¹

Step 1

Multiply AFC by 1.82% (SCRS members) or 2.14% (PORS members).

Step 2

Multiply the result by years of service credit.

Step 3

Divide the result by 12 to arrive at monthly maximum retirement benefit.

¹Early retirement reductions will apply for SCRS members who retire before reaching eligibility for an unreduced monthly retirement benefit. Reduction applies when choosing joint retiree/survivor payment plan.

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Class Two SCRS, PORS Option A example

AFC = \$30,000

SCRS	$\$30,000 \times 1.82\% =$	\$546.00
	$\$546 \times 28 \text{ years} =$	\$15,288.00
	$\$15,288 \div 12 =$	\$1,274.00
PORS	$\$30,000 \times 2.14\% =$	\$642.00
	$\$642 \times 25 \text{ years} =$	\$16,050.00
	$\$16,050 \div 12 =$	\$1,337.50

- Early retirement reductions will apply to SCRS members who retire before reaching eligibility for an unreduced benefit.
- Reduction factors will apply to members who select a joint retiree/survivor payment option.

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Class Three SCRS, PORS Option A example

AFC = \$30,000

SCRS	$\$30,000 \times 1.82\% =$	\$546.00
	$\$546 \times 30 \text{ years} =$	\$16,380.00
	$\$16,380 \div 12 =$	\$1,365.00
PORS	$\$30,000 \times 2.14\% =$	\$642.00
	$\$642 \times 27 \text{ years} =$	\$17,334.00
	$\$17,334 \div 12 =$	\$1,444.50

- Early retirement reductions will apply to SCRS members who retire before reaching eligibility for an unreduced benefit.
- Reduction factors will apply to members who select a joint retiree/survivor payment option.

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Applying for service retirement

- Application required; process not automatic.
- Members may apply up to six months prior to retirement date.
- Members must apply no later than 90 days after retirement date.
- Service purchases must be paid in full before retiring.
- Members should not terminate employment until PEBA confirms eligibility. PEBA cannot determine eligibility until employers complete the *Retirement Date Certification*, which needs to be done before the date of retirement.

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Applying for service and disability retirement

- Encourage members to apply through Member Access.
 - Members can also complete applicable paper forms:
 - SCRS Application for Service Retirement Benefits (Form 6101S).
 - PORS Application for Service Retirement Benefits (Form 6101P).
 - Withholding Certificate for Pension or Annuity Payments (Form W-4P) for federal withholdings.
 - Withholding Certificate for Monthly Benefit Payments (Form 7202) for state withholdings.
 - Direct Deposit Authorization (Form 7204).
- Members should allow additional time for processing paper forms.
 - Errors or incomplete forms will result in rejected applications.

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Required documentation

- Required documentation:
 - Copy of member's birth certificate;
 - Copy of member's driver's license or state-issued ID card; and
 - Copy of member's beneficiaries' birth certificates, if choosing survivor option.
- Members can upload documents in Member Access.
- Members must send copies with paper application.

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Employer actions

- You will receive an EES Task List notification once PEBA receives an application for one of your employees:
 - Retirement Date Certification.
 - Final Payroll Certification (Shows up in Task List 14 days after date of retirement).
- Termination and separation from employment are required.
- Do not estimate or project final payroll information.
- Final payroll certification task cannot be completed prior to the retirement date.
 - Prevents inaccurate payroll data and benefit calculations.
 - Refer to the [Final payroll certification tasks in EES](#) training resource.
- Refer to the [Service retirement](#) employer checklist.

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SCRS, PORS monthly payment options

Option A
Maximum benefit.
Retiree-only payment.

Option B
100%-100% joint retiree-survivor payment.
Non-spousal restrictions may apply.

Option C
100%-50% joint retiree-survivor payment.

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Option B beneficiary age restrictions

- Member cannot designate a single Option B beneficiary if:
 - Beneficiary is not member's spouse; and
 - Beneficiary is more than 10 years younger than member, as determined by IRS rules.

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Qualified Domestic Relations Order (QDRO)

- Court order giving former spouse right to portion of member's retirement benefits.
- Outlines disbursement of money if member retires, takes refund or dies.
- Divorce decree is not a QDRO.
- Model QDRO and guidelines available at peba.sc.gov/publications.

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