



**Service purchase:
rules**

Retirement Benefits Training
Fiscal year 2025



Serving those who serve South Carolina

1

Purchasing service credit

- Active members may be eligible to establish additional service credit by:
 - Purchasing qualified service;
 - Restoring previously withdrawn service or transferring eligible SCRS service to PORS service; and
 - Buying up to five years of non-qualified service.
- May establish each type of service credit once within a fiscal year.

South Carolina Public Employee Benefit Authority

2

Service purchase requirements

- Must be active, contributing member.
- Must have five years earned service to purchase non-qualified time.
- All service purchases must be completed before leaving employment.
 - If member terminates employment within one year of retirement eligibility, the member has an additional five business days after termination to purchase any service they are otherwise eligible to purchase.
- No duplication of benefits in another defined benefit plan, except for military plan.
- No overlapping service credit.

South Carolina Public Employee Benefit Authority

3

Purchased service counting toward earned service

- Purchased service is considered earned service when it is from:
 - Withdrawn earned service;
 - State ORP service;
 - Military leave of absence service;
 - Workers' compensation; or
 - Transfer from SCRS to PORS.
- Earnings associated with earned service may be included when determining average final compensation.
- Other types of purchased service (e.g., public, educational, military or non-qualified service) are not considered earned service.

South Carolina Public Employee Benefit Authority 4

4

Purchased service and retirement eligibility

- Counts toward total retirement service credit requirements.
- Does not count toward earned service requirements except as identified on the prior slide.
- Does not count toward retirement age requirements.
- Some types of purchased service cannot be used for retiree health insurance eligibility. Member should contact PEBA for more information.

South Carolina Public Employee Benefit Authority 5

5

Calculating purchased service credit

- Indexed Service Credit Threshold chart used for:
 - Public service;
 - Educational service; and
 - State ORP service.
- Formula may also be applied to:
 - Previously purchased part-time credit; or
 - Previously earned part-time credit from before July 1, 1996.

South Carolina Public Employee Benefit Authority 6

6

Disclaimer

This presentation does not constitute a comprehensive or binding representation of the employee benefit programs PEBA administers. The terms and conditions of the employee benefit programs PEBA administers are set out in the applicable statutes and plan documents and are subject to change. Benefits administrators and others chosen by your employer to assist you with your participation in these employee benefit programs are not agents or employees of PEBA and are not authorized to bind PEBA or make representations on behalf of PEBA. Please contact PEBA for the most current information. The language used in this presentation does not create any contractual rights or entitlements for any person.

South Carolina Public Employee Benefit Authority

7

7
