


Be Aware + Prepare



Retiree insurance and eligibility funding

Get Set for Retirement | Insurance
2024

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Important information

- This presentation is not a comprehensive description of the insurance benefits offered by PEBA.
- For more information, and before you make enrollment decisions, review the [Insurance Benefits Guide](#).

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Retiree insurance eligibility

- Eligibility for retiree group insurance is not the same as eligibility for retirement.
- Determining retiree insurance eligibility is complicated, and only PEBA can make that determination.
- The Retiree Packet, available at peba.sc.gov/forms, is a comprehensive packet that includes:
 - *Retiree Insurance Eligibility, Funding* flyers;
 - *Employment Verification Record*;
 - *Certification Regarding Tobacco or E-cigarette Use*; and
 - Other helpful information.
- Before you retire, submit an [Employment Verification Record](#) as early as six months prior to your retirement date to start the process PEBA uses to determine your eligibility for retiree insurance and any possible funding.

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Requirement for any retiree coverage

- Regardless of how or when you qualify for retirement, to qualify for retiree group insurance, your last five years must be:
 - Served consecutively;
 - In a full-time, permanent position; and
 - With an employer participating in the state insurance program.

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Requirements for any retiree coverage

- Earned service credit is time earned and established in one of the defined benefit pension plans PEBA administers.
 - Earned service credit does not include any purchased service credit not considered earned service in the retirement plans (e.g., non-qualified service).
- For State ORP participants and members whose employer does not participate in a PEBA-administered retirement plan, eligibility is determined as if the participant were a member of the South Carolina Retirement System (SCRS). This means one year of employment is equal to one year of earned service credit.

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Retiree group insurance funding

- Retirees of state agencies, public higher education institutions, public school districts, charter schools that participate in both insurance and retirement or other employers that participate in the South Carolina Retirement Health Insurance Trust Fund may be eligible to receive state funding toward their premiums if they meet certain requirements.
- Optional employers, charter schools that participate in insurance only and employers that do not participate in the trust fund determine if their retirees pay all or part of the insurance premiums. Contact your benefits administrator for your premiums.
- Changing jobs could affect your eligibility for funding.
- See Retiree Insurance Eligibility, Funding flyers in the [Navigating Your Benefits](#) series for more information.

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For employees hired into an insurance-eligible position before May 2, 2008

Retirees of state agencies, public higher education institutions, public school districts and charter schools that participate in both insurance and retirement¹

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying for premiums
Left employment after reaching service or disability retirement eligibility	Five years, but less than 10 years	You pay the full premium (employee and employer share).
	10 years or more	You pay the employee share of the premium only.
Left employment before reaching retirement eligibility	Less than 20 years	You are not eligible for retiree insurance coverage.
	20 years or more	You are eligible for coverage upon reaching retirement eligibility. ² You pay only the employee share of the premium.

¹The employee must serve the last five years consecutively in a full-time, permanent position with an employer participating in the State Health Plan.
²Retirement eligibility means that you have met the minimum statutory requirements for retirement eligibility established for the plan in which you are a member. For State ORP participants and members whose employer does not participate in a PEBA-administered retirement plan, eligibility is determined as if the participant were a member of the South Carolina Retirement System (SCRS), including reaching retirement eligibility.

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For employees hired into an insurance-eligible position on or after May 2, 2008

Retirees of state agencies, public higher education institutions, public school districts and charter schools that participate in both insurance and retirement¹

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying for premiums
Left employment after reaching service or disability retirement eligibility	Five years, but less than 15 years	You pay the full premium (employee and employer share).
	15 years, but less than 25 years	You pay the employee share of the premium and 50% of the employer share of the premium.
	25 years or more	You pay only the employee share of the premium.
Left employment before reaching retirement eligibility	Less than 20 years	You are not eligible for retiree insurance coverage.
	20 years, but less than 25 years	You are eligible for coverage upon reaching retirement eligibility. ² You pay the employee share of the premium and 50% of the employer share of the premium.
	25 years or more	You are eligible for coverage upon reaching retirement eligibility. ² You pay only the employee share of the premium.

¹The employee must serve the last five years consecutively in a full-time, permanent position with an employer participating in the State Health Plan.
²Retirement eligibility means that you have met the minimum statutory requirements for retirement eligibility established for the plan in which you are a member. For State ORP participants and members whose employer does not participate in a PEBA-administered retirement plan, eligibility is determined as if the participant were a member of the South Carolina Retirement System (SCRS), including reaching retirement eligibility.

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For employees hired into an insurance-eligible position with an optional employers or charter school that participate in insurance only¹

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying for premiums
Left employment after reaching service or disability retirement eligibility	At least five years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.
Left employment before reaching retirement eligibility	Less than 20 years	You are not eligible for retiree insurance coverage.
	20 years or more	You are eligible for coverage upon reaching retirement eligibility. ² Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.

¹The employee must serve the last five years consecutively in a full-time, permanent position with an employer participating in the State Health Plan.
²Retirement eligibility means that you have met the minimum statutory requirements for retirement eligibility established for the plan in which you are a member. For State ORP participants and members whose employer does not participate in a PEBA-administered retirement plan, eligibility is determined as if the participant were a member of the South Carolina Retirement System (SCRS), including reaching retirement eligibility.

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55/25 year rule

- If you are a Class Two member of SCRS who retires under the 55/25 early retirement provision, you must pay the full premium (employee and employer share) until:
 - You reach age 60; or
 - The date you would have reached 28 years of service credit had you not retired, whichever occurs first.
- You can refuse retiree insurance coverage and enroll when you become eligible for funding because you reach age 60 or at the date of what would be 28 years of service credit.

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Disclaimer

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