

# SCRS at a Glance, Class Three



Refer to the *South Carolina Retirement System Member Handbook*, found at [peba.sc.gov](http://peba.sc.gov), for detailed information and when making retirement plan decisions.

## Benefits

- Monthly retirement benefit is based on a formula (1.82% of average final compensation multiplied by years of service), not on your account balance at retirement.
- Current state law provides for an annual benefit adjustment of 1% of your annual benefit up to a maximum of \$500 per year for eligible retirees.
- Monthly retirement benefit is payable until your death.
- Service purchase options for active contributing members.
- Disability protection. Eligibility is tied to the receipt of disability benefits from the Social Security Administration.
- Incidental death benefit if provided by your employer.

## Membership eligibility and contributions

- To be a member of SCRS, you must be employed by and receiving compensation from an employer that participates in the system.
- You accrue service credit in SCRS as long as you are not retired and are making regular contributions to SCRS from compensation received from your employment with a participating employer.
- You contribute a tax-deferred 9% of gross pay.
- Your account earns 4% interest compounded annually until you retire or your account becomes inactive.
- An account is considered inactive when no contributions have been made to it in the preceding fiscal year and no other active, correlated system or State Optional Retirement Program (State ORP) account exists.

## Incidental death benefit

- Beneficiaries of active members and working retirees who die in service after one year of membership receive a payment equal to one year's gross salary.
- If death is a result of a job-related injury, the one-year requirement is waived.
- A beneficiary of a non-working retiree may be eligible for a benefit of \$2,000, \$4,000 or \$6,000 based on the retiree's years of service.
- Check with your employer to see if it provides this coverage.

## Eligibility for retirement

Class Three members are those whose membership is effective on or after July 1, 2012.

You can retire and receive an unreduced monthly retirement benefit once your age and years of service total 90, or at age 65 or older.

Example:  
56 years old + 34 years of service credit = 90

You can retire early at age 60 and receive a reduced monthly retirement benefit.

You must have at least eight years of earned service to receive a benefit.



## Service purchase

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- You may be eligible to purchase various types of service credit, such as military service, public service, educational service and non-qualified service at an actuarially-based cost.
- You may also be eligible to purchase credit for previously withdrawn SCRS service or service transferred from a correlated retirement system.

## Leaving before retirement

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If you terminate employment, you may either:

- Request a refund of your contributions and interest, subject to taxes and possible penalties if you are younger than age 59½ and do not roll over into an eligible plan; or
- Leave your money in SCRS, where it will earn an annual 4% interest until your account becomes inactive. If you have the earned service necessary for a monthly retirement benefit and leave your funds on deposit, you can receive the benefit once you reach age eligibility.

## Payment options

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- Three payment options for monthly retirement benefits are available at retirement.
- Two of the three options provide survivor protection.
- You select the payment option that best suits your needs.

## Retiree insurance eligibility

- Eligibility for retiree group insurance is not the same as eligibility for retirement.
- Only PEBA can make retiree insurance eligibility determinations. Contact PEBA before making final arrangements for retirement.
- The amount you pay in retiree insurance premiums is based on several factors, including your years of service, when you were hired and the type of employer from which you retire.
- Please refer to the *Retiree Insurance Eligibility, Funding* flyers for your employer type for more information.

## Learn more

For more information, contact your human resources office, visit [peba.sc.gov](http://peba.sc.gov) or call PEBA's Customer Service at 803.737.6800 or 888.260.9430. You can also schedule an appointment at [peba.sc.gov/visit-us](http://peba.sc.gov/visit-us).