



Serving those who serve South Carolina

Be aware and prepare

Get Set for Retirement

For employees within a few years of retirement

A sure way to an unsure future is to put off planning for retirement.



Get set for retirement

Are you ready?

2

Get set for retirement



- Important retirement decisions in front of you
- Our goal is to help you get set
- Be aware and prepare so you can make the right decisions for you and your retirement
- A sure way to an unsure future is to put off planning for retirement

3

Are you set for retirement?



- Learn the PEBA-administered retirement plan eligibility rules
- Estimate your PEBA benefit
- Understand the payment plan options
- Know the application requirements

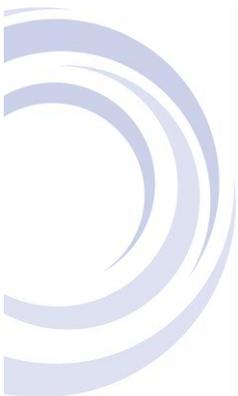
4

Are you set for retirement?



- Understand the return-to-work rules for retirees
- Learn about the retiree incidental death benefit
- Consider the emotional aspects of retirement
- Stay connected with PEBA

5



Before you retire

Purchasing service and active member death benefits

6

Types of service purchase



- Public service
- Educational service
- State ORP service
- Military service
- Employer approved leave of absence
- Non-qualified service
- Workers' compensation
- Previously withdrawn service
- Transfer from SCRS to PORS

7

Service purchase requirements



- Must be an active contributing member
- No duplication of benefits in another defined benefit plan (excludes military) or overlapping service credit
- Must have five years of earned service to purchase non-qualified time
- All service purchases must be completed before you submit your retirement application
- Cost estimates and purchase requests may be made through Member Access

8

Service purchase cost



- Actuarially neutral cost based on member's age, service credit, and current or career highest fiscal year salary
- Cost will not be less than 35 percent per year for nonqualified service
- Cost will not be less than 16 percent per year for most other types of service
- Actuarially neutral payment requirement does not apply to re-establishment of withdrawn service, transfers or supplementals

9

Service purchase payment options



- Personal check or money order
- Roll money over from your 401(k), 401(a), 403(b), 457, or IRA
- Service Purchase Installment Program:
 - Tax-deferred or after-tax
 - 5.50 percent interest rate for any installment purchase activated during FY17 (July 1, 2016 – June 30, 2017)
 - Payments may be spread out for twice the amount of years/months purchased
 - Purchase must be completed before your date of retirement

10

SCRS in-service death benefit



- If you die in service as an active member, your beneficiary may be entitled to receive:
 - A refund of your contributions plus the interest earned on your account, or
 - A monthly annuity:
 - If Class Two with at least five years of earned service credit and either have at least 15 years of total service credit or are at least age 60 at time of death
 - If Class Three with at least eight years of earned service credit and either have at least 15 years of total service credit or are at least age 60 at time of death

11

PORS in-service death benefit



- If you die in service as an active member, your beneficiary may be entitled to receive:
 - A refund of your contributions plus the interest earned on your account, or
 - A monthly annuity:
 - If Class Two with at least 5 years of earned service credit and either have at least 15 years of total service credit or are at least age 55 at time of death
 - If Class Three with at least 8 years of earned service credit and either have at least 15 years of total service credit or are at least age 55 at time of death

12

State ORP in-service death benefit



- If you die in service as an active State ORP participant, your beneficiary may be entitled to receive:
 - The cash value of your account through annuities, lump-sum distributions, or periodic withdrawals

13

Active member incidental death benefit



- Must have at least one year of earned service unless death results from job-related injury
- A payment equal to your current annual earnable compensation will be paid to your designated beneficiary
- Payments to beneficiaries are subject to state and federal taxes

14

PORS Accidental Death Program



- Provides a survivor annuity if employer is covered and your death is result of a job-related injury
- Paid monthly to surviving beneficiary
- Payments are subject to state and federal taxes

15



Retirement eligibility

Learn the rules for your PEBA-administered retirement plan

16

Retirement eligibility



Defined benefit plans:

- South Carolina Retirement System (SCRS)
- Police Officers Retirement System (PORS)

Defined contribution plan:

- State Optional Retirement Program (State ORP)

17

Retirement eligibility



Class Two members

- Date of membership prior to July 1, 2012

Class Three members

- Date of membership July 1, 2012 and after

18

Retirement eligibility



SCRS Class Two

Normal retirement - (*unreduced benefit*)

- 28 years of service credit with at least five years of earned service, or
- Age 65 on date of retirement with at least five years of earned service

19

Retirement eligibility



SCRS Class Two

Early retirement - (*reduced benefit*)

- Age 60 or older on the date of retirement with five years of earned service, or
 - 5 percent reduction for each year member retires before age 65
- Age 55 on date of retirement and at least 25 years of service credit, including at least five years of earned service
 - Benefit permanently reduced 4 percent for each year of service less than 28 years.

20

Retirement eligibility



SCRS Class Three

Normal retirement - (*unreduced benefit*)

- Age 65 with at least eight years of earned service, or
- Rule of 90 (age and years of service must add up to 90) with eight years of earned service
 - Example: 56-year-old member with at least 34 years of service, would be eligible for retirement ($56 + 34 = 90$)

21

Retirement eligibility



SCRS Class Three

Early retirement - (*reduced benefit*)

- Age 60 or older on the date of retirement with eight years of earned service
- 5 percent reduction for each year member retires before age 65

22

Retirement eligibility



PORS Class Two

- At least 5 years of earned service; and
- At least 25 years of credited service or at least age 55

23

Retirement eligibility



PORS Class Three

- At least 8 years of earned service; and
- At least 27 years of credited service or at least age 55

24

Retirement eligibility



State ORP

- There is no minimum age or years of service required for State ORP retirement
- Request distribution of account balance at termination of employment or age 59 ½
- Leave your balance on deposit to accumulate tax-deferred earnings until you elect to receive them
 - IRS required minimum distribution age of 70 ½

25

Retirement eligibility



SCRS and PORS disability retirement

- Must be “in service” with a participating employer
- Class Two members must have at least five years of earned service unless job-related injury
- Class Three members must have eight years of earned service unless job-related injury

26

Retirement eligibility



SCRS disability retirement

- Must apply within 90 days of date of termination from covered employer
- Must be approved for Social Security disability benefits to be approved for SCRS disability retirement benefits
- Submit approval letter from Social Security Administration (but do not wait to file SCRS application until after SSA approval)
- Benefit based on average final compensation and service credit at time of retirement (no projection of service credit)

27

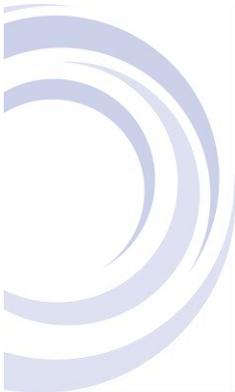
Retirement eligibility



PORS disability retirement

- Must be permanently incapacitated from the further performance of your job duties
- Initial claim reviewed by Medical Board of three physicians
- Disability benefit calculated with a projection of service credit to age 55 or 25 years of service credit, whichever is less

28



PEBA benefit

Estimate your PEBA benefit and possible adjustments

29

PEBA benefit



State ORP

Retirement benefit is accumulated account balance

- Any fees, distributions, and investment gains or losses will affect this balance
- Early withdrawal penalties for distribution prior to age 59 ½

30

PEBA benefit



SCRS and PORS

Benefit based on a formula that includes:

- Your average final compensation (AFC)
- Your service credit, and
- A benefit multiplier

31

PEBA benefit



Average final compensation (AFC)

- Three highest consecutive years of earnable compensation for Class Two members divided by 3
- Five highest consecutive years of earnable compensation for Class Three members divided by 5

Earnable compensation does **not** include pay for overtime not mandated by the employer for SCRS Class Two and Three members. This does not apply to PORS members.

32

PEBA benefit



Estimate your SCRS or PORS benefit

1. Calculate your AFC
2. Multiply your AFC by 1.82 percent (SCRS members) or by 2.14 percent (PORS members)
3. Multiply your result by the number of years of your service credit
4. Divide your result by 12 to arrive at your monthly annuity

33

PEBA benefit



SCRS disability retirement

- Under continuing review until age 65:
 - Must provide evidence of continued receipt of Social Security disability benefits to PEBA each year
 - Also subject to disability retiree earnings limitation

37

PEBA benefit



PORS disability retirement

- Under continuing review until age 55:
 - May be scheduled for continuing disability reviews
 - Subject to disability retiree earnings limitation

38

PEBA benefit



SCRS and PORS benefit estimates

- You can get a benefit estimate from your employer or by contacting PEBA by phone or e-mail
- You may also use the benefit calculators on the PEBA website
- Use your benefit estimate to help select your retirement date and decide if you want to provide a survivor benefit to your beneficiary

39

PEBA benefit



Benefit adjustments

- For SCRS and PORS Members:
 - Each July 1, current law provides for a 1 percent benefit adjustment up to an annual maximum of \$500

40



Payment options

Understand the monthly annuity payment options

41

Payment options



- **Option A** – Maximum retiree-only monthly benefit
- **Option B** – 100%-100% joint retiree-survivor monthly benefit (non-spousal restrictions may apply)
- **Option C** – 100%-50% joint retiree-survivor monthly benefit

42

Post-retirement payment option changes



- If you choose Options B or C and all of your beneficiaries predecease you, your benefit will revert to Option A effective on the date the last beneficiary died
- You must notify PEBA of the death of your beneficiary

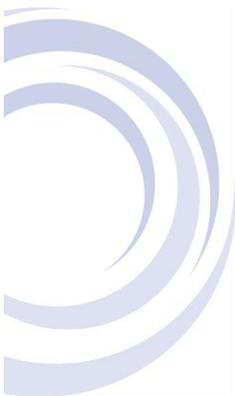
43

Post-retirement payment option changes



- If you have a change in marital status, you may change your payment option within five years of the qualifying event
- You can only change your payment option twice regardless of the number of qualifying events that may occur

44



Applying for retirement

Understand the process

45

Ready to start the process?



- How to apply:
 - Call or email Customer Contact Center for an application package;
 - Visit our office and meet with a benefits counselor;
 - Submit a service retirement application online; or,
 - Download the forms from our website.
- Apply within six months before your date of retirement
- Retiring member's service application checklist

46

What to include with your application



- Copy of your birth certificate;
- Copy of your driver's license or state-issued identification card; and
- Copy of birth certificate for each beneficiary, if you are selecting a survivor option

47

Important Deadlines



- Apply as early as six months prior to your date of retirement
- Apply no later than 90 days after your date of retirement
- Contact PEBA if you do not receive notification of receipt of your application within 10 days after submission
- Do not terminate employment until you receive official notice of your retirement eligibility

48



Return-to-work

Understand the return-to-work rules for retirees

49

Returning to covered employment after retirement



- A complete, bona fide severance or termination of employment is required
- After thirty days of retirement, you may be hired by a participating employer (TERI exclusion)
- Contribute the same percentage of earnable compensation as active members
- Employment status

50

Returning to covered employment after retirement



SCRS & PORS Class Two and Three members:

- \$10,000 per year earnings limitation
- Earnings limitation does not apply to:
 - members who retire after age 62 (SCRS) or age 57 (PORS);
 - members who retired prior to January 2, 2013;
 - members in elected and certain appointed positions; or
 - participants in the TERI Program during the period they participate in the Program.

51



Incidental Death Benefit

Learn about the retiree incidental death benefit

52

Incidental Death Benefit



TERI participants and working retirees:

- If your employer provides incidental death benefit coverage and you die in service, a payment equal to your current annual earnable compensation will be paid to your designated beneficiary

53

Incidental Death Benefit



Non-working retired members:

SCRS Service Credit	Benefit	PORS Service Credit
10-19 years	\$2,000	10-19 years
20-27 years	\$4,000	20-24 years Class Two 20-26 years Class Three
28 or more years	\$6,000	25 or more years Class Two 27 or more years Class Three

Your employer immediately prior to retirement must offer the incidental death benefit for your beneficiary to receive this benefit.

54



Emotional preparedness

Are you emotionally ready?

55

Emotional preparedness



Well-being encompasses three fundamental, yet distinct human goals:

- Prosperity – economic well-being
- Health – physical well-being
- Happiness – pleasure and satisfaction



Lexicology of Well-Being

Nelson, J.E.. (2015). Retirement Well-Being. Retrieved from www.retirementwellbeing.com

56

Emotional preparedness



Prosperity

- Plan now for your financial future
- Reduce future financial stress

Health

- Take advantage of PEBA's wellness initiatives

Happiness

- Think about what retirement means to you
- Ask yourself what you hope to do in retirement

57

Member Access



State ORP active members

- Link to your State ORP vendor information
- View your PEBA incidental death beneficiaries
- Update your address with PEBA
- Receive messages regarding State ORP open enrollment (January 1 to March 1)
 - Change your State ORP vendor
 - Irrevocable election to SCRS (if eligible)

61

Member Access



Retired members

- Print a 1099-R form
- Update your tax withholding
- Update your address
- Print an annuity verification letter
- View your current payment method
- Modify an existing direct deposit account or add an additional direct deposit account

62

Member Access



To register for Member Access, you will need the following:

- Last name
- Social Security number
- Date of birth
- A valid email address
- If retired – the net or gross amount of one of your most recent monthly annuity payments

63

Stay connected



- www.peba.sc.gov
- *be aware and prepare* educational series
- Contact us at 803.737.6800, 888.260.9430, or cs@peba.sc.gov
- Visit us at 202 Arbor Lake Drive, Columbia SC 29223
- Social Media – [Facebook](#), [Twitter](#), [PEBA TV \(YouTube\)](#)

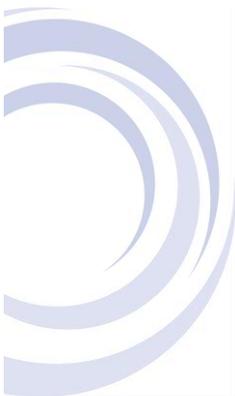
64

Are you set for retirement?



- Do you understand the retirement eligibility rules?
- What income will your PEBA-administered retirement plan provide?
- What is the best payment option for you?
- Do you understand the application requirements?
- Do you know the rules for returning to work?
- Have you considered the emotional impact of retirement?
- Are you connected?

65



PEBA

Serving those who serve South Carolina

66

Disclaimer



This presentation does not constitute a comprehensive or binding representation regarding the employee benefits offered by the South Carolina Public Employee Benefit Authority (PEBA). The terms and conditions of the retirement and insurance benefit plans offered by PEBA are set out in the applicable statutes and plan documents and are subject to change. 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.
