Financial disclaimer
Personal finance, as the name implies, is a highly individualized and personal matter. The information provided in these presentations is general educational information provided to illustrate certain financial ideas and concepts. This information does not take into account your personal situation and should not be considered personal financial or investment advice. In reviewing this video, you should consider whether the information presented is appropriate for your particular needs and, where appropriate, you may wish to seek advice from a financial professional to determine what is best for your individual financial circumstances. PEBA does not make any guarantee or other promise as to any results that may be obtained from using the content of this presentation.

Will you be financially comfortable when you retire?
• Are you saving enough for retirement?
  • 46 percent of U.S. workers say they will not have enough money in their retirement.¹
• A sure way to an unsure future is to put off planning for retirement.

Think about your retirement now.

- Do you know what you want to do and where you want to be in retirement?
- Do you have an idea how you're going to get there?
- Start asking yourself these questions and identify steps you can take to secure your financial future.

How will you get to retirement from here?

- Start thinking about the things you hope to do in retirement.
- Know your possible sources of retirement income.
- Understand your PEBA-administered retirement plan.
- Consider the effects of the other benefits and programs PEBA offers.
- Stay connected with PEBA.

The “what-if” questions

- What if you have health issues?
- What if you have assisted living costs?
- What if the kids don’t leave?
- What if the kids come home in crisis?
- What if inflation rises?
- What if you have unpaid debts?
Identify your income sources.

Possible income sources

**PEBA-administered retirement plans**
- Lifetime monthly benefit from defined benefit plan; or
- Distributions from defined contribution plan.

**Other monthly benefits**
- Social Security.
- Military pension.
- Other pensions.

**Personal savings and investments**
- South Carolina Deferred Compensation Program;
- Personal savings accounts;
- Certificates of deposit (CDs);
- Money market accounts; and
- Individual Retirement Accounts (IRAs).

PEBA's defined benefit plans
- SCRS and PORS are the two largest defined benefit plans administered by PEBA.
- Expect to receive about 50 percent of your pre-retirement income after a full career of service.
- Work longer to increase your years of service credit and receive a slightly bigger benefit.
- Purchase service credit.
PEBA's defined contribution plan

• State ORP provides a defined contribution retirement plan alternative to SCRS for certain eligible employees.
• Retirement income based on your account balance at retirement.
• Any fees and expenses, distributions, and investment gains or losses will affect your balance.
• Eligible for distribution at termination or age 59½.

Social Security benefits

• Monthly benefit based on your indexed lifetime earnings, your age and other variables.
• Visit the Social Security Administration’s website, www.ssa.gov, to create your Social Security account.
  • Check your statement;
  • Estimate your benefit; and
  • Access other helpful information.

Other employer retirement plans

• Remember to take into account any additional benefits from past employment.
• Military pensions.
• Review your work history.
• Contact past employers.
S.C. Deferred Compensation Program

- A voluntary, supplemental defined contribution program to help employees save additional money for retirement.
- Offers 401(k) and 457(b) plans.
- Both plans offer Roth options.
- Currently administered by Empower Retirement.
- Access to local retirement plan advisors.

Other personal savings and investments

- Begin to set aside additional funds now through options offered by your local bank or credit union.
  - Personal savings accounts;
  - Certificates of deposit (CDs);
  - Money market accounts; and
  - Individual Retirement Accounts (IRAs).

Understand your retirement plan.
PEBA-administered retirement plans

• South Carolina Retirement System (SCRS).
• Police Officers Retirement System (PORS).
• State Optional Retirement Program (State ORP).

Employee contributions effective July 1, 2019

• SCRS – 9 percent of pay.
• PORS – 9.75 percent of pay.
• State ORP – 9 percent of pay.

SCRS, PORS

• Defined benefit plans.
• Plans bear the investment risk.
• Class Two and Class Three membership.
• Provides a monthly service retirement benefit based on a formula.
• Must meet eligibility requirements to receive retirement benefits.
**SCRS, PORS Class Two and Class Three**

- Class Two: earned service began prior to July 1, 2012.
- Class Three: earned service began on or after July 1, 2012.
- Membership class affects:
  - Service retirement eligibility;
  - Average final compensation calculation; and
  - Credit for unused leave at retirement.

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**In-service death benefits**

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**Active member incidental death benefit**

- Available only if employer elects to offer this coverage.
- 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 if you die in service.
SCRS, 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 benefit if:
    • You are a Class Two member with at least five years of earned service credit or a Class Three member with at least eight years of earned service credit, and you have either 15 years of total service credit or are at least age 60 (SCRS) or age 55 (PORS) at time of death.

PORS Accidental Death Program

• Available only if employer elects to offer this coverage.
• Provides a survivor benefit if employer is covered and your death is result of a job-related injury.
• Paid monthly to surviving spouse, children or parents.

State ORP in-service death benefit

• If you die in service as an active State ORP participant, the beneficiary you designated with your selected service provider may be entitled to receive the cash value of your account through:
  • Periodic withdrawals;
  • Lump-sum distributions; or
  • Purchase of an annuity with the account balance.
• Active member incidental death benefit may also be available.
Disability retirement

SCRS, PORS disability eligibility
- Must be in service with a participating employer.
- Unless injury is job-related, you must have:
  - Five years earned service if Class Two.
  - Eight years earned service if Class Three.
- For SCRS, must be approved for Social Security disability benefits.
- For PORS, must be found permanently disabled from performing your job duties by the PORS medical board composed of three physicians.

Service retirement
SCRS Class Two service retirement eligibility

- Must have five years of earned service.
- For an unreduced monthly retirement benefit, you:
  - Must have 28 years of service; or
  - Be age 65 or older.
- For a reduced monthly retirement benefit, you:
  - Must be age 60 (permanent 5 percent reduction for each year before age 65); or
  - Must be age 55 with 25 years of service (permanent 4 percent reduction for each year of service less than 28).

SCRS Class Three service retirement eligibility

- Must have eight years of earned service.
- For an unreduced monthly retirement benefit, you must:
  - Meet the Rule of 90 (age and years of service add up to 90); or
  - Be age 65 or older.
- For a reduced monthly retirement benefit, you must be age 60 (permanently reduced 5 percent for each year of age less than 65).
- Rule of 90 example: 56-year-old member with 34 years of service would be eligible for a retirement benefit (56 + 34 = 90).

PORS Class Two service retirement eligibility

- Must have five years of earned service.
- For a monthly retirement benefit, you must:
  - Have 25 years of service; or
  - Be age 55 or older.
PORS Class Three service retirement eligibility

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

SCRS, PORS service retirement monthly benefit

Benefit based on a formula that includes:

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

SCRS, PORS Class Two AFC calculation, unused leave

- AFC includes your 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.
**SCRS, PORS Class Three AFC calculation, unused leave**

- AFC includes your 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 calculation**

1. Multiply your AFC by 1.82% (SCRS members) or 2.14% (PORS members).
2. Multiply the result by your years of service credit.
3. Divide the result by 12 to arrive at your monthly retirement benefit.

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**Class Two SCRS, PORS monthly benefit example**

<table>
<thead>
<tr>
<th></th>
<th>AFC = $30,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCRS</td>
<td>$30,000 × 1.82% = $546.00</td>
</tr>
<tr>
<td></td>
<td>$546 × 28 years = $15,288.00</td>
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<tr>
<td></td>
<td>$15,288 ÷ 12 = $1,274.00</td>
</tr>
<tr>
<td>PORS</td>
<td>$30,000 × 2.14% = $642.00</td>
</tr>
<tr>
<td></td>
<td>$642 × 25 years = $16,050.00</td>
</tr>
<tr>
<td></td>
<td>$16,050 ÷ 12 = $1,337.50</td>
</tr>
</tbody>
</table>

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

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- 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.

State ORP

- A 401(a) defined contribution plan.
- Alternative to SCRS for some employees.
- Employer contributes 5 percent to your account with your selected service provider.
- Retirement benefit is based on accumulated account balance.
  - Any fees, distributions, and investment gains or losses will affect this balance.
- Eligible for distribution at termination from all covered employment or after age 59½.

State Health Plan retiree insurance
Eligibility for retiree insurance with PEBA

- Eligibility for retiree insurance is different than eligibility for a retirement benefit.
- Must meet certain eligibility requirements to continue insurance coverage in retirement.
- Changing jobs could affect your eligibility for funding.
- Only PEBA can determine retiree insurance eligibility.
- Refer to the Insurance Benefits Guide for more information.

Stay connected

Member Access

- To register for and use Member Access, you will need:
  - Last name;
  - Social Security number;
  - Date of birth; and
  - A valid email address.
- See the Manage your Retirement Account with Member Access flyer for more information.
### Member Access features for SCRS, PORS members

- View your account and service credit statement.
- Review your beneficiary designations.
- Estimate your benefit amount.
- Update your address and contact information.
- Calculate service purchase cost estimate and submit service purchase request.
- Apply for retirement or refund.

### Member Access features for State ORP participants

- Link to your State ORP service provider’s website.
- View your PEBA incidental death beneficiaries.
- Update your address and contact information with PEBA.
  - Must update this information separately with your service provider.
- Receive messages regarding State ORP annual open enrollment (January 1 to March 1).
  - Change your State ORP service provider.
  - Make an irrevocable election to switch to SCRS, if eligible.

### Get in touch with PEBA.

- Contact us:
  - www.peba.sc.gov/contactus.html
  - 803.737.6800 or 888.260.9430.
- Visit us:
  - 202 Arbor Lake Drive
    Columbia, SC 29223
Get social with PEBA.

South Carolina Public Employee Benefit Authority

Are you on track?

• Review your retirement income needs and sources.
• Understand your PEGA-administered retirement plan.
• Stay connected with PEBA.
• Do not assume everything will work out on its own.
• Get started now.

Disclaimer

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