


**Leaving covered employment: leaving funds on deposit**

Retirement Benefits Training  
Fiscal year 2025



Serving those who serve South Carolina

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**Applying for retirement later<sup>1</sup>**

- Member can apply for retirement upon eligibility if:
  - Class Two member and has five years earned service; or
  - Class Three member and has eight years earned service.
- Member has responsibility to file retirement application once eligible.

<sup>1</sup>Leaving funds on deposit is applicable only to defined benefit plans.

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**Interest on account funds**

- Funds accrue interest until account becomes inactive.
- Account becomes inactive as of July 1 when:
  - No contributions made in preceding fiscal year; and
  - No other active, correlated system or State ORP account exists.
- Account status updates on fiscal year basis.

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**How long can funds stay on deposit?**

- IRS requires that distributions begin by the later of two dates:
  - April 1 of the year after the year in which member turns age 73 or;
  - Year in which member retires.
- Penalties might apply if this requirement is not met.

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**Member information**

- Member should maintain current address through [Member Access](#).
- Member should update beneficiary information through [Member Access](#).
  - Can also complete appropriate notarized form.
- Provide the [Leaving employment before retirement eligibility](#) life event checklist.
- Provide the [Designating Active Member Beneficiaries](#) flyer.

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