

 **PEBA Academy**

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

Retirement Benefits Training
Fiscal year 2026

**PEBA**
SC Retirement System
and State Health Plan

Serving those who serve South Carolina

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Applying for retirement later¹

- 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.

¹Leaving 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 the 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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