


Leaving covered employment: requesting a refund

Retirement Benefits Training
Fiscal year 2025



Serving those who serve South Carolina

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Requesting SCRS, PORS refund

- Member must terminate employment from all covered employers and correlated systems.
- Minimum 90-day waiting period from termination date before refund issued.
- Employer contributions are not refunded.
- Returning to covered employment before refund payment cancels refund application.
- Loans or hardship withdrawals are not allowed.
- Provide the Leaving employment before retirement eligibility life event checklist.

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Impact of receiving refund

- Member forfeits rights to future service retirement or disability benefits.
- Cancels all service credit in the account.
- Withdrawn service does not count toward retiree health insurance eligibility under the State Health Plan.

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How to request a refund

- Member can request a refund by completing a notarized Refund Request (Form 4101).
- Copy of member's driver's license or state-issued ID is required.
- If denied for disability retirement and requesting refund, member must send signed statement to PEBA refusing right to appeal disability retirement denial.

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Refund payment options

Member must select a payment option on their refund application.

Single-sum payment

Direct rollover

Partial rollover

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Payment options

Single-sum payments

- Pretax portion subject to 20% federal tax withholding.
 - IRS may assess early withdrawal penalties if younger than age 59½ at time of distribution.
- Taxable portion subject to South Carolina income taxes during year in which refund is received.
- Encourage members to consult a personal tax professional for assistance.

Rollovers

- Members may roll over funds into IRA, 401(k) plan, 401(a) eligible plan, 403(a) plan, 403(b) plan or 457 plans.
- Direct rollover:
 - Members choose pretax amount only or total balance.
- Partial rollover:
 - Remaining balance paid in single-sum payment and subject to applicable rules.

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Employer actions

- You will receive an EES Task List notification once PEBA receives a refund application for one of your employees:
 - Active Member Refund task; or
 - Inactive Member Refund task.
- Do not estimate or project final payroll information.
- PEBA will refund employee contributions based on the information you provide.
- Employer is responsible for any overpayment of benefits resulting from overstated contributions.

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Refund tasks

<p>Active members</p> <ul style="list-style-type: none"> Enter last day of earned compensation, date of termination and date of final paycheck. <ul style="list-style-type: none"> Enter any leave payout information (Class Two members only). Enter final quarter payroll information. Enter any furlough payout information. If the employee is still employed (cancels refund), or you are unable to locate any employment records, mark the appropriate box in Step 1. Review entered information and submit completed task. Do not mail any information to PEBA. 	<p>Inactive members</p> <ul style="list-style-type: none"> Check the appropriate box: <ul style="list-style-type: none"> Employee is no longer employed. Add termination date. Confirm the final quarter information; Employee is still employed. The refund request will be canceled; or You are unable to locate any employment records about the employee. Review entered information and submit task. Do not mail any information to PEBA.
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