

peba academy  PEBA  
SC Retirement Systems  
and State Health Plan

# Retirement Benefits Training

Membership and enrollment  
Fiscal year 2021

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## Topics

- Membership eligibility.
- Enrollment.
- Enrollment process.
- Changes after enrollment.

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## Membership eligibility

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### SCRS eligibility

- Available to employees of participating:
  - State agencies;
  - Public and charter schools;
  - Public higher education institutions; and
  - Local subdivisions of government.

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### State ORP eligibility

- Available to employees of participating:
  - State agencies;
  - Public and charter schools; and
  - Public higher education institutions.

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### SCRS, State ORP mandatory membership exceptions

- For eligible positions, membership is required condition of employment unless employee is:
  - A school bus driver;
  - Earning less than \$100 per month;
  - In a non-permanent position or works as a day laborer;
  - One of certain hospital workers (see S.C. Code 9-1-580);
  - A part-time elected official earning less than \$9,000 per year; or
  - Elected to the S.C. General Assembly during or after November 2012.

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**PORS eligibility**

- Police officers, defined as those who:
  - Preserve public order;
  - Protect life and property; and
  - Detect crimes in the state.
- Firefighters, defined as those who prevent and control property destruction by fire.
- Peace officers, defined as those responsible for custody or control of inmates at:
  - S.C. Department of Corrections;
  - S.C. Department of Juvenile Justice; or
  - S.C. Department of Mental Health.
- Magistrates.
- Coroners, deputy coroners in a full-time, permanent position.
- Probate judges may choose SCRS or PORS.

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**PORS eligibility**

- Employee must:
  - Earn at least \$2,000 annually; and
  - Devote at least 1,600 hours per year to position.
- Probate judges, magistrates exempt from these requirements.

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**Types of workers ineligible to join SCRS, State ORP, PORS**

- Non-employees.
  - Independent contractors.
- Students employed by the school they are attending.
- Persons compensated solely by per diem reimbursements.
- Retired members of SCRS or PORS may not participate as active members in SCRS, PORS or State ORP.

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### SCRS, PORS membership classes

- 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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### Correlated systems

- SCRS and PORS are correlated systems.
  - Complementary relationship as defined by statute.
- If member has service credit in both of these systems, service credit is combined for purpose of determining eligibility for benefits, but not for calculating the amount of benefits.
  - See the Covered Employer Procedures Manual for more information.

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### Enrollment

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### Enrollment

- Eligible employees must make retirement plan election within 30 days of hire date.
- Can choose, when eligible:
  - SCRS;
  - State ORP; or
  - Non-membership.
- Employee defaults to SCRS, if eligible, if no election made within 30 days.
- PORS membership is generally mandatory for eligible positions.

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### Electing non-membership

- New hire cannot opt out if he has:
  - Active or inactive SCRS account; or
  - Active State ORP account.
- Opting out is irrevocable for the period of employment, unless the employee is hired into a position that requires membership.

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### State ORP and secondary employment

- When a member is active in State ORP and secondary employment offers SCRS and State ORP, employee must join State ORP with secondary employer.
- Must also choose same service provider.
- If secondary employment does not offer State ORP, employee may elect either SCRS or, if eligible, non-membership.

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**Enrollment process**

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**Enrollment process<sup>1</sup>**

- Submit Retirement Plan Enrollment in **EES**.
  - Valid employee email address required.
  - Enter employee's legal name.
  - New hire receives email notification to select retirement plan or non-membership, if eligible.
- If completing enrollment on paper, complete:
  - *Retirement Plan Enrollment* (Form 1100); or
  - *Election of Non-Membership* (Form 1104).

<sup>1</sup> Employees who report payroll through the Comptroller General payroll system are excluded from this process.

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**State ORP enrollment**

- If employee elects State ORP, he must choose a service provider.
- Learn about service providers at [peba.sc.gov/state-orp](http://peba.sc.gov/state-orp).
- PEBA provides enrollment details to service provider selected.
- Employee must also complete investment elections and beneficiary designation with chosen service provider.

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### Return-to-work retirees

- Employers must notify PEBA when a retired member is hired.
- As soon as possible, enter return-to-work dates in EES<sup>1</sup>:
  - Use *Employed Retirees – Return to Work Date Entry* option.
  - Error message appears when 30-day termination requirement is not met.
  - Employer is responsible for reimbursing PEBA for any benefits wrongly paid as a result of a failure to notify.
- Remind retiree that employee contributions are withheld.

<sup>1</sup> Employers who report payroll through the Comptroller General payroll system are excluded from this process.

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### Employers who report payroll through the Comptroller General's office

- Enrollments, including return-to-work retiree hire dates, are submitted electronically from SCEIS to PEBA.
- Do not send enrollment or new hire documents to PEBA.
  - Retain new hire documents only for your record keeping.

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### Beneficiary designations for active members

- At enrollment, beneficiary designation defaults to estate.
- Members may designate beneficiaries online through Member Access.
  - Immediate processing of designation.
  - Does not require notary signature.
- Members can name multiple beneficiaries.
- Benefits split equally if multiple beneficiaries named.

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### Beneficiary designations for active members

- Members may also designate beneficiaries on applicable form:
  - Active Member Beneficiary Form (Form 1102); or
  - Beneficiary/Trustee Designation Form (Form 1103), trust must already exist; or
  - State ORP Active Incidental Death Benefit Beneficiary Designation (Form 1106).
- Paper forms require notary signature and additional time for processing.

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### Primary beneficiary for SCRS, PORS benefits

- Primary beneficiary may receive either:
  - Refund of contributions plus interest; or
  - Lifetime monthly benefit payments, if eligible.

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### Contingent beneficiary for SCRS, PORS benefits

- Contingent beneficiaries<sup>1</sup> receive death benefits if:
  - Employee and primary beneficiary die at same time; or
  - Primary beneficiary dies before employee, and employee does not name another primary beneficiary before death.
- All primary beneficiaries must be deceased at the time of the member's death for a contingent beneficiary to receive a benefit.

<sup>1</sup> Contingent beneficiary cannot be the same as primary.

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### Incidental death benefit beneficiary

- SCRS, PORS and State ORP participants should also designate an incidental death benefit beneficiary if employer offers coverage.

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### Estate as beneficiary

- Encourage members to update their beneficiary from estate once hired.
- Review member account information to determine which employees have estate as their beneficiary.
  - Use Active Service Totals report in EES under *Data Downloads*.
  - If the survivor/refund beneficiary is estate, column I will indicate TRUE.
  - If the incidental death benefit beneficiary is estate, column J will indicate TRUE.
- Share Member Access [flyer](#) with employees.

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### Changes after enrollment

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### Updating beneficiary designations

- Encourage members to update beneficiaries at any life change:
  - Marriage;
  - Divorce;
  - Birth; or
  - Beneficiary death.
- Encourage members to complete updates online through Member Access.
  - Can also use applicable form(s).

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### Name, address changes

- Members can change address in Member Access.
  - Can also use Name/Address Change Form (Form 1239).
- For name changes, member must provide:
  - Copy of marriage license or divorce decree;
  - Copy of a filed court order;
  - Copy of driver's license or state-issued ID card;
  - Copy of Social Security card; or
  - Copy of valid U.S. passport.
- State ORP participants should contact chosen service provider about updating contact information.

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### State ORP open enrollment

- Annually January 1 through March 1.
- Changes effective April 1.
- During the open enrollment period, State ORP participants may change service providers.
- During the open enrollment period, eligible State ORP participants may irrevocably elect to enroll in SCRS.
  - A participant is eligible if at any point during the open enrollment period it has been at least 12 months, but no more than 60 months, since the participant's initial enrollment in State ORP.

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**Changing service providers during State ORP open enrollment**

- State ORP participants may change service providers by:
  - Logging in to Member Access; or
  - Completing and submitting State ORP Notice of Termination or Change (Form 1162).
  - PEBA provides enrollment details to new service provider.
  - Employee must also complete investment elections and beneficiary designation with new service provider.

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**Electing SCRS membership during State ORP open enrollment**

- Eligible State ORP participants may irrevocably elect to enroll in SCRS by:
  - Logging in to Member Access; or
  - Completing and submitting Retirement Plan Enrollment (Form 1100).

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**Disclaimer**

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