

 **PEBA Academy**

**Retirement processes:  
service retirement**

Retirement Benefits Training  
Fiscal year 2026

  
Serving those who serve South Carolina

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**SCRS retirement eligibility**

**Class Two**

- Must have five years of earned service.
- For an unreduced monthly retirement benefit, member:
  - Must have at least 28 years of service; or
  - Be age 65 or older.
- For a reduced monthly retirement benefit, member:
  - Must be age 60 (permanent 5% reduction for each year before age 65); or
  - Must be age 55 with 25 years of service (permanent 4% reduction for each year of service less than 28).
  - If eligible for both early retirement options, the option that reduces the benefit the least will be applied.

**Class Three**

- Must have eight years of earned service.
- For an unreduced monthly retirement benefit, member must:
  - Meet the Rule of 90 (age and years of service add up to at least 90); or
  - Be age 65 or older.
- For a reduced monthly retirement benefit, member must be age 60 (permanently reduced 5% for each year of age less than 65).

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**PORS retirement eligibility**

**Class Two**

- Must have five years of earned service.
- For a monthly retirement benefit, member must:
  - Have at least 25 years of service; or
  - Be age 55 or older.

**Class Three**

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

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SCRS, PORS service retirement monthly benefit

Benefit based on formula that includes:

Average final compensation (AFC)

Service credit

A benefit multiplier

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SCRS, PORS AFC calculation

Class Two

- AFC includes 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.

Class Three

- AFC includes 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<sup>1</sup>

Step 1

Multiply AFC by 1.82% (SCRS members) or 2.14% (PORS members).

Step 2

Multiply the result by years of service credit.

Step 3

Divide the result by 12 to arrive at monthly maximum retirement benefit.

<sup>1</sup>Early retirement reductions will apply for SCRS members who retire before reaching eligibility for an unreduced monthly retirement benefit. Reduction applies when choosing joint retiree/survivor payment plan.

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Class Two SCRS, PORS Option A example

AFC = \$30,000

|      |                                   |                   |
|------|-----------------------------------|-------------------|
| SCRS | $\$30,000 \times 1.82\% =$        | \$546.00          |
|      | $\$546 \times 28 \text{ years} =$ | \$15,288.00       |
|      | $\$15,288 \div 12 =$              | <b>\$1,274.00</b> |
| PORS | $\$30,000 \times 2.14\% =$        | \$642.00          |
|      | $\$642 \times 25 \text{ years} =$ | \$16,050.00       |
|      | $\$16,050 \div 12 =$              | <b>\$1,337.50</b> |

- 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.

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Class Three SCRS, PORS Option A example

AFC = \$30,000

|      |                                   |                   |
|------|-----------------------------------|-------------------|
| SCRS | $\$30,000 \times 1.82\% =$        | \$546.00          |
|      | $\$546 \times 30 \text{ years} =$ | \$16,380.00       |
|      | $\$16,380 \div 12 =$              | <b>\$1,365.00</b> |
| PORS | $\$30,000 \times 2.14\% =$        | \$642.00          |
|      | $\$642 \times 27 \text{ years} =$ | \$17,334.00       |
|      | $\$17,334 \div 12 =$              | <b>\$1,444.50</b> |

- 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.

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Applying for service retirement

- Application required; process not automatic.
- Members may apply up to six months prior to retirement date.
- Members must apply no later than 90 days after retirement date.

- Service purchases must be paid in full before retiring.
- Members should not terminate employment until PEBA confirms eligibility. PEBA cannot determine eligibility until employers complete the *Retirement Date Certification*, which needs to be done before the date of retirement.

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### Applying for service and disability retirement

- Encourage members to apply through Member Access.
  - Members can also complete applicable paper forms:
    - *SCRS Application for Service Retirement Benefits* (Form 6101S).
    - *PORS Application for Service Retirement Benefits* (Form 6101P).
    - *Withholding Certificate for Pension or Annuity Payments* (Form W-4P) for federal withholdings.
    - *Withholding Certificate for Monthly Benefit Payments* (Form 7202) for state withholdings.
    - *Direct Deposit Authorization* (Form 7204).
- Members should allow additional time for processing paper forms.
  - Errors or incomplete forms will result in rejected applications.

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### Required documentation

- Required documentation:
  - Copy of member's birth certificate;
  - Copy of member's driver's license or state-issued ID card; and
  - Copy of member's beneficiaries' birth certificates, if choosing survivor option.
- Members can upload documents in Member Access.
- Members must send copies with paper application.

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### Employer actions

- You will receive an EES Task List notification once PEBA receives an application for one of your employees:
  - *Retirement Date Certification*.
  - *Final Payroll Certification* (Shows up in Task List 14 days after date of retirement).
- Termination and separation from employment are required.
- Do not estimate or project final payroll information.
- Final payroll certification task cannot be completed prior to the retirement date.
  - Prevents inaccurate payroll data and benefit calculations.
  - Refer to the *Final payroll certification tasks in EES* training resource.
- Refer to the *Service retirement* employer checklist.

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SCRS, PORS monthly payment options

A

B

C

**Option A**  
Maximum benefit.  
Retiree-only  
payment.

**Option B**  
100%-100% joint  
retiree-survivor  
payment.  
Non-spousal  
restrictions may apply.

**Option C**  
100%-50% joint  
retiree-survivor  
payment.

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Option B beneficiary age restrictions

- Member cannot designate a single Option B beneficiary if:
  - Beneficiary is not member's spouse; and
  - Beneficiary is more than 10 years younger than member, as determined by IRS rules.

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Qualified Domestic Relations Order

- Court order giving former spouse right to portion of member's retirement benefits.
- Outlines disbursement of money if member retires, takes refund or dies.
- Divorce decree is not a QDRO.
- Model QDRO and guidelines available at [peba.sc.gov/publications](https://peba.sc.gov/publications).

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