

# SCRS at a Glance - Class Three



Refer to the *South Carolina Retirement System Member Handbook*, found at [peba.sc.gov](http://peba.sc.gov), for detailed information and when making retirement plan decisions.

## Benefits

- Monthly retirement benefit is based on a formula (1.82 percent of average final compensation multiplied by years of service), not on your account balance at retirement.
- Current state law provides for an annual benefit adjustment of 1 percent of your annual benefit up to a maximum of \$500 per year.
- Monthly retirement benefit is payable until your death.
- Service purchase options.
- Disability protection. Eligibility is tied to the receipt of disability benefits from the Social Security Administration.
- Incidental death benefit if provided by your employer.

## Membership eligibility

- To be a member of SCRS, you must be employed by and receiving compensation from an employer that participates in the system.
- You accrue service credit in SCRS as long as you are not retired and are making regular contributions to SCRS from compensation received from your employment with a participating employer.

## Contributions

- You contribute a tax-deferred 9 percent of gross pay.
- Your account earns 4 percent interest compounded annually until you retire or your account becomes inactive.
- An account is considered inactive when no contributions have been made to it in the preceding fiscal year and no other active, correlated system or State Optional Retirement Program (State ORP) account exists.

## Service purchase

- You may be eligible to purchase various types of service credit, such as military service, public service, educational service and non-qualified service at an actuarially-based cost.
- You may also be eligible to purchase credit for previously withdrawn SCRS service or service transferred from a correlated retirement system.

## Incidental death benefit

- Beneficiaries of active members and working retirees who die in service after one year of membership receive a payment equal to one year's gross salary.
- If death is a result of a job-related injury, the one-year requirement is waived.
- A beneficiary of a non-working retiree may be eligible for a benefit of \$2,000, \$4,000 or \$6,000



based on the retiree's years of service.

- Check with your employer to see if it provides this coverage.

## Leaving before retirement

If you terminate employment, you may either:

- Request a refund of your contributions and interest, subject to taxes and possible penalties if you are under age 59½ and do not roll over into an eligible plan; or
- Leave your money in SCRS, where it will earn an annual 4 percent interest until your account becomes inactive. If you have the earned service necessary for a monthly retirement benefit and leave your funds on deposit, you can receive the benefit once you reach age eligibility.

## Retirement eligibility

Class Three members - membership effective on or after July 1, 2012.

- You can retire and receive an unreduced monthly retirement benefit once your age and years of service total 90, or at age 65 or older.
- For example, if you begin covered service at age 22 and work continuously for a covered employer, you would be eligible for service retirement once you reach 56 years of age and have 34 years of service credit.
- You can retire early at age 60 and receive a reduced monthly retirement benefit.
- You must have at least eight years of earned service to receive a benefit.

## Retiree insurance eligibility

- Eligibility for retiree group insurance is not the same as eligibility for retirement.
- Only PEBA can make retiree insurance eligibility determinations. Contact PEBA before making final arrangements for retirement.
- The amount you pay in retiree insurance premiums is based on several factors, including

your years of service, when you were hired and the type of employer from which you retire.

- Please refer to the *Retiree Insurance Eligibility, Funding* flyers for your employer type for more information.

## Payment options

- Three payment options for monthly retirement benefits are available at retirement.
- Two of the three options provide survivor protection.
- You select the payment option that best suits your needs.

## Learn more

- Contact your human resources office.
- Go to [peba.sc.gov](http://peba.sc.gov) or contact PEBA by phone at 803.737.6800 or 888.260.9430.
- Visit PEBA, with or without an appointment, at 202 Arbor Lake Drive, Columbia, SC 29223.