

SOUTH CAROLINA
RETIREMENT SYSTEMS



SC BUDGET AND CONTROL BOARD

Covered Employer Training Program

Module Two

Membership and the Enrollment Process

Employer Resources

- As an employer, you have access to all the information you may need on our Web site, at www.retirement.sc.gov. You can access forms, publications, calculators, and much more.
- You should direct your employees to our Web site to find out more information about our specific retirement plans. We have online calculators, a video library, publications, and learning areas that employees can take advantage of when choosing a retirement plan or learning more about the plan in which they are enrolled.

Follow along in your Covered Employer Procedures Manual!

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Membership Eligibility

■ SCRS and State ORP

- Membership in SCRS or participation in State ORP is a condition of employment except for the following job classifications:
 - School bus driver
 - Earn less than \$100 per month
 - Non-permanent position
 - Day laborer
 - Certain hospital workers (see 9-1-580)
 - Elected officials earning less than \$9,000 per year

Membership Eligibility

■ SCRS and State ORP

- The decision to be a non-member in the circumstances listed on the previous slide is an irrevocable one.
- Employees in the following categories cannot join:
 - Independent contractors
 - Students
 - Retirees

Membership Eligibility

■ PORS

- Preserve public order
 - Protect life and property
 - Detect crimes in the state
 - Prevent and control property destruction by fire
 - Peace officer employed by DOC, DJJ, DMH; and,
 - Earn at least \$2,000 per year and devote 1,600 hours per year to this type of employment
- Probate judges and magistrates are exempt from the \$2,000/1,600 hours per year requirements
- Magistrates: Membership in PORS is required
 - Probate Judges: Membership in SCRS or PORS is optional if earnings are less than \$9,000 per year. If the earnings exceed this amount, membership in either SCRS or PORS is mandatory.

New Employees Select a Plan

- Employees eligible to join SCRS must choose either SCRS membership or State ORP participation.
- The option to participate in State ORP is only available within 30 days of the date of hire.

Selecting State ORP Participation

- State ORP participation requires a vendor selection. Employers should submit documents only after an employee has made a final vendor selection.
- State ORP participation is not available to political subdivisions, PORS, GARS, and JSRS employees. All state, public school, and higher education employees hired after June 30, 2003, are eligible to choose State ORP.
- State ORP participants may irrevocably switch to SCRS membership during their first through fifth employment anniversary during the annual open enrollment period.

Selecting State ORP Participation

- State ORP employees with secondary employment must join State ORP if the secondary employer has coverage. If not, the member must join SCRS or opt for non-membership (if applicable).
- State ORP termination or vendor changes require the completion of the *State ORP Notice of Termination or Change* ([Form 1162](#)).

Setting up a Retirement Account

- Whenever you hire a new employee, a *Retirement Plan Enrollment* ([Form 1100](#)) or an *Election of Non-Membership* ([Form 1104](#)) should be completed.
- Submit the form to the Retirement Systems along with a copy of the member's Social Security card. If you do not have a copy of the member's Social Security card, please submit the enrollment forms anyway and the Retirement Systems will follow up with the member.
- If you are enrolling an employee into PORS, the Retirement Systems may require an *Employer Certification of Police Officers Retirement System (PORS) Eligibility* ([Form 1107](#)) and a job description to determine PORS eligibility.

Setting up a Retirement Account

(continued)

- If a new employee will be employed as both a firefighter and an EMT (2 separate positions), please send a job description, *Employer Certification of Police Officers Retirement System Eligibility* ([Form 1107](#)) and the percentage of time the employee will spend in each position to the Retirement Systems.

Adding Beneficiaries

- Be sure to include the applicable beneficiary form when you submit an enrollment form to the Retirement Systems:
 - *Beneficiary Designation* ([Form 1102](#)); or,
 - *Trust Designation* ([Form 1103](#))

Beneficiary Designations

■ Form 1102

- Section II-A: A member's **primary beneficiary** receives a refund of contributions plus interest, or may choose a lifetime monthly benefit in lieu of the refund of contributions plus interest if the member dies with at least 15 years of service credit.
- Section II-B: If the primary beneficiary and the member die at the same time, or if the primary beneficiary predeceases the member and the member does not name another beneficiary, the benefits described above default to the **contingent beneficiary**.

Beneficiary Designations

■ Form 1102 (continued)

- Section III: This is only if the member works for an employer who offers the incidental death benefit (formally group life insurance benefit). An incidental death beneficiary receives a payment equal to one year's salary if a member dies while still on payroll and has at least one year of service credit in the account. The one-year requirement is waived if the member's death is job-related.
- Member's signature must be accompanied by the signature of a notary public.
- The primary beneficiary (Section II-A) cannot be the same as the contingent beneficiary (Section II-B).
- If a member designates more than one beneficiary in a particular section, benefits are split equally among the beneficiaries.

Trust Designations

■ Form 1103

Members may designate a trust as beneficiary if they want a trust specified as the recipient of incidental death benefits.

- Give this form to the member only if a trust has already been established.
- Otherwise, the member can simply name his desired beneficiary on Form 1102. In the event of death, benefits would be paid to a conservator or guardian if the beneficiary is legally unable to receive the proceeds directly.

Naming an Estate as Beneficiary

- If a section of the beneficiary form is left blank, or if no beneficiary form is received, the beneficiary designation will default to estate.
- Following the death, a refund of remaining contributions plus interest plus any incidental death benefit payment (if applicable) would be paid to the conservator or personal representative for the member's estate.
- Monthly benefit payments cannot be paid to an estate.

Other Uses for Enrollment Form

■ Form 1100

- Change member's name and/or address. If member is changing name, submit the following with Form 1100:
 - Copy of the Social Security card reflecting the member's new name;
 - Certified copy of the member's divorce decree or copy of the member's marriage license; or,
 - A copy of the court order changing the member's name (includes annulment and adoption).
- Correct member's date of birth or Social Security number.

Member Account Statements

- Distributed annually, generally in September, to all covered employers for distribution to employees.
- Members may call the Retirement Systems at any time to request a statement.
- You can also view the member's account using the Retirement Systems' Electronic Employer Services (EES).

Summary Quiz

- You have hired a temporary employee. The employee has an inactive account with the Retirement Systems. Does the employee have the option of non-membership?

Disclaimer

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This presentation is meant to serve as a guide but does not constitute a binding representation of the South Carolina Retirement Systems. The statutes governing the South Carolina Retirement Systems are found in Title 9 of the South Carolina Code of Laws, and should there be any conflict between this presentation and the statutes or Retirement Systems' policies, the statutes and policies will prevail.

Employers covered by the South Carolina Retirement Systems are not agents of the Retirement Systems.

Questions