PORS Member Handbook

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SC Retirement Systems

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

The information in this handbook 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 handbook and the statutes or the Retirement Systems' policies, the statutes and policies will prevail. Because state statutes are subject to change by the General Assembly, please contact us for the most current information.

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General Information

The South Carolina Police Officers Retirement System (PORS) is a defined benefit retirement plan administered by the South Carolina Retirement Systems, a division of the State Budget and Control Board. This handbook provides a general introduction to PORS and its benefits.

PORS provides service and disability retirement, deferred annuities, and survivor benefits. State agencies and public school districts are required to provide Group Life Insurance coverage to employees. Other employers may elect to provide this coverage. State agencies also are required to provide Accidental Death Program coverage to employees. The coverage is optional for other participating PORS employers.

Membership

PORS membership includes police officers and firefighters employed by the state, and any participating local subdivision, agency, or department of the state. Police officers, peace officers, firefighters, coroners, magistrates and probate judges are eligible for membership in PORS under the following circumstances:

Police Officers – A police officer is defined as a person who is required by the terms of his or her employment to give his or her time to the preservation of public order; protection of life and property; and the detection of crime in the state. Police officers must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. Coroners and deputy coroners who meet the above requirements are also considered police officers.

Peace Officers – A peace officer is a person who is employed and certified by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Peace officers must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute.

Firefighters – A person who gives his or her time to prevention and control of property destruction by fire. A firefighter must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute.

PORS membership is comprised of police officers, peace officers, firefighters, magistrates and probate judges.

Magistrates[1] – Effective on and after January 1, 2001, newly hired magistrates are required to participate in PORS for service as a magistrate.

Probate Judges[1] – Probate judges may elect to participate in PORS or they may elect to participate in the South Carolina Retirement System (SCRS).

The State Budget and Control Board makes the final determination whether any person may become a PORS member as described above.

A PORS active member is employed by a participating employer, earning service credit, making regular contributions to a PORS retirement account, and is not retired. You must be an active member to receive most of the benefits outlined in this handbook. Active members receive a member statement each year that shows employee contributions and interest, service credit, and retirement account beneficiaries.

You contribute a tax-deffered 6.5 percent of gross pay into your PORS retirement account.

Correlated Systems

PORS, SCRS, and the General Assembly Retirement System (GARS) are correlated systems. If you have contributions in more than one of these retirement systems, your service credit is maintained separately within each system; however, your service credit is added together to determine your eligibility for retirement benefits.

Contribution Rates

You contribute a tax-deferred 6.5 percent of gross pay into your PORS retirement account. If you have not retired, your account earns 4 percent interest compounded annually on your balance as of the previous June 30th.

Active Group Life Insurance Benefit

State agencies and public school districts are required to provide Group Life Insurance coverage to employees. The coverage is optional for other employers. If an employer provides Group Life Insurance coverage to its employees, the employer must pay the required contribution rate for the coverage.

If your employer is covered and you die in service with at least one full year of membership in the system, a payment equal to your current annual earnable compensation will be paid to your designated beneficiary or trustee. If your death results from a job-related injury, the one-year requirement is waived. Group Life Insurance is considered life insurance and is not taxable.

[1]These members are not subject to the 1,600-hour and $2,000 earnings requirement.

Accidental Death Program

State agencies are required to provide Accidental Death Program coverage to employees. The coverage is optional for other employers. If an employer provides Accidental Death Program coverage to its employees, the employer must pay for this coverage.

This program provides a survivor annuity if you are covered and die as a result of an injury by external accident or violence incurred while undergoing a hazard peculiar to your employment while in the actual performance of duty, without willful negligence on your part.

An accidental death annuity will be made monthly to your surviving spouse for life. If you have no spouse or your spouse dies before your youngest child has attained age 18, the annuity is divided equally among the surviving children, each of whom will continue to receive an annuity until reaching age 18 or upon death, whichever occurs first. If you have no spouse or child under age 18, the annuity will be paid to your surviving father and/or mother for life.

The Accidental Death Program monthly annuity is calculated as follows: 50 percent of your annual earnable compensation at death divided by 12 equals the survivor monthly annuity. Cost-of-living adjustments may be applied to these monthly annuities.

Service Credit

Establishing Service Credit

Active members may establish service credit for various types of previous employment and leaves of absence, and up to five years of non-qualified service. Descriptions of these types of service credit follow. Generally, a member on leave without pay from a participating employer is not eligible to purchase service credit of any type.

Purchasing Service Credit

You may purchase service credit by a lump-sum payment, an installment service purchase (pre-tax or after-tax, plus interest), or a tax-deferred rollover from an IRA, a 401(k) plan, a 401(a) plan, a 403(b) plan, or a 457 plan.

You may purchase each type of service credit once within a fiscal year. If you are purchasing service to meet retirement eligibility, contact the Retirement Systems for more information. Payment for service purchases required for eligibility must be remitted in full prior to your retirement date or termination.

If you previously purchased periods of part time credit or previously earned periods of part time credit, you may be eligible to purchase additional service credit at an additional cost. Please contact the Retirement Systems for more information.

Some types of purchased service may not be used in determining insurance eligibility. If you experienced a leave of absence from your employer, especially during your last five years of employment, your insurance eligibility may also be affected. Contact your employer or health insurance provider for insurance coverage questions. If you are covered by state health insurance, contact the Employee Insurance Program at (888) 260-9430 or at (803) 734-0678 for eligibility information.

If you purchase service to meet retirement eligibility, payment must be made in full prior to your retirement date.

Descriptions of Types of Service

Convert Class I to Class II

If you are a PORS member who still has Class I service, you may convert your Class I service to Class II service by paying 5 percent of your current earnable compensation for each year to be converted, less $16 per month for each month converted.

Transfer from SCRS to PORS

If you are an active member of PORS, you may transfer your **nonconcurrent** SCRS service credit to your PORS account by paying 5 percent of your current earnable compensation for each year transferred. Your SCRS contributions plus interest and nonconcurrent service credit are then transferred to your PORS account. SCRS earned service that is transferred to PORS is considered earned service for the required five years earned service, when applicable. Earnings that are associated with the service that is transferred from SCRS to PORS are not included in the calculation of your average final compensation.

Public Service

You may establish service credit for any period of paid public service for which you do not already have service credit in another defined benefit plan from which you may receive an annuity. Public service constitutes service as an employee of the government of the United States, a state, or political subdivision of the United States. The cost is 16 percent of current earnable compensation or career highest fiscal year earnable compensation, whichever is greater, for each year purchased.

Educational Service (K-12)

You may establish service credit for any period of paid classroom teaching consisting of grades kindergarten through 12 in a public, private, or sectarian school for which you do not already have service credit in another defined benefit plan from which you may receive an annuity. The cost is 16 percent of current earnable compensation or career highest fiscal year earnable compensation, whichever is greater, for each year purchased.

Military Service

You may establish up to six years of service credit for any period of military service for which you do not already have service credit. This includes service in the United States Army, Navy, Marine Corps, Air Force, Coast Guard, Select Reserves, and Army or Air National Guard. The cost is 16 percent of current earnable compensation or career highest fiscal year earnable compensation, whichever is greater, for each year purchased. Your discharge from service must be under conditions other than dishonorable. Under guidelines set forth by the Uniformed Services Employment and Reemployment Rights Act (USERRA), you may also arrange in advance with your employer to continue contributing to your account while on active duty military leave or make the contributions after returning from military leave within a period three times longer than your military leave, but not more than five years.

Leave of Absence

Active contributing members on an employer-approved leave of absence who return to covered employment within four years may purchase service credit for the employer-approved leave period for which they do not already have service credit, up to a maximum of two years per leave of absence. The leave of absence must be with an employer covered by the Retirement Systems. The cost is 16 percent of current earnable compensation or career highest fiscal year earnable compensation, whichever is greater, for each year purchased.

Workers' Compensation

You may establish service credit for a period while on leave of absence and receiving Workers' Compensation benefits. The cost is based on contributions plus interest using your earnable compensation at the time of injury. You may also arrange in advance with your employer to continue contributing to your account while you are receiving Workers' Compensation benefits.

Previously Withdrawn PORS Service

If you left employment and received a refund of your contributions plus interest from the Retirement Systems, you may re-establish this service upon returning to active membership. You must repay the amount you withdrew plus interest to the date your request is received. Previously withdrawn earned service that is re-established in PORS through the service purchase process is considered earned service for the required five years earned service, when applicable. Please note that earnings associated with a re-established withdrawal will be considered for possible inclusion in the calculation of a member's average final compensation and any subsequent service purchase costs.

Generally, if you are on leave without pay from a participating employer, you are not eligible to purchase service credit of any type.

Non-Qualified Service

Active contributing members who have five or more years of earned service credit may establish up to five years of non-qualified service. The cost is 35 percent of current earnable compensation or career highest fiscal year earnable compensation, whichever is greater, for each year purchased.

State Optional Retirement Program (State ORP) Service

Active contributing members may purchase service credit for their years of participation in the State ORP administered by the South Carolina Retirement Systems. The cost is 16 percent of current earnable compensation or career highest fiscal year earnable compensation whichever is greater, for each year of service purchased. You may not purchase service for a period of State ORP participation for which you may receive a retirement annuity from another defined benefit retirement plan. State ORP service that is established in PORS through the service purchase process is considered earned service for the required five years earned service, when applicable.

If you leave your job before retirement and request a refund, there is a minimum 90-day waiting period from your date of termination until a refund can be made.

Leaving before Retirement

If you leave your job and terminate all employment covered by the South Carolina Retirement Systems, you have two options concerning your contributions:

- request a refund of your contributions and interest; or
- leave your funds in the Retirement System.

Request a Refund

To receive a refund of your accumulated contributions and interest you must complete a refund request form and return it to the Retirement Systems. You may submit your refund request immediately upon termination, however by law, there is a minimum 90-day waiting period from your date of termination until a refund can be made. If you request a refund, you forfeit your rights to any future service retirement or disability annuity. Employer contributions are not refunded. If you are working for two or more covered employers and/or contributing to more than one retirement account (i.e., working two jobs and paying into an SCRS and a PORS account), you must stop working in all correlated systems to request a refund from any account.

Instead of having the refund paid directly to you, you may choose to roll over the funds into an Individual Retirement Account (IRA), a 401(k) plan, a 401(a) eligible plan, a 403(b) plan, or some 457 plans (the South Carolina Deferred Compensation

Program's 457 plan does not accept rollovers from your Retirement Systems account). The Retirement Systems is required to withhold federal taxes of 20 percent on the taxable portion of any refund that is eligible for rollover but not transferred directly into another qualified retirement plan. Other taxes may apply as well. Check with an accountant or tax advisor regarding your tax liability.

Leave Funds on Deposit

When you leave your money on deposit, your account continues to accrue interest and you retain your years of service credit, which may be added to any future service you may accrue, should you later be employed in a position covered by this Retirement System. You may apply for a refund at a later date or apply for a service retirement annuity upon reaching eligibility. No action is required if you wish to retain your membership and leave the funds on deposit, but it is your responsibility to keep the Retirement Systems informed of your current address or any change in name or beneficiary, as well as, apply for a refund or annuity upon reaching eligibility.

You are not required to withdraw your contributions and interest at termination, regardless of your credited service time toward retirement.

Service Retirement

A good way to begin the planning process for retirement is to attend a Retirement Systems' pre-retirement seminar offered through your employer. Sessions are held regionally upon request based on availability. Contact Customer Services for seminar dates.

If you are considering retirement, you should request that your service be audited, and schedule an appointment with a retirement consultant to discuss your eligibility. You can contact Customer Services to make an appointment.

When to Apply

You must file an application with the Retirement Systems to retire; it is not automatic. We encourage you to file your application as early as six months prior to your desired effective date of retirement but no later than 90 days afterward. However, before an effective date of retirement can be established, you must be removed from your employer's payroll.

Retirement applications and other forms are available via our Web site at www.retirement.sc.gov or you may contact the Retirement Systems Customer Services Center at (803) 737-6800 or (800) 868-9002.

If you do not receive notification of our receipt of your application within 10 days after you submitted it, contact Customer Services. Please do not terminate employment until the Retirement Systems has audited your service credit and you receive official notice of your retirement eligibility.

You must file an applicaton with the Retirement Systems to retire; it's not automatic.

Retirement annuity estimates may be obtained from the Retirement Systems but are projected based on information you provide as well as available system information. Annuity estimates are subject to change upon an audit of your account after your application is received.

Eligibility

If you meet the following requirements, you are considered eligible to retire (see **Correlated Systems** on Page 2 if you have an account in more than one retirement system):[2]

Regular Service Retirement:

- 25 years of service credit on date of retirement, five years of which must be combined earned service; or

Early Service Retirement:

- Age 55 or older on date of retirement with at least five years of combined earned service credit.

Your Average Final Compensation

Your average final compensation (AFC) is an important part of the formula used to calculate your retirement benefit. When you retire, your first several annuity checks will be based on information received up to that point. This is called estimated status.

After your employer submits your final earnable compensation information, retirement contributions for your 12 highest consecutive quarters of earnable compensation will be audited. Your AFC may be adjusted after the audit if any of the contributions included in the AFC calculation were for any payments not considered a part of your regular salary base. Your AFC also will be adjusted accordingly to include payment for your unused annual leave according to statute.

As a result of the information received from your employer and the audit of the contributions for your 12 highest consecutive quarters of earnable compensation, your retirement benefit will be finalized. The final amount may be less than, or more than, your estimated benefit.

[2]If your membership began before January 1, 2001, you may also retire if you have 25 years of service credit on date of retirement, five years of which must be combined creditable service accrued on December 31, 2000; or if you are age 55 or older on the date of retirement with at least five years of combined creditable service accrued on December 31, 2000.

Service Retirement Annuity Formula

The following four-step formula is used to calculate your standard monthly annuity.

Step 1 Total your 12 highest consecutive quarters of earnable compensation and divide by 3.
The dollar amount of payment for up to 45 days of unused annual leave paid by your last employer at retirement may be included before averaging your 12 highest consecutive calendar quarters of earnable compensation.
The result of Step 1 is your AFC.

Step 2 Multiply the result of Step 1 by 2.14 percent (.0214) for Class II service. A Class I monthly annuity is computed at $10.97 for each year of Class I service.

Step 3 Multiply the result of Step 2 by years, months, and days of creditable service.
Convert months to days and divide the total days by 360 to determine a decimal equivalent for partial years. For example, 25 years, 2 months and 10 days equals 25 years, 70 days (60 + 10). 70 ÷ 360 = .19. This amounts to 25.19 years of service.

Step 4 Divide the result of Step 3 by 12.

Unused Leave at Retirement

Annual Leave

Only an amount up to and including 45 days pay for unused annual leave from your last termination payment, paid at retirement, shall be included before averaging your 12 highest consecutive quarters of earnable compensation (see Step 1 of the annuity formula above).

Sick Leave

At retirement, you may receive service credit for up to 90 days of unused sick leave from your last employer at no cost to you (see Step 3 of the annuity formula beginning above). This service credit cannot be used to establish retirement eligibility. Sick leave is reported by your employer after retirement. One month of service credit is granted for each 20 days of sick leave.

Service Annuity Example

AFC = $25,000

Creditable service = 25 years

$25,000 x 2.14% (.0214) = $535

$535 x 25 = $13,375
(annual retirement annuity)

$13,375 ÷ 12 = **$1,114.58**
(standard monthly annuity)

Payment Plans at Retirement

Both Option B and Option C are joint retiree-survivor payment plans that, upon your death, pay your beneficiaries a monthly annuity throughout their lifetime.

There are three monthly annuity payment plans available to you at retirement. Select the one that best suits your needs. Your payment plan may not be changed once benefits are first payable.

Option A (Maximum Retiree Only Monthly Annuity) Payment Plan

This plan will pay you a standard lifetime annuity based on your average final compensation, years of service, and a multiplier (.0214 for Class II or $10.97 for each year of Class I service). Upon your death, the Retirement Systems will return, through a lump-sum payment to your beneficiary or your estate, the remaining balance of any member contributions and interest, including any working retiree contributions, not exhausted through receipt of annuity benefits during your retirement.

Option B (100% - 100% Joint Retiree-Survivor Monthly Annuity) Payment Plan

You will receive a reduced (from Option A) monthly annuity for life. Upon your death, the same annuity (100 percent of your reduced monthly annuity, including granted cost-of-living increases) will continue throughout your beneficiary's lifetime. If your designated beneficiary predeceases you, your annuity will revert to Option A, including any cost-of-living increases granted since your retirement date.

Option C (100% - 50% Joint Retiree-Survivor Monthly Annuity) Payment Plan

You will receive a reduced (from Option A) monthly annuity for life. Upon your death, one-half of the annuity (50 percent of your reduced monthly annuity, including granted cost-of-living increases) will continue throughout your beneficiary's lifetime. If your designated beneficiary predeceases you, your annuity will revert to Option A, including any cost-of-living increases granted since your retirement date.

If You Choose Option B or Option C

If you choose Option B or Option C and name multiple beneficiaries, upon your death your annuity will be divided equally among them. The annuity will not change for the remaining beneficiaries if one beneficiary dies, either before or after the member dies. If you select Option B or Option C and all of your designated beneficiaries predecease you, your annuity will revert to Option A effective on the date the last beneficiary died. You must notify the Retirement Systems upon the death of a beneficiary.

Approximate Percentage of Monthly Annuity at Retirement

The information below is based on the standard annuity payment plan (Option A). Choosing Options B or C to provide a future annuity for beneficiaries will reduce the amount of your monthly annuity.

Years of Service Credit	Percentage
25	54%
30	64%
35	75%
40	86%

Approximate Amount of Option A Monthly Annuity at Retirement

The information in the table below is based on the standard annuity payment plan (Option A). Choosing Options B or C to provide a future annuity for beneficiaries (or retiring with SCRS early retirement reductions) will reduce the amount of your monthly annuity.

AFC	Years of Service						Additional Monthly Benefit for Each Additional Year
	25	26	27	28	29	30	
$15,000	$ 669	$ 696	$ 722	$ 749	$ 776	$ 803	$ 27
20,000	892	927	963	999	1,034	1,070	36
25,000	1,115	1,159	1,204	1,248	1,293	1,338	45
30,000	1,338	1,391	1,445	1,498	1,552	1,605	54
35,000	1,560	1,623	1,685	1,748	1,810	1,873	62
40,000	1,783	1,855	1,926	1,997	2,069	2,140	71
45,000	2,006	2,087	2,167	2,247	2,327	2,408	80
50,000	2,229	2,318	2,408	2,497	2,586	2,675	89
55,000	2,452	2,550	2,648	2,746	2,844	2,943	98
60,000	2,675	2,782	2,889	2,996	3,103	3,210	107
65,000	2,898	3,014	3,130	3,246	3,362	3,478	116
70,000	3,121	3,246	3,371	3,495	3,620	3,745	125
75,000	3,344	3,478	3,611	3,745	3,879	4,013	134
80,000	3,567	3,709	3,852	3,995	4,137	4,280	143
85,000	3,790	3,941	4,093	4,244	4,396	4,548	152
90,000	4,013	4,173	4,334	4,494	4,655	4,815	161
95,000	4,235	4,405	4,574	4,744	4,913	5,083	169
100,000	4,458	4,637	4,815	4,993	5,172	5,350	178

Post-Retirement Information

For your convenience, the Retirement Systems offers direct deposit of monthly annuity checks.

Retirement Checks

Retirement checks are mailed or directly deposited into your bank account on the last business day of each month. We strongly encourage all payees to participate in direct deposit; however, if you do not have a bank account into which benefits may be automatically deposited you may receive a paper check each month. If you do not receive your check within five business days, please contact the Retirement Systems. Endorse all checks as drawn. If someone else must endorse your checks, notify the Retirement Systems immediately. It is also very important to notify the Retirement Systems in writing of any change of your home mailing address.

Taxes

Your monthly annuity is subject to federal and state income taxes, but there is a South Carolina state income tax deduction for retirement income based on your age. If you do not have taxes withheld from your retirement check, you may need to file estimated taxes each quarter. Check with an accountant or tax advisor regarding your tax liability.

Cost-of-Living Adjustments

Cost-of-living adjustments (COLAs) are not guaranteed. The Retirement Systems' actuary must first determine whether funding requirements have been met, then the State Budget and Control Board may approve the COLA. If approved, a COLA is effective July 1. Your retirement must have been in effect the previous July to be eligible for an approved COLA. An approved COLA is calculated as follows:

- Your annuity will increase by no more than 4 percent if the Consumer Price Index (CPI) increased by 4 percent or more during the prior calendar year.
- If the CPI increase for the prior calendar year is less than 4 percent, your annuity will increase by the actual percentage increase in the CPI.

Retiree Group Life Insurance

As a non-working retiree, if you die and your last employer prior to retirement is covered by the Group Life Insurance program (see Page 2), a group life insurance payment based on your service credit will be paid to your beneficiaries as follows:

Years of Service Credit	Benefit
10 to 19 years of service credit	$2,000
20 to 24 years of service credit	$4,000
25 or more years of service credit	$6,000

Returning to Covered Employment

If you return to work after retirement, there is no limit on the dollar amount that you may earn as compensation; however, you must be retired for at least 15 consecutive calendar days before returning to work for an employer covered by the Retirement Systems. If you return to covered employment sooner than 15 consecutive calendar days after retirement, your retirement annuity will be suspended while you remain employed by a covered employer.

Certain members (elected officials and those designated exemptions approved by the Department of Education) may retire and return to work without a break in service.

If you work 48 continuous months for a covered employer with an annual salary of at least 75 percent of the AFC used to calculate your retirement annuity, you may elect to rejoin PORS. If you rejoin, you may elect to repay your retirement annuity and purchase service credit for that 48-month period by making a payment equal to the amount you would have contributed plus the interest your contributions would have accrued if you had been an active member for months during the 48-month period you did not make contributions as a retiree.

For months that you made contributions as a retiree during the 48-month period, you would only be required to pay back the retirement benefits received to purchase this time. Your subsequent retirement annuity will be computed as if you are retiring for the first time.

Group Life Insurance

Retired contributing members are eligible for an increased group life insurance benefit of payment equal to their annual salary in lieu of the standard $2,000, $4,000 or $6,000 retired member benefit.

If you return to work after retirement, there is no limit on the dollar amount that you may earn as compensation; however, you must be retired for at least 15 consecutive calendar days before returning to work for an employer covered by the Retirement Systems.

Contribution Rates

Retired members who return to covered employment make employee contributions as well. These contributions will be posted to your retirement account; however, as a retiree you will not earn additional service credit or receive interest on your account.

Beneficiaries

It is important to keep your address and beneficiaries current at all times. Contact Customer Services at (800) 868-9002, (803) 737-6800, or cs@retirement.sc.gov for assistance.

Pre-Retirement

Active members may designate four types of beneficiaries:

- Beneficiaries for your in-service death annuity or refund of contributions. Multiple beneficiaries share equally in survivor annuities;
- Trustees or contingent beneficiaries in case of death of the primary beneficiaries. All primary beneficiaries must be deceased before any contingent beneficiaries are paid;
- Group life insurance beneficiaries; and
- You may name your estate; however, monthly annuity payments cannot be paid to an estate.

Generally, you may change your beneficiaries at any time before retirement.

Post-Retirement

Retiree Group Life Insurance

You may change your Retiree Group Life Insurance beneficiary at any time regardless of the payment plan you selected.

Option A

You may change your beneficiary for retirement benefits at any time. If you have a change in marital status (death of spouse, marriage, divorce), you may also select a new option within one year of the qualifying event.

Option B and Option C

If all of your beneficiaries predecease you, your annuity will revert to Option A effective on the date the last beneficiary died. You must notify the Retirement Systems upon the death of a beneficiary. You may then select a new beneficiary under Option A. If you have a change in marital status (death of spouse, marriage, divorce), you may also select a new option within one year of the qualifying event.

Payment Plan Changes

After you have begun receiving an annuity, you may not change your payment option unless you experience a qualifying event. Your form of monthly payment may not be changed more than twice, regardless of the number of events (death of a designated beneficiary or change in marital status) that occur. A reversion to Option A upon the death of your beneficiary will count as one of the two changes. If a second beneficiary predeceases you after you have again selected Option B or Option C, you will revert automatically to Option A; however, no further form of payment changes will be allowed. Changes in form of payment occurring before January 1, 2001, are not included in the limitation provision.

After you have begun receiving an annuity, you may not change your payment option unless you experience a qualifying event.

In-Service Death

If you are an active contributing member and die in service, your designated beneficiary may be entitled to receive the benefits listed below:

If you are under age 55 and have less than one year of service credit:

- Accidental death survivor annuity if your death was job-related and under circumstances covered by the Accidental Death Program;
- Active member Group Life Insurance payment if your death was job-related; **and**
- Refund of employee contributions plus interest **or** $1,000 (whichever is greater).

If you are under age 55 and have 1-14 years of service credit:

- Accidental death survivor annuity if your death was job-related under circumstances covered by the Accidental Death Program;
- Active member Group Life Insurance payment; **and**
- Refund of employee contributions plus interest **or** $1,000 (whichever is greater).

If you have 15 or more years of service credit, five years of which must be earned service:

- Accidental death survivor annuity if your death was job-related under circumstances covered by the Accidental Death Program;
- Active member Group Life Insurance payment; **and**
- Beneficiary's choice of monthly annuity **or** refund of employee contributions plus interest **or** $1,000 (whichever is greater).

If you are age 55 or older with at least five years of earned service as of your date of death:

- Accidental death survivor annuity if your death was job-related under circumstances covered by the Accidental Death Program;
- Active member Group Life Insurance payment (must have at least one year of service); **and**
- Beneficiary's choice of monthly annuity **or** refund of employee contributions plus interest **or** $1,000 (whichever is greater).

Have questions about your benefits? Contact Customer Services at (800) 868-9002, (803) 737-6800, or cs@retirement.sc.gov for answers.

Death after Retirement

If you die after you have begun receiving an annuity, survivor benefits will be paid according to the retirement annuity payment plan you elected.

Disability Retirement

Who May Apply

You may apply for disability retirement if you become disabled from performing your current job duties. **Disability applications are due by the date you terminate and must be received by the Retirement Systems no later than 90 days after your termination.** You must:

- **be under age 55; and**
- **have five or more years of earned service credit toward retirement (see Correlated Systems on Page 2).**

The five-year earned service requirement is waived if you can substantiate that your disability is the result of an on-the-job injury.

For retirement purposes, you are considered occupationally disabled if you become physically or mentally incapable of performing the regular duties of your job, your disability is likely to be permanent and you should be retired. Becoming disabled does not automatically qualify you for disability retirement; you must file an application and go through the review process.

You may arrange with your employer to make your Retirement Systems' contributions through your employer if your disability requires you to be placed in an employer-approved leave status while receiving Workers' Compensation benefits. Doing so will ensure that you will continue to earn Retirement Systems' service credit during your Workers' Compensation leave period.

Be sure to apply for disability benefits while you are still in service of a covered employer. Since many Workers' Compensation claims are often settled after covered employment has ended, do not wait to apply for disability benefits until your Workers' Compensation claim is finalized.

If your disability claim is denied, the continuance of paying contributions and earning Retirement Systems' service credit may be important to your long-term retirement plans. Retired members who work for a covered employer are not eligible to apply for disability benefits.

How to Apply

If you meet the disability filing criteria, go to our Web site or contact Customer Services for a disability retirement packet. When you file your disability retirement claim, please include as much evidence as possible to support your claim.

You should file your application for disability retirement as soon as you become disabled. Disability applications are due by the date you terminate and must be received by the Retirement Systems no later than 90 days after your termination.

If you do not receive notification of our receipt of your application within 10 days after you submit it, please contact us.

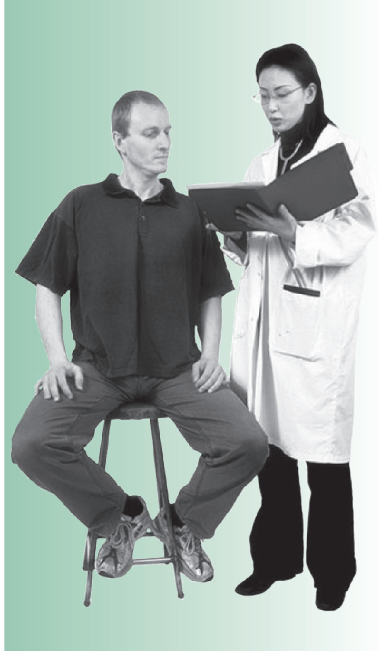
If you are eligible for service retirement when you become disabled, you may apply for service retirement while awaiting determination of your disability claim. You, however, will receive only one type of payment (service or disability) if your disability claim is approved.

Processing the Claim

Your medical records will be obtained from your health care providers and evaluated to determine the severity and limiting effects of your physical or mental impairment. The final determination is made by the Retirement Systems. If you are denied, you will have an opportunity to appeal that denial.

Please allow a minimum of three months after all required documentation has been received from you, your employer, and your health care providers for your disability application to be processed. If you have not received our decision within three months, please contact Customer Services toll free at (800) 868-9002, at (803) 737-6800, or at cs@retirement.sc.gov.

It is important that you file your application for disability retirement as soon as you become disabled and before you leave covered employment.



Disability retirees have the same payment plan options as service retirees. See Page 10 for more details.

Effective Date

If your disability retirement claim is approved, the effective date for annuity benefits will be the 30th day after your application is received by the Retirement Systems or the day after your last day on your employer's payroll, whichever is later.

A disability annuity, once approved, may be discontinued if:

- you regain a certain earning capacity; **or**
- medical evidence indicates that you are no longer disabled; **or**
- the Retirement Systems has scheduled a continuing disability review and does not approve continuing disability retirement payments.

Periodic medical reexaminations may be required up to age 55. If the Retirement Systems determines that your disability benefits should cease because of an improvement in your medical condition, your retirement benefits will stop the month of your scheduled review or the month of the Retirement Systems' decision, whichever is later.

Annuity Payments

A disability applicant may select the same payment plans as a service retiree (see Page 10).

Because the Retirement Systems does **not** determine your disability based on the criteria for a disability that is total and permanent, **your disability benefits are considered to be a normal distribution from your retirement account**. For tax information, contact the Internal Revenue Service, the SC Department of Revenue if you live in South Carolina, and/or your personal tax advisor.

Disability benefits paid under PORS are based on approval for an occupational or job-related disability. Per the Internal Revenue Service (IRS) guidelines, all such benefits are reported as normal distributions with a distribution code of 7 on form 1099-R.

If you also receive benefits from the Social Security Administration which are based on total and permanent disability, such benefits are reported to you with a distribution code of 3 on form 1099-R. If you are considered to be totally and permanently disabled, benefits paid by the Retirement Systems may be eligible for additional tax credits. Please have your tax advisor refer to the instructions for completing IRS Schedule R in preparing your income tax return.

Returning to Employment While Receiving a Disability Retirement Annuity

If you are under age 55 and receiving a PORS disability annuity, you should report earnings from any gainful (public or private) employment to the Retirement Systems annually because there is an earnings limitation for all employment which is applied on a calendar-year basis. You may earn the difference between your adjusted AFC at retirement and your disability retirement annuity without affecting your retirement benefits. At age 55 there is no earnings limitation for service or disability retirees.

Your AFC may be adjusted each year for inflation for earnings limitation purposes only. This increase generally matches the percentage increase of the CPI. These adjustments affect the amount you can earn while receiving a disability retirement annuity; however, they do not affect the amount of your benefit. You will receive a letter each January advising you on how much you can earn and requesting confirmation of your prior year earnings. You will have to repay any benefits that you received to which you were not entitled.

If you earn more than the difference between your adjusted AFC and your disability annuity amount, your monthly annuity will be reduced or possibly canceled. If you return to work with an employer covered by the Retirement Systems and your salary plus your annuity amount is equal to or greater than your adjusted AFC, your disability retirement annuity ceases and you must become an active member of the system.

Retired members who work for a covered employer will make tax-deferred employee contributions for the duration of their covered employment and are eligible for an increased group life insurance payment equal to one year's annual salary (see Page 2).

Example

AFC at retirement (adjusted for inflation)	$ 35,000
Annual disability retirement annuity	- $ 14,950
Disability retiree can earn difference (for the calendar year)	**$ 20,050**

Need to Contact Us?

Mailing Address
South Carolina Retirement Systems
P.O. Box 11960
Columbia, SC 29211-1960

Location
Fontaine Business Center
202 Arbor Lake Drive
Columbia, South Carolina 29223

Office Hours
8:15 AM - 4:45 PM

Customer Services
(803) 737-6800
(800) 868-9002 (SC only)
cs@retirement.sc.gov

Internet Web Site
www.retirement.sc.gov

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Frank W. Fusco
Executive Director

South Carolina Retirement Systems
Peggy G. Boykin, CPA
Director

Need to Locate Us?

Directions from Downtown Columbia

The Retirement Systems' office is located at 202 Arbor Lake Drive, approximately five miles north of Columbia. If you wish to reach our office from downtown Columbia, head north on the Bull Street Extension, which becomes SC-277, and exit right onto Fontaine Road. Then turn right on Fontaine Road, and make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

Directions from the Interstate

From I-20 (Augusta or Florence)

Take Exit 73-A onto SC-277 toward Columbia and exit at Fontaine Road. Then turn right on Fontaine Road, and make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

From 1-26 East (Spartanburg)

Take I-20 East toward Florence and take Exit 73-A onto SC-277 toward Columbia. Exit at Fontaine Road and turn right. Make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

From I-26 West (Charleston)

Take Exit 116 (I-77 North) toward Charlotte and exit onto I-20 toward Augusta (Exit 16). Take Exit 73-A onto SC-277 toward Columbia and exit at Fontaine Road. Then turn right onto Fontaine Road, and make another right into the Fontaine Business Center (Arbor lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

From I-77 South (Charlotte)

Take Exit 18 onto SC-277. Exit at Fontaine Road and turn right. Make another right into the Fontaine Business Center (Arbor Lake Drive). You will see signs directing you to the Retirement Systems' building and visitors' parking area.

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