Clemson University
Retirement Guidelines

February 28, 2018
Introduction
While retirement is typically the end of an employment relationship between an individual and the University, it is also an event that requires consideration and planning from the onset of employment. These guidelines cover retirement options and requirements from an employee’s first days with the University—including eligibility, election and enrollment in a state retirement plan—through retirement/financial education, retiring and post-retirement employment.

This document contains an abbreviated description of the retirement benefits offered by the South Carolina Public Employee Benefit Authority (PEBA). The information in this document is meant to serve as a guide for faculty and staff members and does not constitute a binding representation of PEBA. Title 9 of the South Carolina Code of Laws, which governs all retirement benefits offered by the state, contains a complete description of the retirement benefits, including terms and conditions. State statutes are subject to change by the general assembly. The language used in this document does not create any contractual rights or entitlements and does not create a contract between the member and the S.C. PEBA.

The Office of Human Resources (OHR) is available to assist with all aspects of the retirement process. Faculty and staff members are encouraged to take advantage of OHR’s knowledgeable benefits counselors and planning resources to make informed decisions about retirement.

Documents, forms, templates and websites referred to in these guidelines are listed and linked in the Related Resources section of this document. For definitions, see the OHR Glossary of Terms.

State Retirement Plan Options
Eligibility
All paid employees (faculty and staff members) of Clemson University are eligible to participate in state retirement benefits and are required by the state of South Carolina to enroll in a Public Employee Benefit Authority (PEBA) approved state retirement plan or elect non-membership. Student workers are not permitted to participate in state retirement benefits.

Per state regulations, employees in temporary positions who do not have funds on file with the S.C. Retirement System may elect non-membership in a retirement plan, which is a waiver of participation. If non-membership is elected, the employee can enroll in a retirement plan at a later date only if the employee transfers to a permanent FTE position (at Clemson University or another state of South Carolina agency) or experiences a break in service.

Enrollment or Election of Non-Membership
Newly hired employees are required to make a South Carolina state retirement election or, if eligible, elect non-membership, within the first 30 days of employment. For employees who fail to do so, membership will irrevocably default to the South Carolina Retirement System (SCRS) defined benefit plan. If a break in service occurs, however, the 30-day election period begins anew. In accordance with PEBA guidelines, a break in service for the sole purpose of renewing the 30-day election period does not, in fact, qualify the employee for a new 30-day election period.

Employees who elect to enroll in the State Optional Retirement Program (ORP) must also establish a PEBA-approved service provider within 30 days of employment.
PEBA-Approved State Retirement Plans

The state of South Carolina offers eligible Clemson University employees three PEBA-approved state retirement plans:

- The South Carolina Retirement System (SCRS)
- The State Optional Retirement Program (State ORP)
- The Police Officers Retirement System (PORS)

The South Carolina Retirement System (SCRS) Plan

SCRS is a 401(a) defined benefit plan. This plan bears the investment risk and provides a monthly annuity based on a statutory formula rather than the balance in a member’s account. The contributions made by the member and Clemson University and the investment earnings on those contributions are used to fund retirement benefits.

The State Optional Retirement Program (State ORP)

The State ORP is a 401(a) defined contribution plan that provides an account into which the member and Clemson University contribute. Members of the State ORP choose how to invest their funds within the plan’s investment options and bear the risk of the investments. The retirement benefit consists of the balance in the account when the member retires.

The Police Officers Retirement System (PORS)

PORS is a 401(a) defined benefit retirement plan primarily for the University’s police officers, firefighters, peace officers, coroners, magistrates and probate judges. This plan bears the investment risk and provides a monthly annuity based on a statutory formula rather than the balance in a member’s account. The contributions made by the member and Clemson University and the investment earnings on those contributions are used to fund retirement benefits.

Up-to-date information on PEBA-approved retirement plans is available at [www.peba.sc.gov/retirement](http://www.peba.sc.gov/retirement) or through an OHR benefits counselor.

Retirement Plan Contribution Rates and Limits

Employee and employer contribution rates are set by the S.C. PEBA Board each year based on the results of the annual actuarial valuation of the system and statutory requirements. Up-to-date information on PEBA-approved retirement plan contribution rates is available at [www.peba.sc.gov/retirement](http://www.peba.sc.gov/retirement) or through an OHR benefits counselor.

The Internal Revenue Service imposes a federal compensation limit under the Internal Revenue Code (IRC), Section 401(a) (17). This limit, also referred to as a cap, is placed on the amount of annual compensation that may be taken into account for purposes of calculating retirement plan contributions. Employees who became members of SCRS or PORS or participants in State ORP prior to January 1, 1996, are not subject to the annual compensation limit. Employees who became members or participants on or after January 1, 1996, are subject to the compensation limit as adjusted by the commissioner of the IRS for increases in the cost of living in accordance with Section 401(a)(17) of the IRC. Compensation in excess of this limitation is not subject to retirement contributions. Up-to-date information on the federal compensation limit is available at [www.peba.sc.gov/retirement](http://www.peba.sc.gov/retirement) or through an OHR benefits counselor.
Changing Your Retirement Plan
Generally, the retirement plan election is an irrevocable decision, and members cannot change the retirement plan in which they elected to enroll. However, there are exceptions—which are detailed below—that allow a member to elect a new plan.

State ORP Annual Open Enrollment Period
The annual open enrollment period for all participants of the State ORP is January 1 through March 1 of each year. During this period, State ORP participants may change their State ORP vendor or, if eligible, may irrevocably elect to participate in the South Carolina Retirement System (SCRS). In accordance with PEBA guidelines, State ORP participants are eligible to change from the State ORP to the SCRS plan during the annual open enrollment period if at any point during the open enrollment period they have at least 12 months, but no more than 60 months, of participation from their initial enrollment in the State ORP.

Moving from a Temporary to a Regular FTE Position
Temporary employees who later move to regular FTE positions are required to participate in one of the state retirement plans upon hire into the FTE position, even if they elected non-membership as a temporary employee.

Break in Service
Members with a bona fide separation of employment—excluding retirement—who are later hired into another retirement-eligible position, may elect to continue membership in the retirement plan they had elected prior to separation from employment or elect membership in an alternative PEBA-approved retirement plan. No changes are allowed to active SCRS accounts, but, if the account is inactive (no contributions for one year or more), the employee can choose between SCRS or OPR membership. In accordance with PEBA guidelines, a break in service for the sole purpose of renewing the 30-day election period is not a bona fide separation and does not, in fact, qualify the employee for a new 30-day election period.

Retirement Planning
Ideally, employees engage in retirement planning throughout their careers. Retirement planning is about envisioning the future, then creating a plan to attain it. The following section includes retirement planning resources as well as things to consider when planning for retirement.

Purchasing Additional Service Credit
Active SCRS and PORS members can establish additional service credit for various types of previous employment and leaves of absence. In addition, active SCRS and PORS members can establish up to five years of nonqualified service (service credit not associated with any specific employment). Visit www.peba.sc.gov/retirement for more information.

Supplemental Retirement Programs
Employees who want to save more for retirement can supplement their retirement savings by deferring a portion of their compensation on a before-tax or after-tax basis to a 401(k) plan, 403(b) plan and/or a 457 plan. All paid employees (excluding student workers) are eligible to participate. Up-to-date information on supplemental retirement programs is available at www.clemson.edu/employment or through an OHR benefits counselor.
Retirement Education

Financial Literacy Series
In an effort to help employees make sound financial decisions, the Office of Human Resources partners with the South Carolina Retirement System to provide a series of no-cost financial literacy seminars. Whether beginning their professional careers or nearing retirement, attendees of the financial literacy seminars are provided the tools and resources needed to make informed decisions regarding their financial well-being now and in the future. Up-to-date information on the Financial Literacy Series is available at www.clemson.edu/employment or through an OHR benefits counselor.

Planning for the Future Seminars
Planning for the Future seminars were developed to assist Clemson University employees in planning for one of the most challenging and exciting periods in life – retirement. These one-day seminars offer a full range of topics delivered by experts from the S.C. Retirement System and the Social Security Administration as well as financial planners. Up-to-date information on Planning for the Future seminars is available at www.clemson.edu/employment or through an OHR benefits counselor.

South Carolina Retirement System
The PEBA South Carolina Retirement System offers a variety of retirement planning resources in-person and on their website www.peba.sc.gov/retirement. Resources include financial calculators, retirement planning seminars, educational series, and retirement benefit videos.

Retirement Counseling

OHR Benefits Counselors
Benefits counselors within the Office of Human Resources are available to talk to employees about PEBA-approved retirement plans, Clemson University provided supplemental retirement plans, retirement planning resources, retiree insurance, steps for beginning the retirement process, and post-retirement employment.

State Optional Retirement Program Vendors
All paid employees, excluding student workers, are eligible to speak with financial planners from the PEBA-approved State ORP vendor list regarding their retirement planning needs. Regardless of the selected retirement plan, including elected non-membership, employees may select a financial planner of their choosing from the PEBA-approved list. Up-to-date contact information for PEBA-approved State ORP vendors is available at www.peba.sc.gov/retirement or www.clemson.edu/employment or through an OHR benefits counselor.

South Carolina Retirement System
The PEBA South Carolina Retirement System offers counseling regarding PEBA-approved state retirement plans to include eligibility for retirement and retiree insurance, steps to take to file for retirement, post-retirement employment and more.

Designating Beneficiaries for Your Accounts
Some PEBA-approved state retirement plans and Clemson University supplemental retirement programs offer options for members to provide benefits to survivors in the event of their death. Contact an OHR benefits counselor for more information.
Retiring

The Office of Human Resources offers retiring employees information on and assistance with retirement. Employees are encouraged to meet with an OHR benefits counselor at least six weeks prior to the planned retirement date in order to avoid processing delays and to take full advantage of assistance from the University.

In accordance with Clemson Separation from Employment Policy, retiring employees are expected to provide written notice to their supervisor within the timeframe specified for their position. Faculty notice requirements are outlined in the Faculty Manual. Staff members are expected to give a minimum of two weeks’ notice, with longer notice requirements for certain leadership positions as communicated by the supervisor.

Clemson provides a Notice of Resignation or Retirement form to facilitate the notification process and ensure that the employee’s transition is handled appropriately and in a timely manner.

Employees should be certain of their decision to retire prior to tendering formal notice. Just as it is a transition for the employee, retirement triggers a chain of events for the University. Accordingly, once an employee gives notice, the notice may not be rescinded, nor may the separation date be altered, without prior approval from the Chief Human Resources Officer (CHRO) or designee.

Retirement Defined

Because Clemson University and the state of South Carolina offer a number of retirement plan options, “retirement” means different things to different people.

- For SCRS/PORS members, retirement is when a member who has separated/is separating from employment with Clemson University or another South Carolina state agency is eligible for and elects to receive state retirement benefits.
- For State ORP members, retirement is when the member separates from employment with Clemson University via declared retirement.

Any employee who retires from Clemson University is considered to have separated voluntarily from employment.

Eligibility

In accordance with PEBA guidelines, SCRS/PORS participants must meet certain service criteria to be eligible for retirement. State ORP participants are vested immediately and have no service eligibility requirements for retirement. Up-to-date eligibility requirements can be found at www.peba.sc.gov/retirement.

Retirement eligibility may be affected by a member’s disability status with the Social Security Administration. Disabled members are encouraged to meet with an OHR benefits counselor to determine eligibility.

Retirement from the SCRS or PORS Defined Benefits Plan

Retirement Application (SCRS/PORS)

In accordance with PEBA’s guidelines, members enrolled in an SCRS or PORS defined benefit plan must submit a retirement application to PEBA in order to begin receiving monthly benefits. Retirement application forms can be filed up to six months prior to the planned retirement date. Application forms
can be processed directly through the state of South Carolina or through Clemson University’s Office of Human Resources. To file through the University, however, you must be actively employed by Clemson.

Utilizing Leave Accrual Benefits to Increase Monthly Annuities
SCRS/PORS members with a membership date prior to July 1, 2012, may be eligible to utilize the dollar amount of up to 45 days of unused annual leave paid at retirement as well as up to 90 days of unused sick leave in the member’s retirement benefit calculation. Contact an OHR benefits counselor for more information.

Teacher and Employee Retention Incentive (TERI) Program
In accordance with PEBA’s guidelines, a South Carolina Retirement System (SCRS) plan participant with a membership date prior to July 1, 2012, and who is eligible for a service retirement, can elect to participate in the Teacher and Employee Retention Incentive (TERI) program when he or she completes the retirement application. TERI participation allows eligible members to retire and begin accumulating their monthly annuity on a deferred basis for up to 60 months (or until June 30, 2018, whichever comes first) without terminating their employment. All TERI participation will end on or before June 30, 2018, regardless of when a participant entered the program. For up-to-date information on the TERI program, see www.peba.sc.gov/retirement.

When ending participation in the TERI program, employees will need to answer the following questions regarding their retirement:

- What is the exact end date of my TERI retirement, and when do I need to provide notice of intent to separate from employment?
- How do I want to receive or roll over my accumulated TERI funds?
- Do I intend to return to work for the state of South Carolina in the future?
- Do I now need to enroll in retiree group insurance coverage?

Assistance with making these decisions and completing the paperwork required to end TERI participation is available through the Office of Human resources. Employees are encouraged to contact an OHR benefits counselor 90 days prior to their TERI participation end date.

Retirement from the State ORP
Employees enrolled in the State ORP are not required to file retirement applications. Participants are reminded to use the Notice of Resignation or Retirement form to inform their supervisors in a timely manner of their intent to retire, as such notice initiates retirement processing within the Office of Human Resources. For retirement plan information, participants should contact their State ORP vendors.

Retiree Insurance
Eligibility for the state retiree insurance package is determined by the South Carolina Public Employee Benefit Authority (PEBA) and not Clemson University.

SCRS, PORS, and State ORP members become eligible for retiree group insurance benefits using the same requirements. Eligibility for retiree group insurance is based on the retirement service credit an employee earns while working for Clemson University and other state of South Carolina agencies. If deemed eligible for retiree insurance benefits, Clemson University retirees may also be eligible for a state contribution to their retiree insurance premiums based on when they began employment and on the number of years of earned service credit. Eligibility for retiree group insurance can be found within the PEBA Insurance Benefits Guide on PEBA’s Insurance Benefits website www.peba.sc.gov/insurance.
Employees can participate in retiree insurance counseling through the Office of Human Resources, including general information and assistance with retiree insurance applications; however, PEBA makes the final determination regarding an employee’s eligibility to continue state insurance into retirement.

Retired Employees
Clemson University allows retired employees to use as many of its facilities and services as is practicable. Services that retired employees can request continued use of include, but are not limited to, parking permits, library privileges, Fike Recreation Center memberships and access to University email accounts.

Emeritus Faculty
As outlined in the Faculty Manual, eligible retired faculty receive the title of Emeritus or Emerita appended to their professorial rank upon official retirement.

Post-Retirement Employment
Eligibility
Retirees seeking employment at Clemson University are eligible for regular FTE positions only if they apply for and compete for the position. Direct hires are limited to temporary positions (i.e., temporary, intermittent, time-limited and temporary grant). During the hiring process, it is the responsibility of the hiring manager to achieve eligibility compliance.

Break in Service Requirement (SCRS/PORS)
SCRS/PORS retirees who did not participate in the TERI program must wait 30 consecutive calendar days before returning to employment with the state of South Carolina, including Clemson University. Failure to adhere to the break-in-service requirement will result in the suspension of retirement payments for as long as the retiree remains in state employment.

For TERI retirees, time participating in the TERI program counts toward the break-in-service requirement; however, post-TERI retirees must take a one-day break in service prior to re-employment.

For up-to-date information on break-in-service requirements for SCRS/PORS retirees, please see PEBA’s Return to work page.

Voluntary Incentive Programs
Retirees from Clemson University or another South Carolina state agency who separated by means of a Voluntary Incentive Program (either a Retirement Incentive Plan or a Voluntary Separation Program) who are seeking reemployment may be subject to additional eligibility criteria. Please see Clemson’s hiring guidelines or contact an OHR Benefits counselor for employee-specific information.

State Employee Grievance Procedure Act
Retirees returning to employment are exempt from the State Employee Grievance Procedure Act. Employment is at will.

Hiring
In accordance with Clemson’s Hiring Policy, the hiring manager should require any retiree seeking employment with Clemson to apply for and compete for the position. The direct hire of a retiree requires prior approval from the CHRO, or designee, and the VP/division head. Direct hires of retirees
are limited to temporary positions and are reserved for situations where adequate succession planning is not possible.

Deciding Compensation
In accordance with Clemson’s Compensation Policy and Guidelines, compensation offered to a retiree should be based on 1) a market analysis of the position description and 2) the candidate’s qualifications. The hiring manager is required to adhere throughout to the current Compensation Policy and Guidelines, including obtaining approval from OHR’s Classification and Compensation unit for offered compensation.

Working Retiree Retirement Contribution Rate
In accordance with PEBA guidelines, retired members of SCRS and PORS who return to covered employment are required to contribute a tax-deferred percentage of their gross pay into their retirement account; however, no additional service credit or interest on the account will be earned. Up-to-date information on retirement plan contribution rates for returning retirees is available at www.peba.sc.gov/retirement or through an OHR benefits counselor.

Insurance Coverage
In accordance with PEBA guidelines, any Medicare-eligible retiree (65+) working in a position eligible for South Carolina state active employee insurance coverage 1) cannot be covered as a retiree with PEBA insurance benefits and 2) must either enroll in coverage as an active employee or have no insurance coverage with PEBA. It is the responsibility of OHR’s Benefits unit to achieve compliance with these PEBA guidelines.

Complying with Earnings Limitations
In accordance with PEBA guidelines, retirees from SCRS or PORS defined benefit plans are subject to the following earnings limitation: Effective January 2, 2013, any employee who retired or entered the TERI program before reaching age 62 who then returns to covered employment and earns more than $10,000 per year in salary from any South Carolina state agency will forgo the retirement distribution for the remainder of the calendar year in which the limit was exceeded.

The $10,000 earnings limitation does not apply to the following categories of retirees:

- SCRS/PORS members who retired or entered the TERI program prior to January 2, 2013
- SCRS members who retired or entered the TERI program after they reached age 62
- PORS members who retired after they reached age 57
- ORP participants

Retirees are responsible for monitoring their earnings from South Carolina state agencies and complying with the PEBA earnings limitation. This limitation applies to any Clemson employee who is retired from the SCRS or PORS defined benefit plan, regardless of which S.C. state agency he or she retired from.

Retirees younger than age 65 and receiving an SCRS disability annuity or younger than age 55 and receiving a PORS disability annuity are asked to view PEBA’s Return to Work page for earnings limitation guidance.

Working 48 Continuous Months
SCRS/PORS retirees who return to employment and work 48 continuous months with an annual earnable compensation of at least 75 percent of the average final compensation used to calculate their
monthly annuity, may elect to cease their monthly annuity and become an active member of SCRS or PORS. When the member subsequently retires, the monthly annuity will be calculated as if the member were retiring for the first time. TERI participation does not count toward the 48-month period. Contact an OHR benefits counselor for more information.

Annual Leave Payout as a Rehired Retiree
Per South Carolina Code of Law Section 8-11-620(A)(4), employees who either 1) retired with the state of South Carolina on or after July 1, 2005, or 2) retired prior to July 1, 2005, and were rehired into a leave-eligible position on or after July 1, 2005, are not eligible to receive a payout of unused annual leave upon separation.

Resources
Office of Human Resources Contact Information
- Contact ASK-HR / (864) 656-2000

University Policies and Documents
- Compensation Policy and Guidelines
- Faculty Manual
- Guidelines for Separating from Employment
- Hiring Policy and Guidelines
- Notice of Resignation or Retirement form
- OHR Glossary of Terms
- Separation from Employment Policy
- Supplemental Retirement Participation Procedures

External Documentation
- PEBA Select Your Retirement Plan Guide
- SCRS Member Handbook
- PORS Members Handbook
- State ORP Plan Document
- TERI Program Overview Brochure
- PEBA Insurance Benefits Guide