

# Your Retirement Plan Payment Options



There are three monthly benefit payment options available to you at retirement. Two of those options provide your survivors with a lifetime monthly payment. Select the option that best suits your needs. Generally, your payment option may not be changed once your benefit is first payable. Below are your choices if you retire from the South Carolina Retirement System (SCRS) or Police Officers Retirement System (PORS).

	<b>Option A: maximum payment option</b>	<b>Option B: 100% survivor payment option</b>	<b>Option C: 50% survivor payment option</b>
<b>You receive:</b>	A lifetime monthly benefit equal to the maximum benefit payable to you by law.	A lifetime monthly reduced benefit, which allows for a lifetime monthly benefit for your beneficiary.	A lifetime monthly reduced benefit, which allows for a lifetime monthly benefit for your beneficiary.
<b>After your death, surviving beneficiary receives:</b>	Your member contributions and interest in your account not exhausted through the monthly benefits you received in retirement.	A lifetime monthly benefit equal to your reduced benefit.	A lifetime monthly benefit equal to 50% of your reduced benefit.
<b>Beneficiary naming restrictions:</b>	None	Your beneficiary must be a living person. Monthly benefits cannot be paid to your estate or other entity. You may not designate a sole beneficiary who is more than 10 years younger than you as calculated under an Internal Revenue Code formula, unless the beneficiary is your spouse. You may designate multiple beneficiaries without age restrictions.	Your beneficiary must be a living person. Monthly benefits cannot be paid to your estate or other entity.



## Option B or C benefit reduction amounts

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Members receive lifetime payments. Your age and the age of your beneficiaries at the time you retire determine your reduction from the Option A maximum benefit. To calculate the reduction, PEBA uses actuarial tables that project life expectancy. Selecting a younger beneficiary typically creates a larger reduction. An older beneficiary leads to a smaller reduction.

For Option B, naming a beneficiary who is the same age as you typically leads to a 12-15% reduction. For Option C, a beneficiary who is your age typically leads to a reduction of 6-8%.

## Naming multiple beneficiaries

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If you elected Option A and named more than one beneficiary, each beneficiary will receive an equal share of available funds, if any, after your death.

If you elected Option B or C, your reduced monthly retirement benefit is calculated using the average age of your beneficiaries. After your death, your beneficiaries will receive an equal share of the monthly benefit payable. The benefit will not change for the remaining beneficiaries if one beneficiary dies, either before or after your death.

If all your beneficiaries predecease you and you elected Option B or C, your benefit will revert to Option A. Anytime a beneficiary dies, you will need to notify PEBA.

## Changing beneficiaries or payment options

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At retirement, you designate post-retirement beneficiaries and choose your payment option. You cannot select your payment option before you are eligible to apply for retirement.

### If you elected Option A

After retirement, you can change beneficiaries at any time. You can change your payment option within five years of a marital status change. This can be marriage, divorce or death of a spouse. You can change your payment option only twice, and you must have a separate qualifying event for each change. If your benefit reverts to Option A from Options B or C, this counts toward the two-change limit.

### If you elected Options B or C

After retirement, you cannot change your beneficiaries unless you have a change in marital status.<sup>1</sup> You can change your beneficiaries and payment option within five years of a marital status change. If all your beneficiaries predecease you, your benefit will revert to Option A. You can change your payment option only twice, and you must have a separate qualifying event for each change. If your benefit reverts to Option A from Options B or C, this counts toward the two-change limit.

<sup>1</sup>You can also change your beneficiaries for the retired member incidental death benefit at any time. See the member handbook for your retirement system to learn more.

## Learn more

You can find more information at [peba.sc.gov](http://peba.sc.gov), including member handbooks, retirement applications and other forms. Visit [Member Access](#), where you can review service credit, create benefit estimates, apply for service retirement and review and update your beneficiary information. You can also call PEBA's Customer Service at 803.737.6800 or 888.260.9430.