

Retirement Incentive Plan Summary

The retirement incentive plan allows agencies to purchase service credit on behalf of employees who are currently eligible to retire or purchase the amount of time necessary to make employees eligible to retire. The retirement incentive plan allows agencies to purchase service credit under the South Carolina Retirement Systems (SCRS) or the Police Officers Retirement Systems (PORS) in accordance with **S.C. Code Sections 9-1-1140 (I) and 9-11-50 (I)**.

Implementation

- An agency must develop its Retirement Incentive Plan (RIP) based upon the established guidelines. All components of the established guidelines serve as the minimum requirements for an agency's RIP. A sample plan is available through the DSHR website to assist agencies in developing a RIP.
- When an agency is consulting with the Division of State Human Resources (DSHR) to implement the RIP, it should submit the following information to DSHR for approval:
 - The RIP the agency intends to distribute to employees;
 - The RIP Agreement and Release;
 - A demonstration of recurring cost savings over two fiscal years (The demonstration of cost savings can be an estimate based on total salaries and fringe benefits of the estimated number of participants, RIP costs, and other expenditures or savings related to the RIP); and
 - The acknowledgement of Notice.

Participation Eligibility

- According to the established guidelines, the following employees are eligible to participate in a RIP:
 - Employees in full-time equivalent (FTE) positions who are currently eligible to retire under the SC Retirement Systems (SCRS) or the Police Officers Retirement Systems (PORS), or
 - Employees who purchase enough service credit to become eligible to retire.
- The guidelines exclude employees re-hired State retirees and employees exempt from the State Employee Grievance Procedure Act.
- In accordance with RIP guidelines, agency heads make the final decision concerning which employees are provided the option to participate.
- An employee's participation in the RIP is voluntary.

Reemployment After RIP

- A participating employee cannot be reemployed into an FTE position with the agency for two years from the date of separation after participating in the agency's RIP.
- A participating employee may be reemployed with another agency into an FTE position after a period of not less than 15 calendar days from the date of separation.
- A participating employee may be reemployed into a temporary, temporary grant, or a time-limited project position after a period of no less than 15 calendar days from the date of separation.

Incentives

- An agency may purchase for an employee “qualified” or “non-qualified” service credit from the South Carolina State Retirement System (SCRS) at a cost not to exceed the employee’s annual salary.
- An agency may allow in its RIP for the conversion of SCRS service credit to PORS service credit. An agency may only pay the cost to convert up to five years of SCRS earned service credit to PORS service credit. The cost of conversion may not exceed the employee's annual salary.
- Upon separation a participating employee will receive payment for any unused annual leave balance as provided for in the State Human Resources Regulations. Upon retirement from State Government, an employee is eligible to receive service credit for up to 90 days of unused sick leave; however, any remaining unused sick leave will be forfeited.

Consideration to Participate

- In accordance with the Age Discrimination in Employment Act and the Older Workers' Benefit Protection Act, an employee must be offered 45 calendar days from the date the employee receives notification of the RIP to consider participation. An individual employee may waive the 45-day period.
- In accordance with the Age Discrimination in Employment Act and the Older Workers' Benefit Protection Act, an employee has seven calendar days from the date of executing the agreement and release to rescind the decision to participate. An individual employee may not waive the seven-day period.

FTE Deletion

- The agency is not required to delete the FTE position after it has been vacated by an employee participating in the RIP.

Cost Savings Demonstration and Reporting Requirement

- The agency must be able to demonstrate an overall cost savings within two fiscal years beginning with the fiscal year in which the RIP was implemented.
- DSHR has provided the Retirement Incentive Plan Reporting Forms to assist an agency in providing the necessary information to demonstrate cost savings. The forms are available on the DSHR website.
- After an agency implements the RIP, the agency is required to report the results of the RIP to DSHR following the effective date of implementation. DSHR has provided two forms to assist an agency in

reporting the required information.

Grievance Rights

- Exclusion from participation in the agency's RIP is not a grievable or appealable action. Agency heads make the final decision based on fair and objective criteria concerning which employees are eligible to participate in the RIP.