



SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)

Expanding Retirement Choice for South Carolina's Public Workforce

States are increasingly moving away from one-size-fits-all pension systems and introducing new choice-based retirement plans for new state and local workers, offering a choice between:

- a new guaranteed benefit plan like a traditional pension, but structured to share and reduce risk between employers and employees to minimize pension underfunding and runaway costs, or
- a new portable benefit plan, like a defined contribution retirement plan, with strong contribution rates and lifetime income options to support retirement

States Using Retirement Choice:

Arizona
Colorado
Florida
Michigan
Pennsylvania
Utah
South Carolina

Why Improve Retirement Choice?

- Most employees of state agencies, local governments and school districts today do not work a full career in public service, and many leave before even vesting in SCRS.
- South Carolina has choice today, but it's lacking. SCRS still bears significant long-term financial risks for governments despite recent funding policy reforms.

Optimized Choice for Employees

Diversifies retirement savings options and offers more choices to serve a wider range of employment situations and worker preferences.

Advances retirement security by providing more portable and faster-accruing retirement options for short-term, non-professional workers that, for various reasons, may not commit a full 25-year career

Optimized Choice for Employers

Regulates cost better than most traditional pension plans, because the risk-shared, guaranteed benefit option will not be as vulnerable to market volatility as traditional pension systems like SCRS.

Limits risk through new members taking the portable benefit option, relieving the state of financial risk, and improving workers' retirement security for the majority of new workers.

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