

Benefits Department-ORP Retirement FAQs

The following acronym for the PEBA-administered defined contribution retirement plan is used throughout this document: **Optional Retirement Plan (ORP)**

1) Q: When I look in "My Records", it says that MUSC contributes 22.81% to my ORP plan, but I thought it was 5%. What is the employer match for ORP?

A: MUSC contributes 22.81%; however, 5% of that goes directly to the employee's ORP account. The remaining contribution goes to the SC Retirement System for fees (ORP plan, admin fees, etc.), the retiree insurance surcharge and to pay for the group life benefit (equal to one times the employee's annual salary).

2) Q: What is the employee contribution for ORP?

A: Members of ORP contribute 9% of their gross pay, tax deferred, into their ORP account. Balance of account depends upon investment gains or losses based on fund elections and performance.

3) Q: Can I change my contribution rate to my ORP account?

A: No. Contribution rates for ORP are preset by PEBA retirement and a statutory schedule, subject to additional increases to meet certain funding requirements.

4) Q: How do State ORP participants access information on their account balance?

A: State Optional Retirement Program (State ORP) investment providers deliver quarterly statements to participants, which contain the account balance and other details. You can also get this information by logging into your account on your investment provider's State ORP website or by calling your investment provider's toll-free State ORP participant customer service number. Please visit the [PEBA ORP Service Vendor](#) site for contact information.

5) Q: May I borrow money from my ORP account?

A: No. The state laws that govern the retirement plans administered by PEBA do not include provisions to allow a member to borrow funds from their retirement account. Loans and hardship withdrawals are not allowed.

6) Q: Can I change which PEBA-administered retirement plan I am participating in?

A: ORP participants who have a minimum of 12 months of participation, but no more than 60 months are eligible to switch from State ORP to SCRS during the retirement enrollment period. ORP participants may change investment providers regardless of participation time during the enrollment period. The enrollment period for ORP participants is January 1 through March 1 of each year. During the enrollment period, ORP participants may change investment providers or, if eligible, irrevocably elect to join the SCRS.



7) Q: I cannot change my contribution rate to my PEBA-administered retirement plan, but I wish to contribute more towards my retirement. What are my options?

A: As an MUSC employee, you can save additional money for retirement by opening a Supplemental Retirement Account (401k, 457 and/or 403b). Supplemental Retirement Accounts consist of employee contributions only; there is no MUSC match. Please visit the [MUSC University Benefits Supplemental Retirement website](#) for more information and enrollment instructions.

8) Q: How do I change my 401k, 457, and/or 403b contribution amount?

A: To change your 401k and/or 457 contribution amount, call the SC Deferred Compensation Program at (877) 457-6263 or make the change online through the [Empower Retirement](#) website.

To change your 403b contribution amount, individuals will need to make this change online using the [Retirement Manager](#) website.

Retirement Eligibility

9) Q: When can I retire under ORP?

A: You have immediate rights to your entire State ORP account balance, including employee and employer contributions, when you terminate employment or reach age 59 ½. Your State ORP assets remain in the investment options you select unless you request that they be transferred to another eligible retirement plan, or unless an investment option is no longer offered. Eligibility to establish State ORP service with another retirement plan depends on the other plan's provisions. Contact your State ORP investment provider for more information, including any fees or charges that may apply to transferring out of any investment option.

10) Q: Is there an incidental death benefit when I retire with the State ORP Program?

A: There is no incidental death benefit payable if you die after you are no longer in service, although your beneficiary would be eligible to receive the balance of your State ORP account.

11) Q: I am ready to retire, what do I need to do?

A: Your designated Benefits Administrator will meet with you individually so you receive personalized advice specific to your retirement eligibility. We recommend that you [request an appointment](#) three to six months in advance of your target retirement date. You can also view our [Preparing for Retirement recorded training](#) for additional information.

Returning to Work after Retirement

12) Q: What happens if I return to work after retiring?

A: If you are an ORP retiree and return to work for a covered employer and have funds on deposit in your ORP account, you must participate in a PEBA-administered retirement plan. There is no earnings limitation for ORP return to work retirees.

13) Q: If I decide to return to MUSC University after retiring, what will be my employment status?

A: Per HR Policy 51, all Post Retirement employees returning to work will be employed in a temporary position. Temporary employees are typically* not eligible for benefits, annual leave, sick leave or holidays. Temporary employees are required by State guidelines to take a 15-calendar day break after one year of temporary employment; however, temporary returned retirees at MUSC are exempt per MUSC Legal Counsel. (*temporary employees could be eligible for insurance benefits under the ACA if they have worked enough hours- see Benefits Office).

14) Q: What steps do I need to complete if I plan to return to work after retirement?

A: If you will be rehired in your department as a Retiree, you, the employee, must sign a Statement of Understanding. The form will be provided to you by your Business Manager. A returned retiree is also required to complete all steps required for new hires, including background check, health screening and all required new hire paperwork. You will be asked to submit a driver's license and social security card.

15) Q: Will I be eligible for insurance benefits if I return to work?

A: The Affordable Care Act requires employers to offer coverage to all employees who work an average of 30 hours a week. Because of this federal law, if you return to work at MUSC as a retiree employed in a temporary position, and you average 30 hours, you could be eligible to keep benefits through MUSC.

16) Q: Is there a waiting period to returning to covered employment?

A: Yes, 30 calendar days. To retire, you must first have a complete, bona fide severance or termination of employment. After 30 days of retirement, you may be hired or rehired by an employer covered by one of the retirement systems administered by PEBA. If you return to covered employment sooner than 30 consecutive calendar days after retirement, your monthly benefit will be suspended while you remain employed by a covered employer.

17) Q: If I return to work after the 30-day waiting period, do I contribute to the retirement system again?

A: If you return to MUSC University after you retire from ORP and still have funds on deposit with your ORP vendor, you will contribute the same tax-deferred percentage of your gross pay into a PEBA-administered state retirement plan. You will receive an email from PEBA (noreply@peba.sc.gov) with your options.

Retiree Group insurance

18) Q: Are you eligible for retiree group insurance?

A: Eligibility for retiree group insurance is not the same as eligibility for retirement. Determining retiree insurance eligibility is complicated and only PEBA can make that determination. It is very important to contact a Benefits Administrator/PEBA before making final arrangements for retirement. Your eligibility for retiree group insurance coverage and funding depends upon a number of factors, including the employee's eligibility for a retirement benefit, the employee's retirement service credit earned while working for an employer that participates in the State Health Plan and the nature of the employee's last five years of active employment with an employer that participates in the State Health Plan.

Earned service credit is time an employee is participating in one of the defined benefit retirement plans PEBA administers; time worked while participating in the State Optional Retirement Program (State ORP); or time worked for an employer that participates in the State Health Plan, but not the retirement plans PEBA administers. Earned service credit does not include any purchased service credit not considered earned service in the retirement plans (e.g., non-qualified service) or service accrued with an employer that does not participate in the State Health Plan.

If you are a member of one of the defined benefit retirement plans PEBA administers, your eligibility for retiree group insurance will depend on whether you have met the minimum statutory requirements for retirement eligibility established for the plan in which you are a member when you leave employment.

PEBA's defined benefit plans include the South Carolina Retirement System (SCRS), the Police Officers Retirement System (PORS), the General Assembly Retirement System (GARS), and the Judges and Solicitors Retirement System (JSRS).

PEBA also administers a defined contribution plan, the State Optional Retirement Program (State ORP). For State ORP participants and employees whose employer does not participate in a PEBA-administered retirement plan, eligibility is determined as if the participant were a member of the South Carolina Retirement System.

19) Q: Will MUSC pay part of your retiree insurance premiums?

A: As an active employee, your employer pays part of the cost of your health and dental insurance. When you retire, several factors determine if you pay all or part of your insurance premiums. These factors include your years of earned service credit, the type of employer from which you retire and the date you were hired into an insurance-eligible position.

20) Q: How is funding for retiree insurance determined for members of state agency or state higher level institutions?

A: For any retiree coverage, your last five years of employment must have been served consecutively in a full time, insurance-eligible permanent position with an employer that participates in the State Health Plan. The following guidelines should be kept in mind when determining eligibility for retiree insurance.

Changing jobs could affect your eligibility for funding. To receive state-funding toward your premiums, your last five years of employment must have been in service with a state agency, state institution of higher education, public school district or other employer that participates in the state's Retiree Health Insurance Trust Fund. Earned service credit is time earned and established in one of the defined benefit retirement plans PEBA administers; time worked while participating ORP.

21) Q: Who will my Benefits Administrator be once I retire?

A: PEBA insurance will be your Benefits Administrator once you retire from MUSC University.

22) Q: Will I be able to make changes to my insurance after I retire?

A: Yes. Retirees are eligible for enrollment changes to health, dental and/or vision. PEBA will send communications regarding enrollment options. Open enrollment is held from October 1 to October 31 every year.

23) Q: If I am Medicare eligible when I retire, what should I do?

A: Meet with your MUSC Benefits Administrator who will provide a request for employment information form to take to the social security office. You will begin the process of enrolling in Medicare Part B within 90 days of your retirement with the social security office.



24) Q: If I am Medicare eligible when I retire and am currently under the Tricare plan, what should I do?

A: If an active employee, survivor or retiree becomes eligible for Medicare Part A, they must purchase Medicare Part B to remain eligible for Tricare. The Tricare health benefit changes to Tricare for Life, which is a Medicare supplement, and the Tricare Supplement coverage ends. They can continue the supplement plan coverage for their eligible dependents by making premium payments directly to Selman & Company. This information can be found on page 25 of [PEBA's Medicare Handbook](#).