



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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