

## General Retirement Plan Amendments

1. The new benefit formula is 1.82% x Average Final Earnings x Years of Service.

This is an example of an employee who has average final earnings of \$30,000 and has worked at the city for 30 years.

$$1.82\% \times \$30,000 \text{ AFE} \times 30 \text{ years} = \$16,380 \text{ per year}$$

This is an increase of 13.75% over the old formula of 1.6%.

2. An employee will be vested (entitled to a benefit) after five years of service. Previously, an employee had to work ten years to be vested.

3. An employee is required to have five years of service to qualify for retirement benefits. Previously there was no minimum service required.

4. An employee who has 30 years of service can retire regardless of his age. Previously an employee had to be 55 years old to retire.

5. An employee can establish credit for previous employment in the general retirement plan if his previous employer was a member of the South Carolina Retirement System. The cost to purchase this service is 9.1% of salary at hire date x number of years to be purchased.

An example would be an employee that worked with Anderson County for 5 years before coming with the City. This employee started with the City earning \$20,000 per year. He can establish those five years in the general retirement plan by purchasing this service as follows:

$$9.1\% \times \$20,000 \times 5 \text{ years} = \$9,100$$

6 A retiree may change the form of benefit payment, Single Life Annuity or 50% Joint and Survivor Annuity, due to death, marriage, or divorce.

At retirement, an employee may choose a Single Life Annuity or take a reduced benefit called a 50% Joint and Survivor Annuity. This option provides a retirement benefit for their spouse if they should die before their spouse. Previously, once you chose the form of payment, you could not change it. This amendment allows you to change your selection due to death, marriage or divorce.

If you have any questions about these amendments, please call Brandy Walters, 332-5715.