

#2399

S.C. - Retirement System

Retirement Now Looks Less Bleak For Employees of SC Government

This June a number of faithful, long-time employees of South Carolina government departments and agencies will reach retirement age. Helping those who are laying aside their full-time working careers for some rest and relaxation are two government agencies—the South Carolina Retirement System and the United States Social Security Administration.

These government services to retired state employees, including many school teachers, are probably more precious to the men and women reaching 65 years of age than the usual farewell parties and gold watches and the "This Is Your Life" skits presented to them by their fellow workers.

In many instances retirement will mean that the employee can continue living in a modest yet comfortable manner, able to do some of the many things he put off for years "because he didn't have time."

USED TO STARVE

Oldsters today remember their elder fellow workers who retired to the rocking chair on the front porch and rocked and starved because they had no retirement pension, no social security.

Tatum W. Gressette, director of the South Carolina Retirement System, estimates that 44,500 employees of state, county, school district or municipal governmental agencies today are "on the books" of the Retirement System and presently employed. They contribute a small percentage of their monthly salaries to the state retirement system fund.

In addition, many of these are eligible under federal Social Security to its retirement payments when they reach a certain age.

The accumulated funds paid monthly by the South Carolina employees are in trust for them, cannot be used for any other purpose, are a guarantee that after "work well done" they may draw a certain amount each month on retirement. And the South Carolina Retirement System is busy every working day making up the checks to mail out to those who have already retired.

TYPICAL RETIREMENT

How much might the joint state-federal pension and social security payments amount to for a typical state employee?

A typical retired teacher would be a good example. If she was earning \$3,600 after 30 years service, she could retire at the age of 65 and get a check each month from the state retirement agency of \$115.

If she was under federal social

security, and most are, she would get an additional \$98.50 a month. This would mean that each month of retirement she could get a total of \$213.50. As she had been earning \$300 a month, she would be getting in retirement pay slightly more than two-thirds of what she made while working.

Although she can't work for another state agency and still receive her state retirement payments, she could enter the employment of some private firm and earn up to \$1,200 a year without losing any rights to continue getting both state and federal monthly payments.

Thus, theoretically, the teacher could earn \$1,200 a year with private business, get \$2,562 in retirement and social security payments each year, for a total of \$3,762 a year while in retirement from state government employment.

16,000 STATE EMPLOYEES

The number of employees of South Carolina state agencies and departments who are now under the provisions of the state retirement system, Mr. Gressette estimates, is 16,000. These include highway employees, and personnel at state-supported institutions of higher education, including professors and instructors.

There are about 25,000 employees of state supported public elementary and high schools under the state retirement program. These employees include teachers, school administrative officials, lunch room employees and janitors, Mr. Gressette says.

There are many cities and municipalities whose employees come under the state retirement program and these men and women number about 3,500, Mr. Gressette estimates. All county government units in the state are under the program. Many city, hospital and other tax supported agencies below the state level are in the retirement program.

Altogether there are 350 governmental units under the state retirement program, of which about 125 are municipal governmental units.

Files are kept on 117,000 names in the State Retirement System offices at Columbia. The reason for the large number is that the Legislature might make an appropriation retroactive, and checks might have to be mailed to former employees who had worked for these state, county or local governmental units, Mr. Gressette said.

EFFICIENT AGENCY

There is an atmosphere of great care, seriousness and efficiency

in the Retirement offices. A triple check is made on all payments. If an inquiry concerning a certain individual's retirement status is made, Mr. Gressette says that the person's file can be found in "two minutes," and if it took longer the System "would go into executive session" to expedite the matter.

Contributions by employees to their individual retirement accounts are made on a basis of three percent on earnings up to \$4,200 a year. On any amount above that the employee must contribute five percent.

Take the example of the \$3,600 annual income teacher who might have been teaching for 25 years and was 60 years old. She might contribute \$108 a year to the state retirement fund. Under federal social security she would be contributing an additional two and one-quarter percent, or \$81.10 a year.

One of the chief advantages of the state and federal systems which might apply to an individual South Carolina government employee is that now, because of the survivorship benefits, the widow and children of male state employees get protection to a greater extent, Mr. Gressette said.

The total funds paid into the state retirement system each year make the operation a major one in the fields of both banking and insurance. Mr. Gressette declined to give an estimate on the size of the total fund set aside in trust for retired state, county and city employees.

The money is as safe as possible, about 98 percent of it invested by the State Treasurer in U. S. government bonds.

Employees who become eligible for the South Carolina Retirement System's provisions can get a small booklet which explains in lay language some of the opportunities and requirements without the legal language of the act itself.

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