Teacher and Employee Retention Incentive (TERI) Information Summary

General Information

- The TERI Program is designed for employees who retire from the South Carolina Retirement Systems, but want to continue employment with the agency and retain the same positions they held prior to entering the program. Participation in the TERI Program is generally for a period not to exceed five years, but it is not guaranteed employment for the specified program period.

- An active contributing member under the South Carolina Retirement Systems who is eligible for service retirement may participate in the TERI Program. Effective July 1, 2012 the program is not available to new hires. New enrollees in the program after June 30, 2012 must end their participation within five (5) years or by June 30, 2018, whichever is earlier.

- Participation in the TERI Program is a voluntary agreement between the employee and the employer. The employee must retire for purposes of the South Carolina Retirement Systems, and the employee's normal retirement benefit is calculated on the basis of the employee's average final compensation and service credit at the time the employee enters the TERI Program.

- A participant in the TERI Program retains the same status and employment rights he held upon entering the program, with the exception of grievance and reduction in force rights. TERI employees will earn annual leave and sick leave at the rate consistent with their years of State service and are eligible for active State employee health insurance benefits and active employee group life insurance benefits. TERI employees are not, however, eligible for disability retirement benefits.

Sick Leave

- An employee may apply up to 90 days of unused sick leave towards their retirement service credit. The remainder of the employee's sick leave will be retained for use while in the TERI Program.

Annual Leave

- A TERI employee continues to earn annual leave at a rate consistent with their years of service according to the State Human Resources Regulations Section 19-709.02.

- TERI participants will not receive payment for unused annual leave upon retirement and entering the TERI Program. The employee will maintain their current annual leave balance.

- After the employee terminates from state employment and ends participation in the TERI Program, the employee will be eligible to receive payment for up to 45 days of unused annual leave.

- The annual leave payout should be calculated based on the employee's final rate of pay, including longevity, temporary salary adjustments, or any other compensation that the employee is receiving upon leaving the TERI Program.

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Break in Service

- A TERI employee may experience a break in service in the same manner as other State employees according to the State Human Resources Regulations. An employee does not experience a break in service when entering the TERI Program. In addition, a TERI employee will not experience a break in service when moving from an FTE position to a temporary, temporary grant, or time limited position within 15 calendar days since a TERI employee can continue employment with any employer participating in the SC Retirement Systems during the program period. Information can be found in the State Human Resources Regulations Section 19-719.01 B.

Compensatory Time

- An agency can pay a non-exempt employee for unused compensatory time at any time. However, since an employee entering the TERI Program retires for retirement system purposes only, an agency is not required to pay an employee for unused compensatory time upon entering the TERI Program.

Grievance and Reduction-in-Force Rights

- Employees who enter the TERI Program are exempt from the State Employee Grievance Procedure Act and therefore will not retain grievance or reduction-in-force rights.

- A TERI participant at a four-year post-secondary educational institution may be covered by their institution's grievance procedure for academic employees under S.C. Code Section 8-17-380. However, the employee would not have reduction in force rights.

Completion of the TERI Program

At the end of the TERI Program, the employee:

- must separate from employment. Both state and federal laws require a severance from employment before a TERI participant can receive a distribution of his or her accumulated TERI funds or draw an annuity. Based on these requirements, the Division of State Human Resources' position is that state agencies should require TERI participants to separate from employment for at least one regularly scheduled workday before returning to employment covered by the S.C. Retirement System.

- will experience a break in service and will not automatically retain the same position held while in the TERI Program.

- will be eligible to receive payment for up to 45 days of unused annual leave. For employees who enter the TERI Program after June 30, 2005, the annual leave payment will be used in recalculating the average final compensation of the member to determine the benefit the member receives after participation in the program.
Returning to Employment

The rules that affect former TERI employees that return to work are:

- The employee would be considered a new hire and would be subject to State Human Resource Regulations regarding initial employment or reemployment into a full-time equivalent position, except for probationary status.
- The employee will not be subjected to an earnings limitation, if the employee entered TERI or retired before January 2, 2013.
- For retirements on or after January 2, 2013, a retiree may return to work after being retired for 30 days and receive a benefit subject to a $10,000 earnings limitation; however, the $10,000 limitation does not apply if the retiree was at least 62 years of age at retirement or has returned to certain elected or appointed positions.
- The employee will be required to pay the employee contribution to the South Carolina Retirement Systems.
- The employee will be exempt from the State Employee Grievance Procedure Act and therefore will not retain grievance or reduction-in-force rights.
- The employee will receive service credit for all State service in a FTE and for any time as a certified employee in a permanent position of a school district of this State for purposes of earning annual leave.
- The employee will not receive payment for unused annual leave following termination for any reason from state employment, except for retirees hired before or on June 30, 2005.