

FISCAL IMPACT STATEMENT ON BILL NO. **S.484**

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TO: The Honorable Hugh K. Leatherman, Sr., Chairperson, Senate Finance Committee
FROM: State Budget Division, Budget and Control Board
ANALYSTS: K. Earle Powell
DATE: April 5, 2013 SBD: 2013200

AUTHOR: Senator Setzler PRIMARY CODE CITE: 9-11-80
SUBJECT: Police Officer Retirement System

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
A Cost of Federal and/or Other Funds (See Below)

BILL SUMMARY:

Senate Bill 484 amends the Code of Laws of South Carolina, 1976, to delete the requirement that certain members of the Police Officers Retirement System (PORS) be eligible for, and provide proof of Social Security benefits to continue to receive PORS benefits.

EXPLANATION OF IMPACT:

The Public Employees Benefit Authority (PEBA) indicates this Bill removes the requirement that was scheduled to start on January 1, 2014, mandating that all members under PORS disability based on an application received after December 31, 2013 and under the age of 55, must provide proof that they are eligible to receive Social Security disability within 30 days of their third anniversary of receiving PORS disability benefits or their PORS disability benefits will cease.

PEBA indicates that the removal of this requirement will allow some percentage of PORS disability recipients to continue to receive benefits that would have otherwise been suspended. An estimation provided by actuaries is that the Bill will increase the unfunded actuarial accrued liability (UAAL) of the PORS trust fund by \$800,000. PEBA indicates that the fiscal impact due to the increase employer and employee contribution rates by 0.12% of payroll would be approximately \$1.277 million. This \$1.277 million estimate is comprised of \$335,000 in General Funds and \$942,000 in Other Funds.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

None.

Approved by:



Brenda Hart
Assistant Director, State Budget Division