

**REVISED FISCAL IMPACT STATEMENT ON BILL NO. S.1008 Ways & Means Amendment**  
(Doc. No. 1008C001.BH.DG14)

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TO: The Honorable W. Brian White, Chairperson, House Ways and Means Committee  
FROM: State Budget Division, Budget and Control Board  
ANALYSTS: K. Earle Powell  
DATE: May 21, 2014 SBD: 2014263

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AUTHOR: Representative G. M. Smith PRIMARY CODE CITE: 9-8-60(1)  
SUBJECT: SC Retirement System

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ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:  
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:  
See Below

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**BILL SUMMARY:**

This Amendment to Senate Bill 1008, suspends the retirement allowance for a retiree in JSRS while that member is employed by a position covered by SCRS or PORS (there is an exception if the member is employed by a public institution of education). The proposed House Amendment to S. 1008 would allow a retired JSRS member to concurrently receive their retirement allowance and be employed in a position covered by SCRS or PORS if certain conditions were met. Specifically, a retired member in JSRS would be permitted to concurrently receive their retirement allowance from JSRS and be employed in a position covered by SCRS or PORS if the member had at least a 30 day period between their retirement date and reemployment and earned less than \$10,000 each year during reemployment. The proposed legislation waives the \$10,000 earnings limitation if the member retired before July 1, 2014 or the member retired from JSRS after attaining age of 62. Also, the 30 day separation from service requirement is waived for members who retired prior to July 1, 2014.

**EXPLANATION OF IMPACT:**

Public Employee Benefit Authority

PEBA reports this modification includes a clause that the new return to work provisions will not apply to members in JSRS who retired prior to July 1, 2014 (including the 30-day separation from service requirement). If enacted, this Bill would lift the suspension of retirement allowance for one retired member of JSRS who retired prior to June 30, 2014 and is currently employed in a position covered by SCRS. The annual amount that is currently being suspended is approximately \$113,000. If enacted, this modification would result in JSRS to immediately begin distributing \$113,000 more in benefits annually and eliminate an actuarial gain the retirement system is currently experiencing due to the benefit suspension. In relative terms, this amounts to an annual retirement allowance equal to 0.04% of the total actuarial accrued liability for the plan or 1.3% of the contributions JSRS received from the State for FY 2013.

*PEBA indicates that JSRS already has a retire-in-place provision that allows members who have attained the maximum benefit allowance (i.e. 90% of the member's current salary) to concurrently receive their retirement allowance and remain employed in their position covered by JSRS. PEBA does not expect this proposed bill to have a meaningful change in retirement behavior of members in JSRS. Therefore, there would not be a measureable impact to the actuarial accrued liability and current employer contribution rates.*

**SPECIAL NOTES:**

*The italicized portion of this impact indicates the items that have been revised. For this impact, the revised constitutes information that was not available in the original impact.*

Approved by:

A handwritten signature in black ink, appearing to read "Brenda Hart". The signature is fluid and cursive, with a prominent loop at the end.

Brenda Hart  
Assistant Director, State Budget Division