

# EMPLOYER CONTRIBUTION TRENDS

NOVEMBER 28, 2022



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# Overview

- This report analyzes the trends and costs of employer contributions
- Employer contributions are an important part of overall compensation and include costs that are salary dependent, such as retirement and social security, and non-salary dependent, such as those based on plan selection by an employee for health and dental insurance
- This report shows these trends by type and across pay bands one through ten
- Retirement contribution rates increased in FY 2017-18 through FY 2023-24\* due to Act 13 of 2017 (Retirement System Funding and Administration Act)
  - The employer contribution rate increased by 2% effective July 1, 2017
  - For each of the next five years thereafter, the rate will increase by 1% through FY 2023-24\*

\*Act 13 was initially scheduled to phase-in through FY 2022-23 but was extended one year due to the Continuing Resolution in FY 2020-21

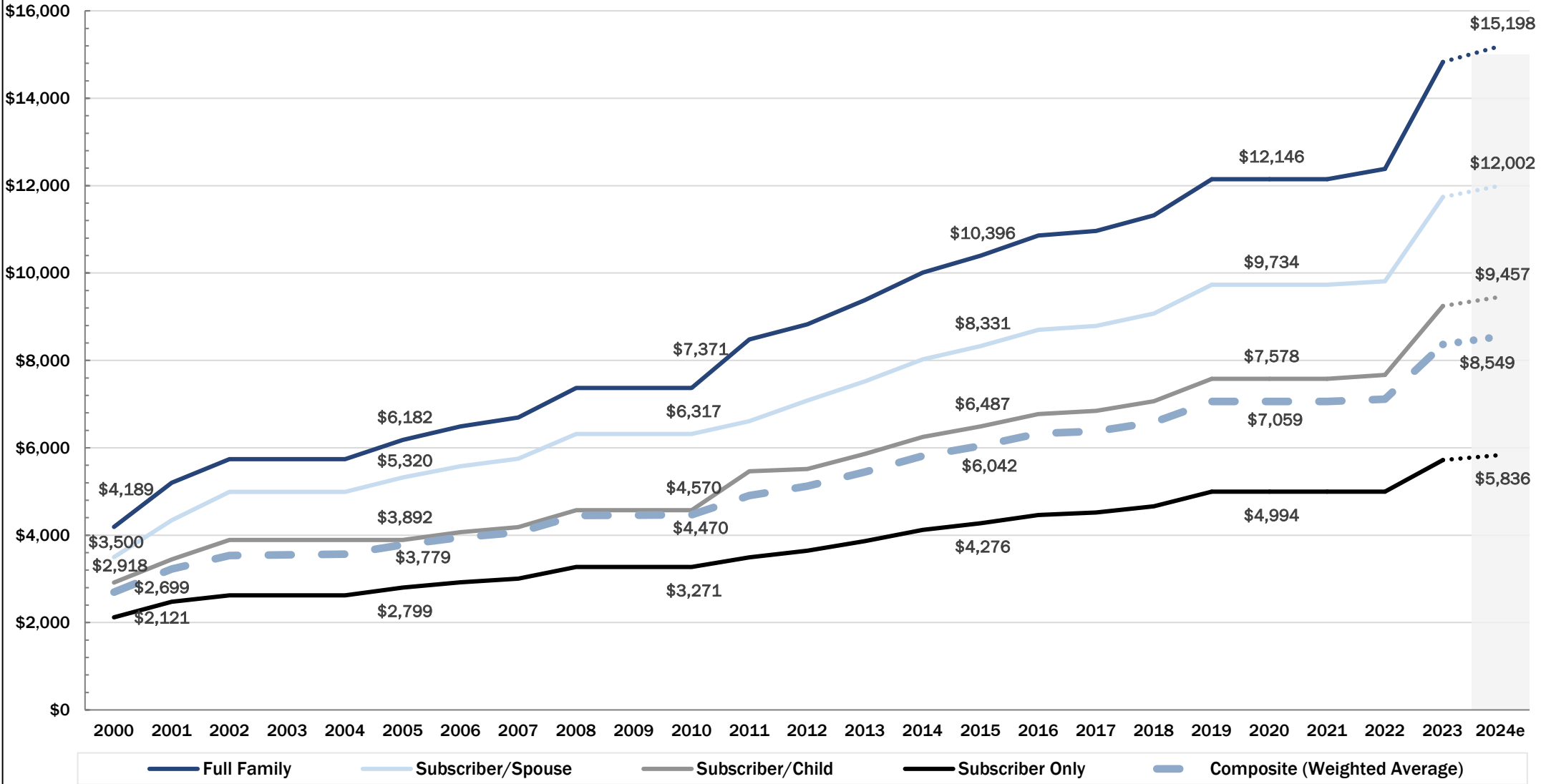


## Major Components – 2024 Projections

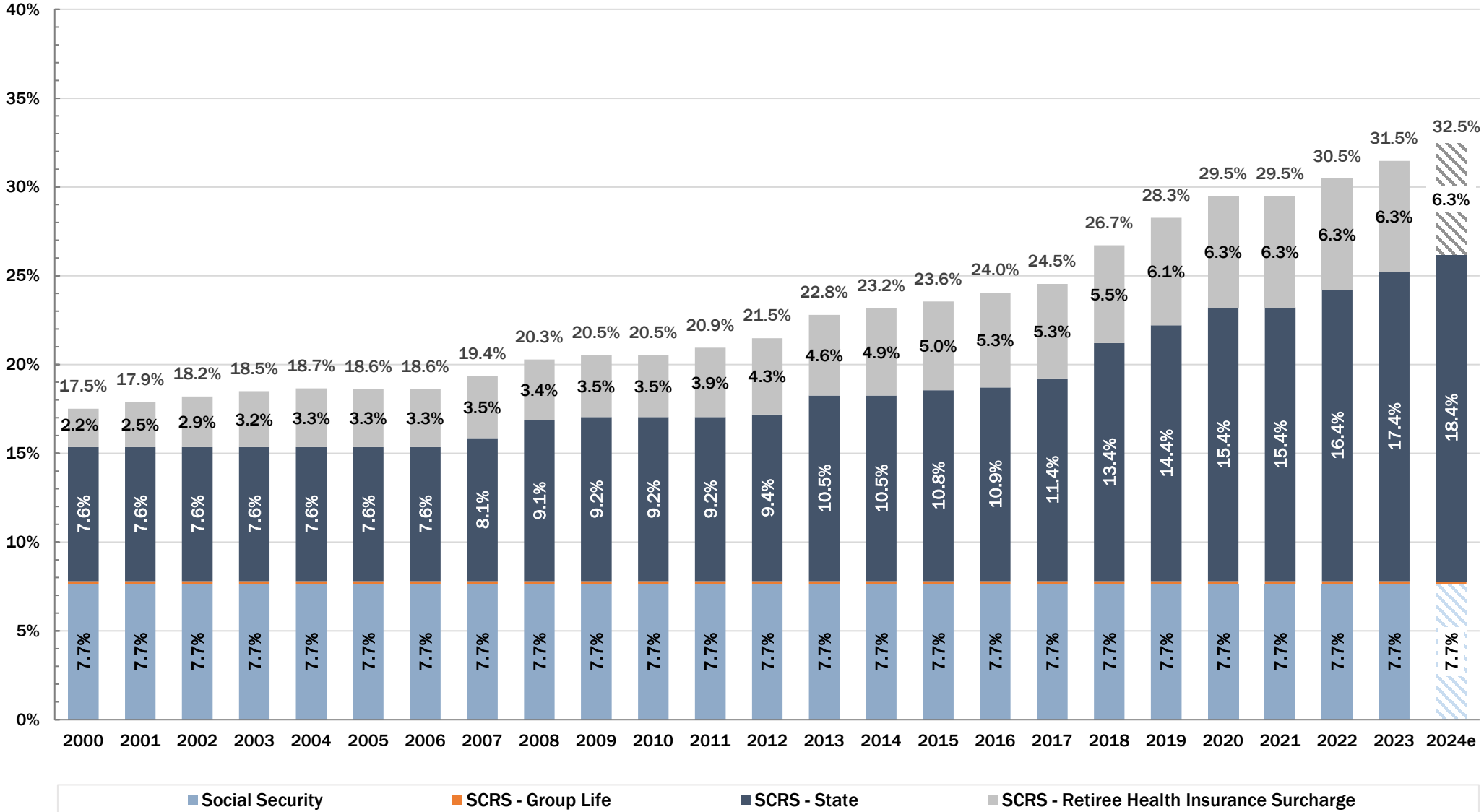
- The employer share of health and dental insurance ranges from \$5,836 to \$15,198 per employee depending upon type of healthcare coverage
  - The composite (weighted average) of all employees is \$8,549
- The employer share of retirement (South Carolina Retirement System), social security, and other items is 32.5 percent of salary
- The employer share of retirement (Police Officer Retirement System), social security, and other items is 35.1 percent of salary
- Estimates for 2024 calculated using 5-year growth

# HEALTH AND DENTAL INSURANCE

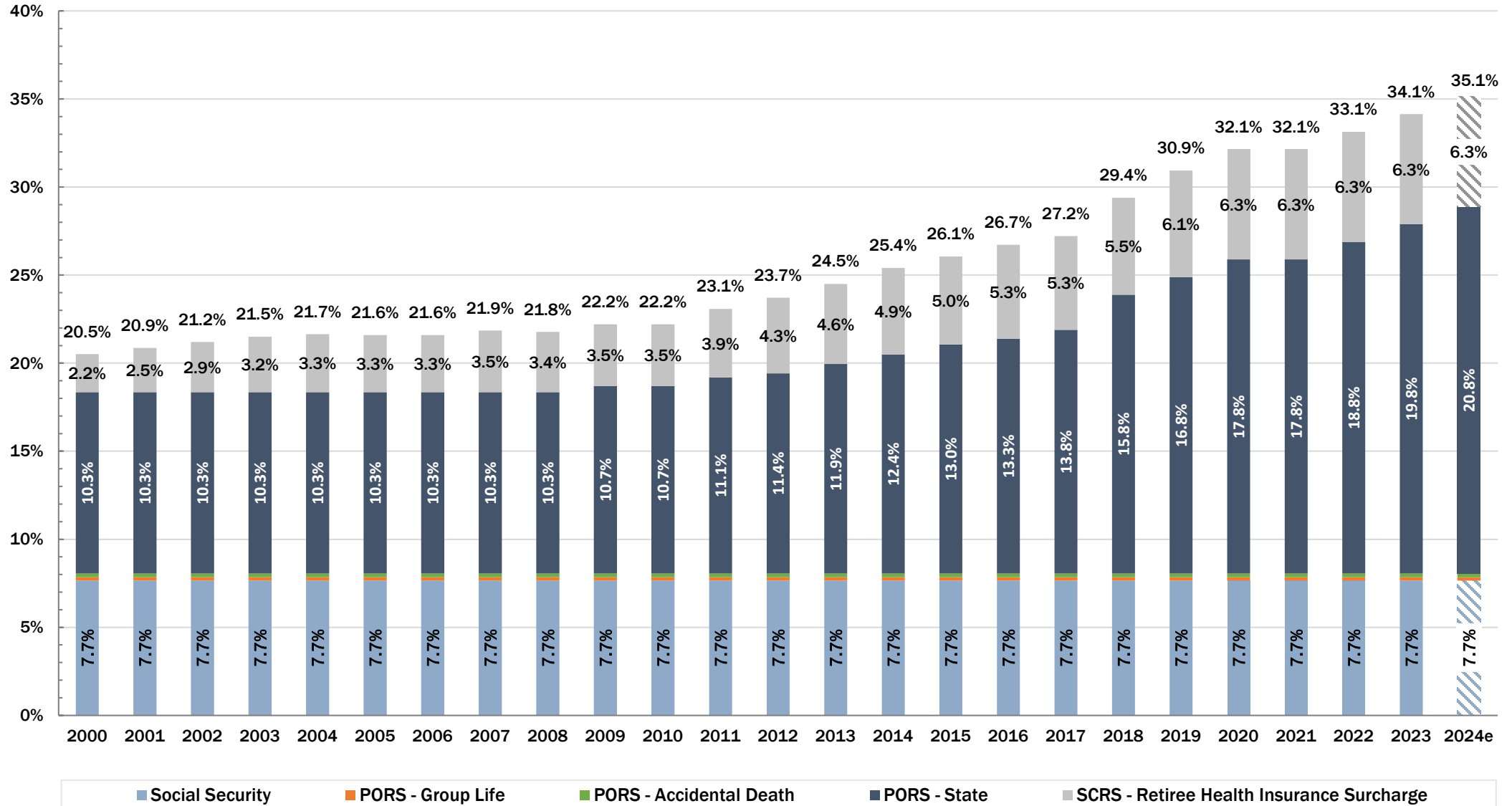
## Employer Contribution per Participating Employee



## RETIREMENT SYSTEM (SCRS) AND SOCIAL SECURITY Employer Contribution Rates



## RETIREMENT SYSTEM (PORS) AND SOCIAL SECURITY Employer Contribution Rates

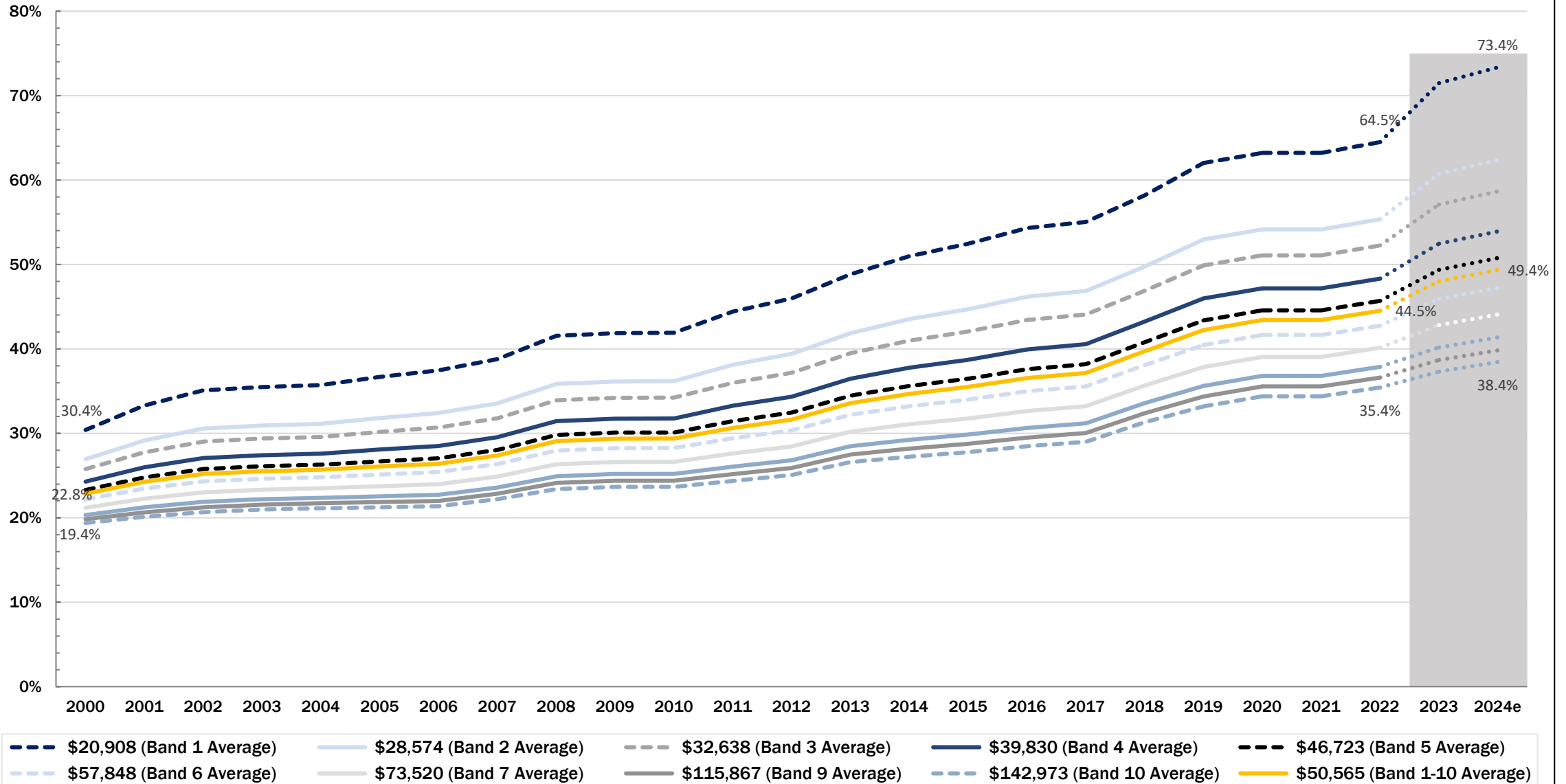


## Employer Contributions by Pay Band\*

- The total average cost of employer contributions range from 38.4 to 73.4 percent of salary, depending on salary levels
- The average employer contribution cost is 49.7 percent, or \$25,144 based on an average salary of \$50,565
- The average employer contribution cost in Pay Band One is 74.1 percent, or \$15,498 at an average salary of \$20,908
- The average employer contribution cost in Pay Band Ten is 38.6 percent, or \$55,120 at an average salary of \$142,973

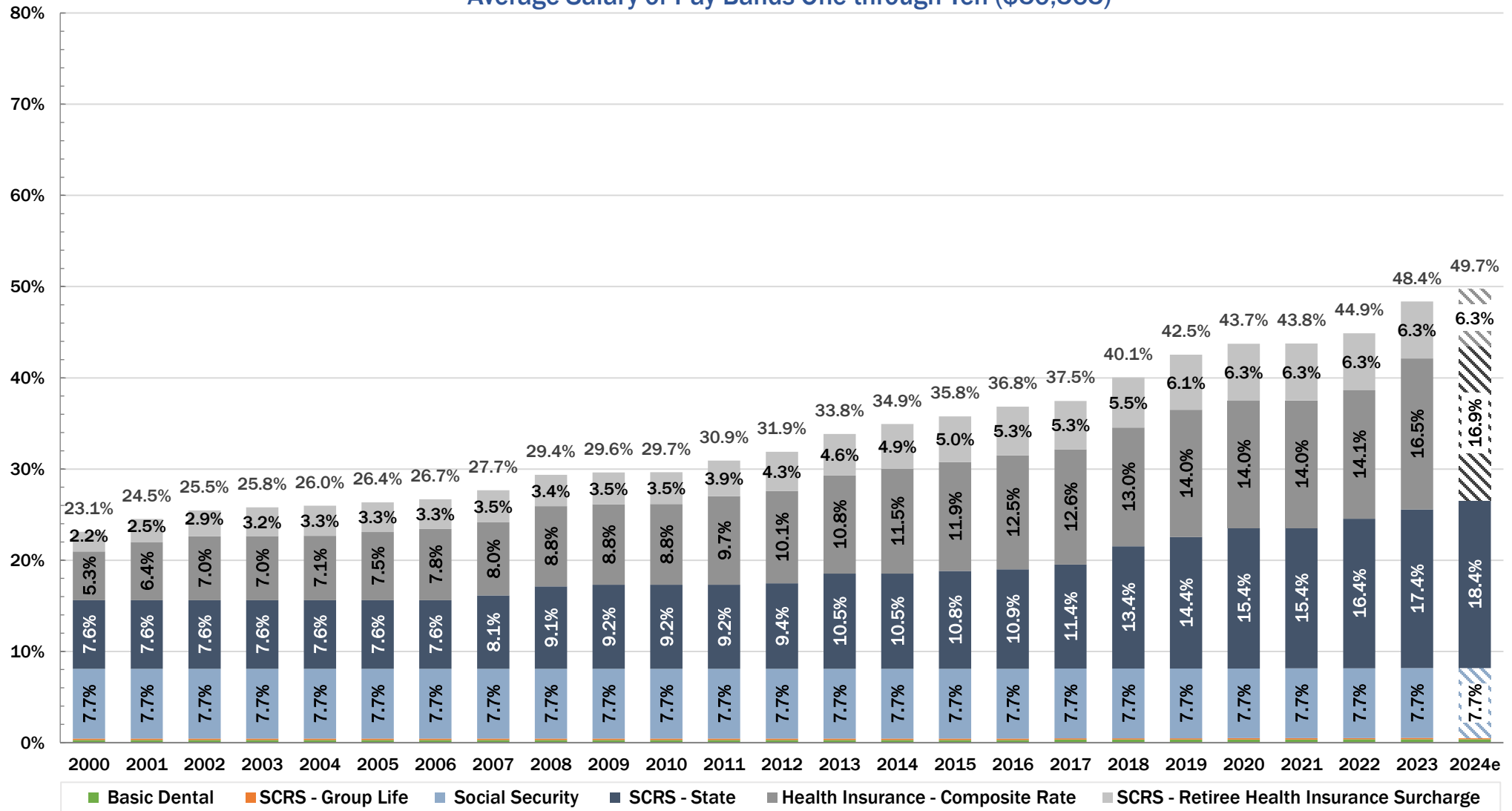
\*Based on contribution cost projections for FY 2023-24

## HEALTH AND DENTAL, RETIREMENT, SOCIAL SECURITY Employer Contribution Rates



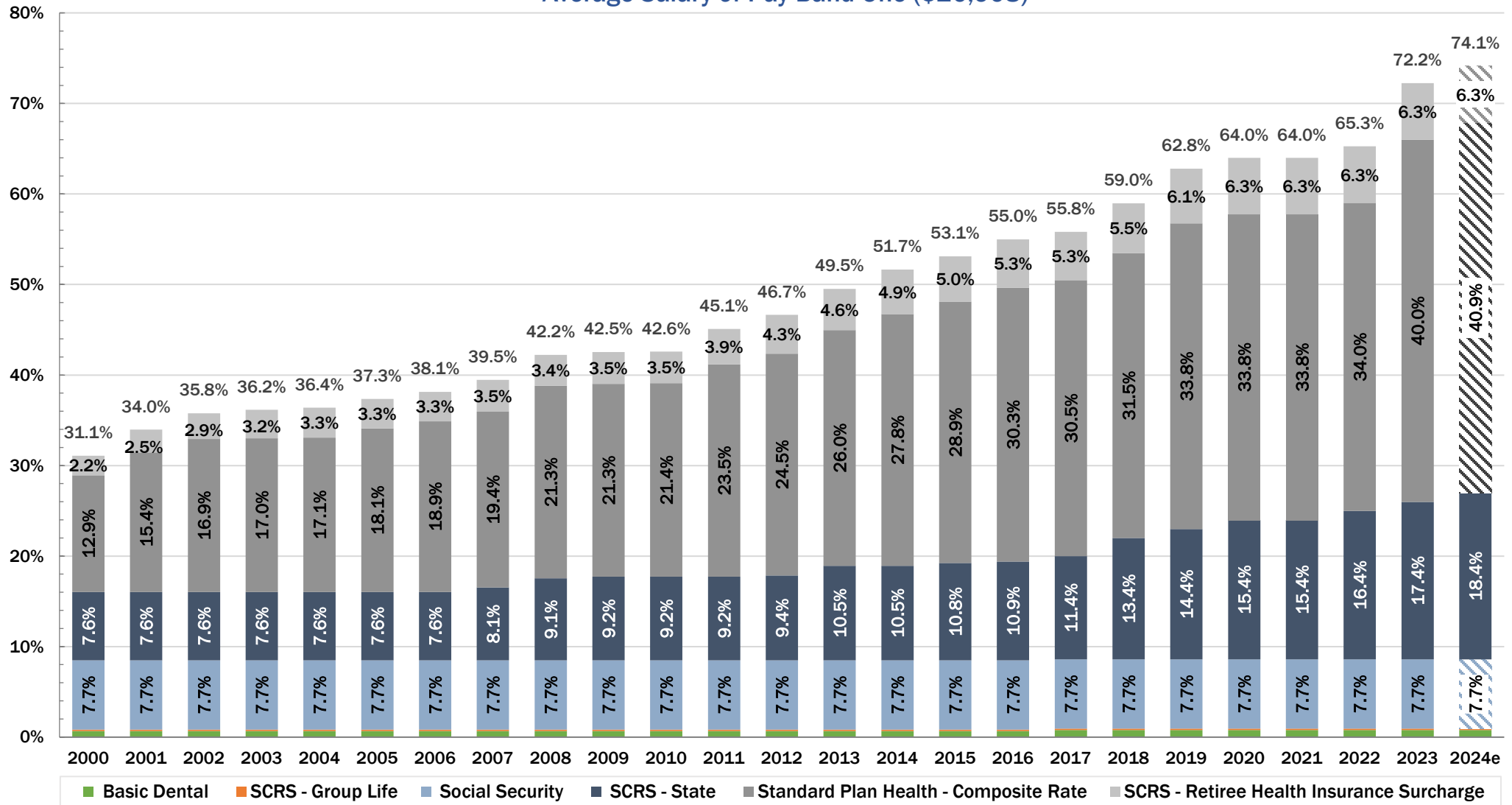


**RETIREMENT SYSTEM, SOCIAL SECURITY, HEALTH AND DENTAL INSURANCE  
EMPLOYER CONTRIBUTION RATES**  
Average Salary of Pay Bands One through Ten (\$50,565)

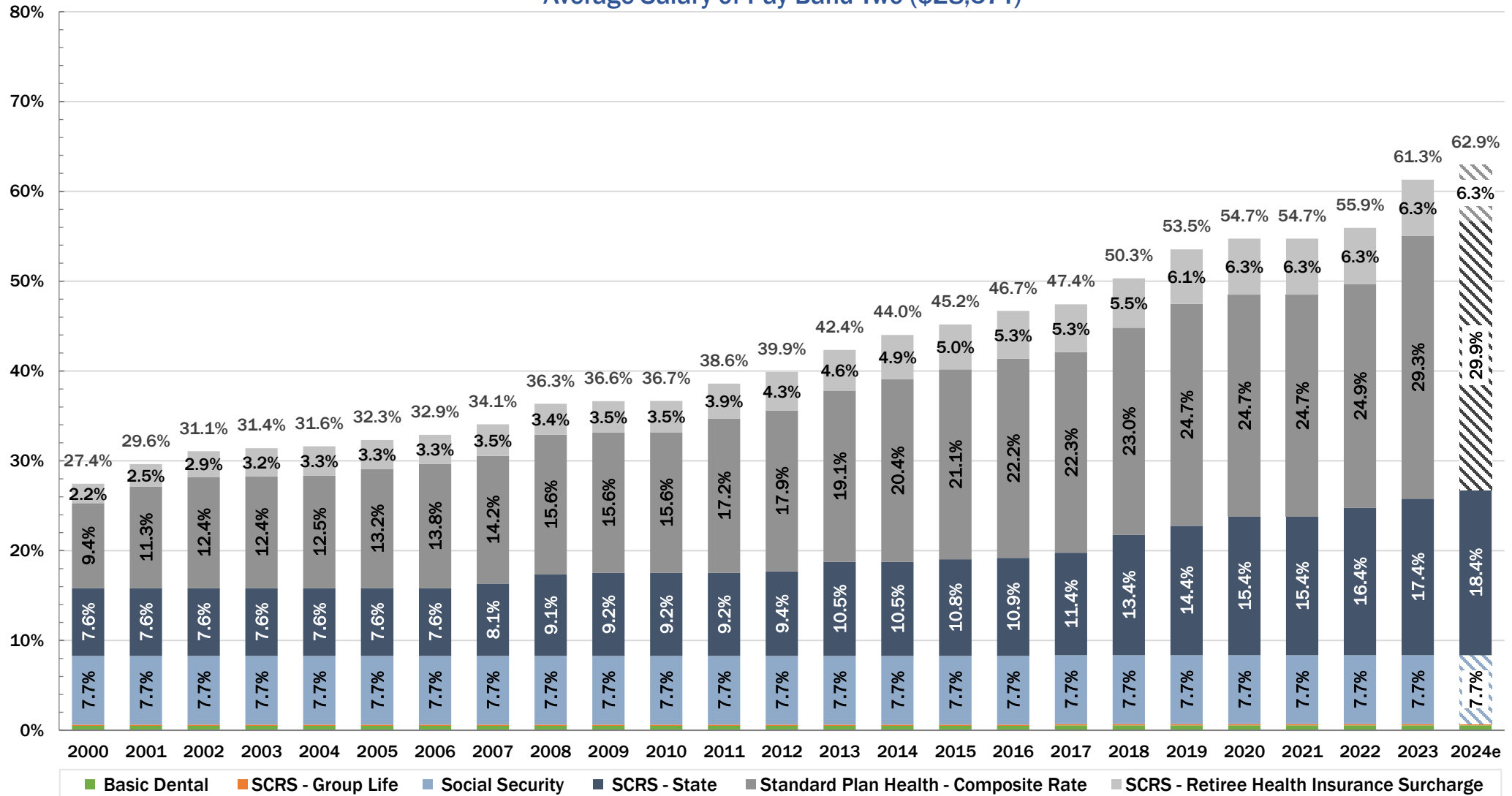


## RETIREMENT SYSTEM, SOCIAL SECURITY, HEALTH AND DENTAL INSURANCE EMPLOYER CONTRIBUTION RATES

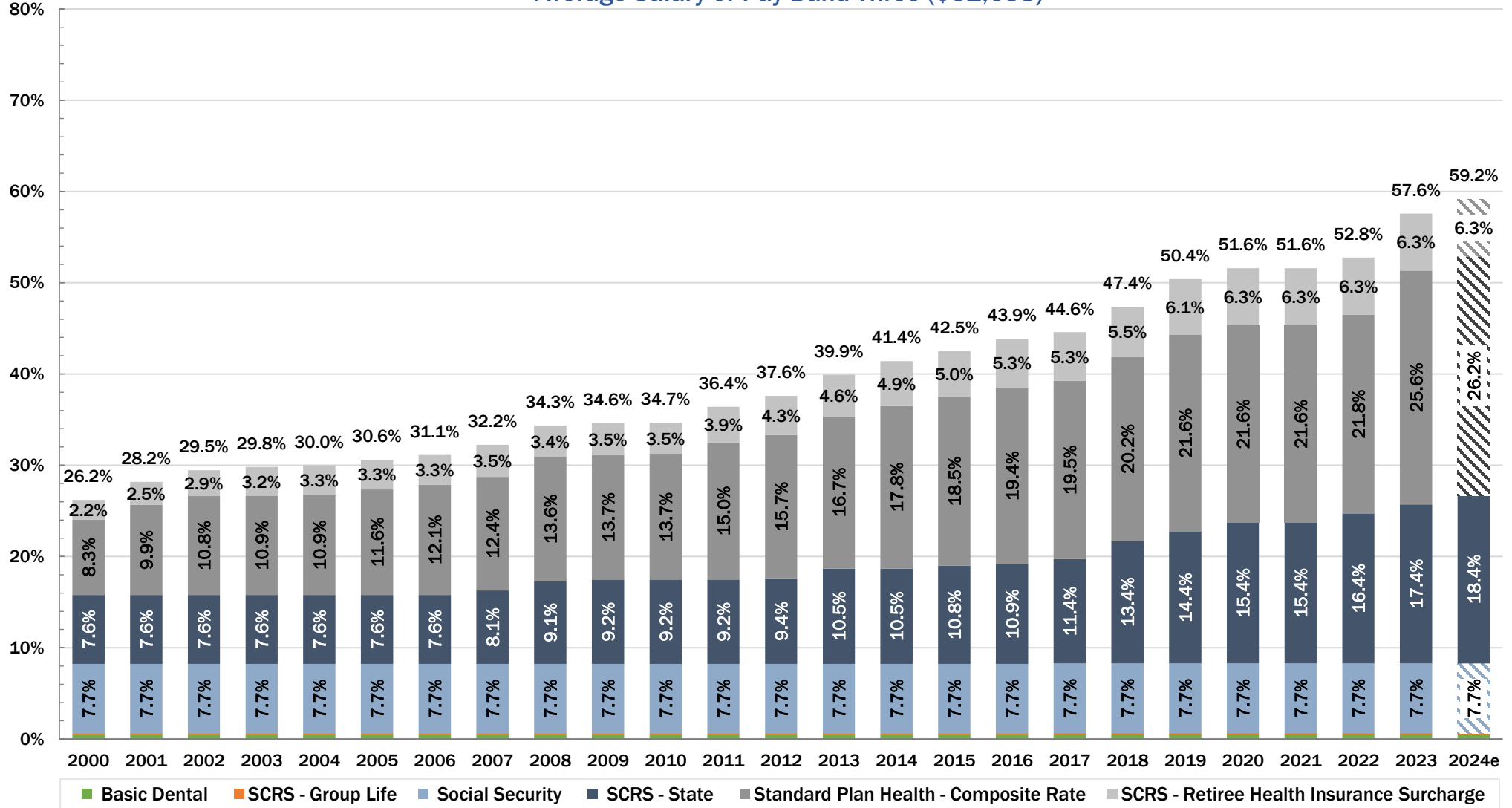
Average Salary of Pay Band One (\$20,908)



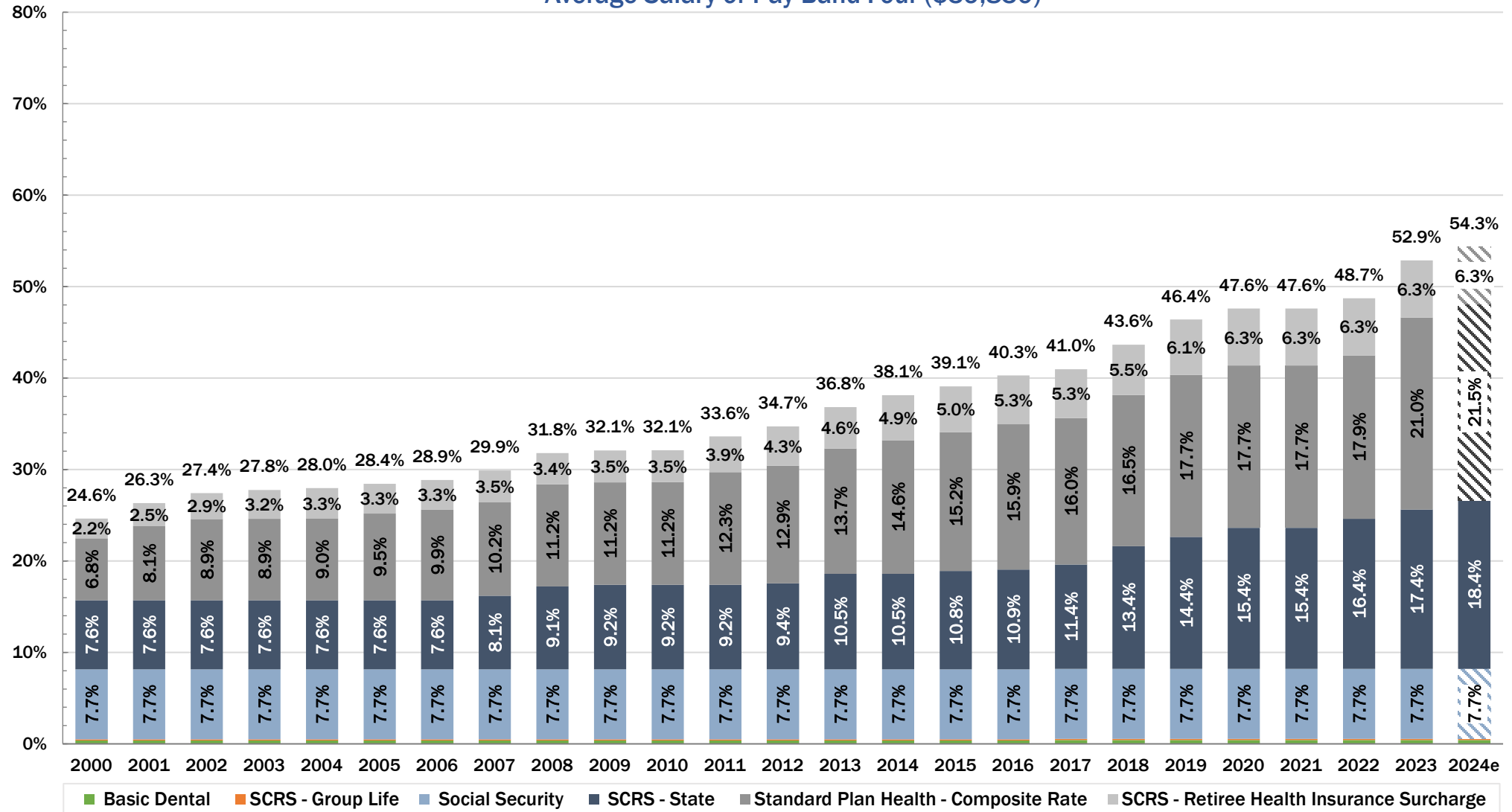
**RETIREMENT SYSTEM, SOCIAL SECURITY, HEALTH AND DENTAL INSURANCE  
EMPLOYER CONTRIBUTION RATES**  
Average Salary of Pay Band Two (\$28,574)



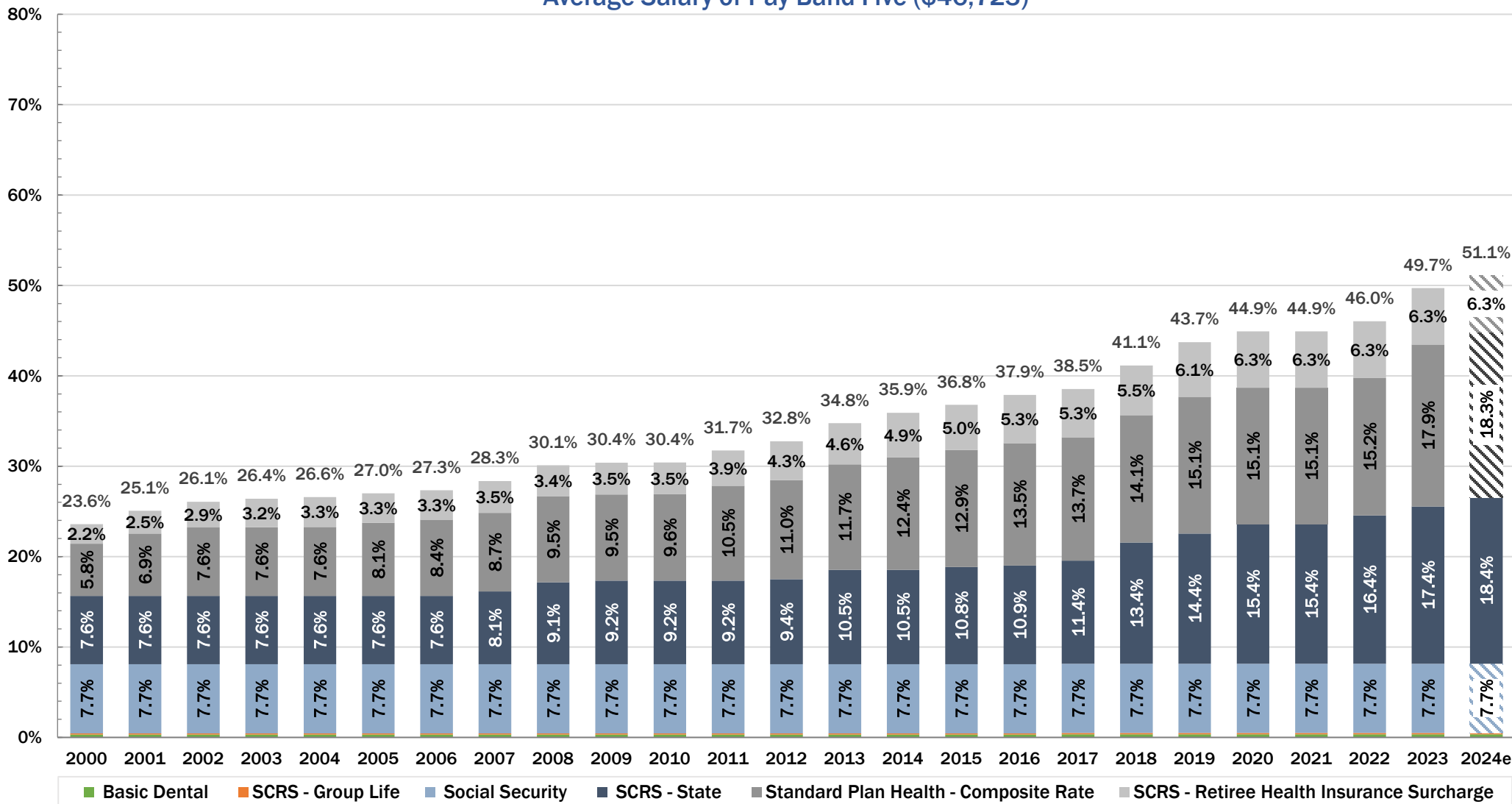
**RETIREMENT SYSTEM, SOCIAL SECURITY, HEALTH AND DENTAL INSURANCE  
EMPLOYER CONTRIBUTION RATES**  
Average Salary of Pay Band Three (\$32,638)



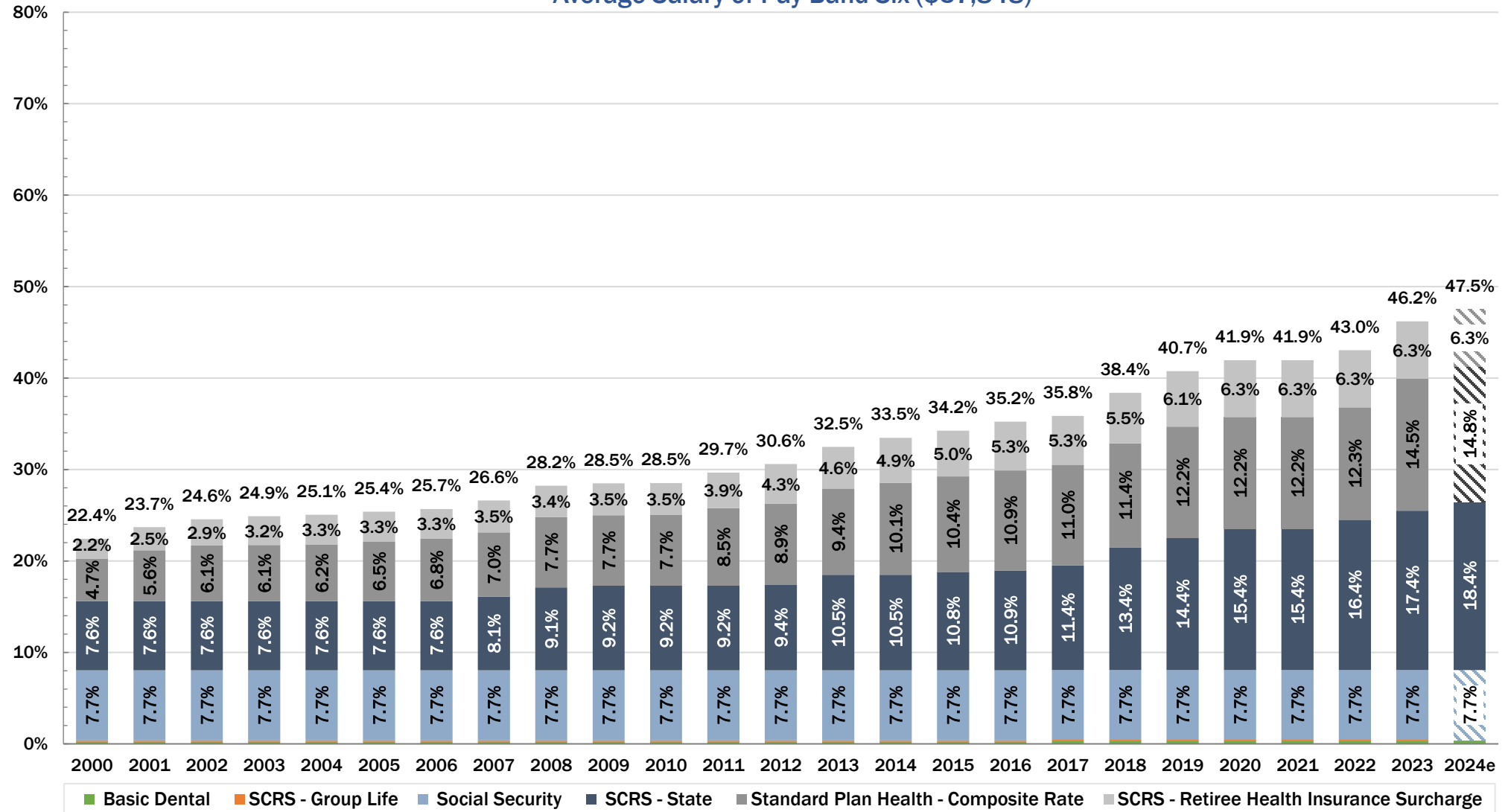
**RETIREMENT SYSTEM, SOCIAL SECURITY, HEALTH AND DENTAL INSURANCE  
EMPLOYER CONTRIBUTION RATES**  
Average Salary of Pay Band Four (\$39,830)



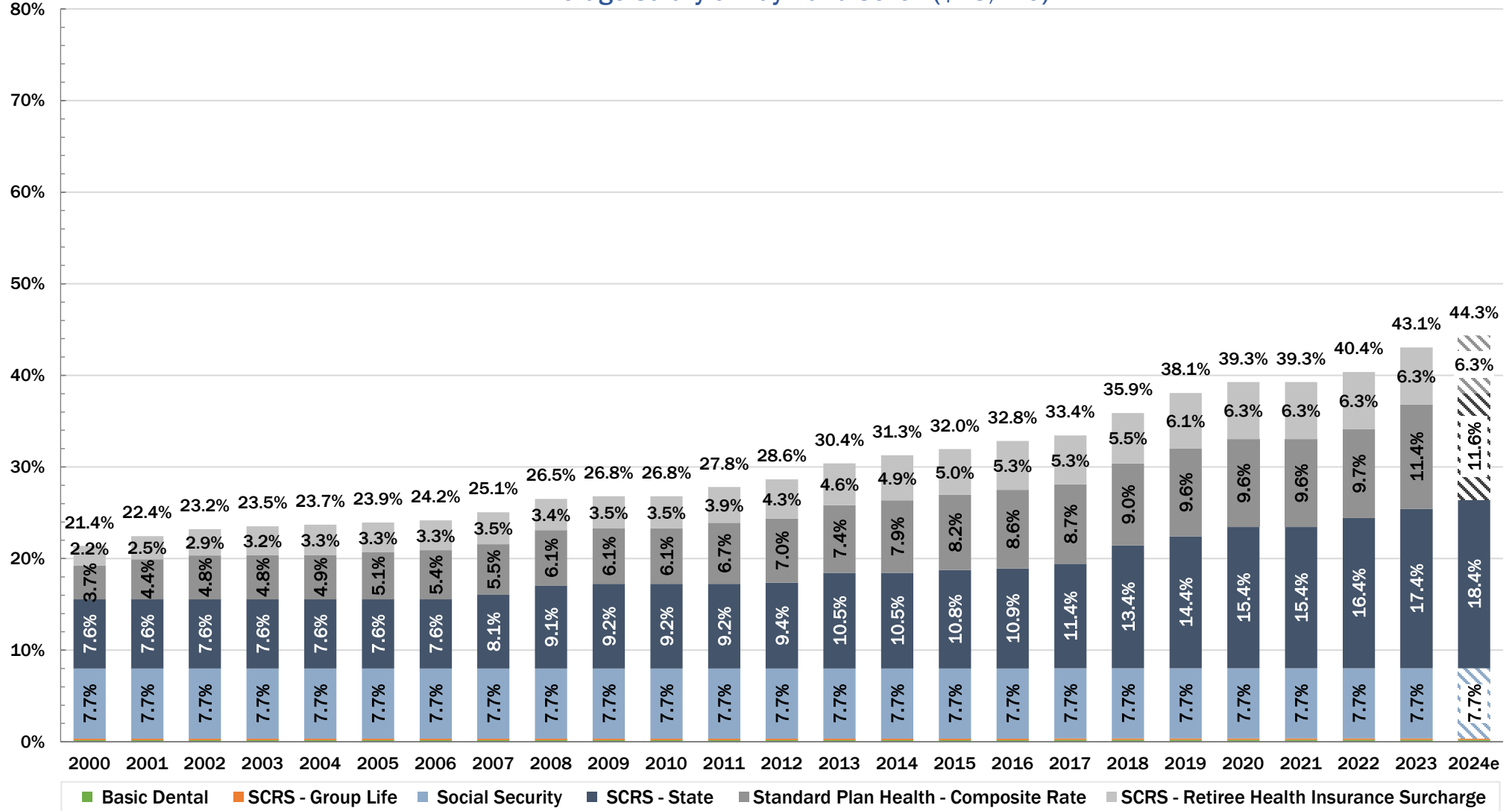
**RETIREMENT SYSTEM, SOCIAL SECURITY, HEALTH AND DENTAL INSURANCE  
EMPLOYER CONTRIBUTION RATES**  
Average Salary of Pay Band Five (\$46,723)



**RETIREMENT SYSTEM, SOCIAL SECURITY, HEALTH AND DENTAL INSURANCE  
EMPLOYER CONTRIBUTION RATES**  
Average Salary of Pay Band Six (\$57,848)

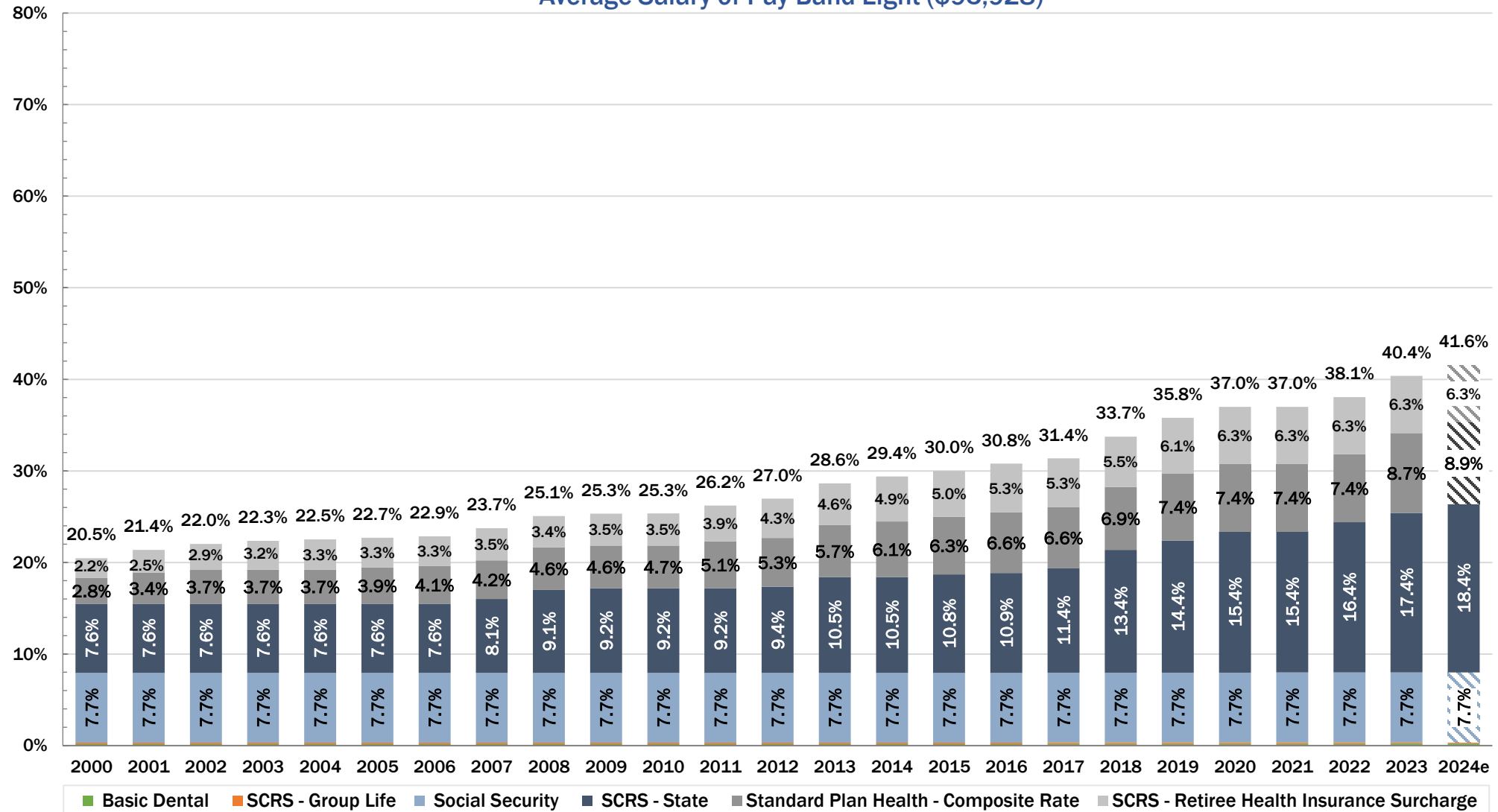


**RETIREMENT SYSTEM, SOCIAL SECURITY, HEALTH AND DENTAL INSURANCE  
EMPLOYER CONTRIBUTION RATES**  
Average Salary of Pay Band Seven (\$73,520)

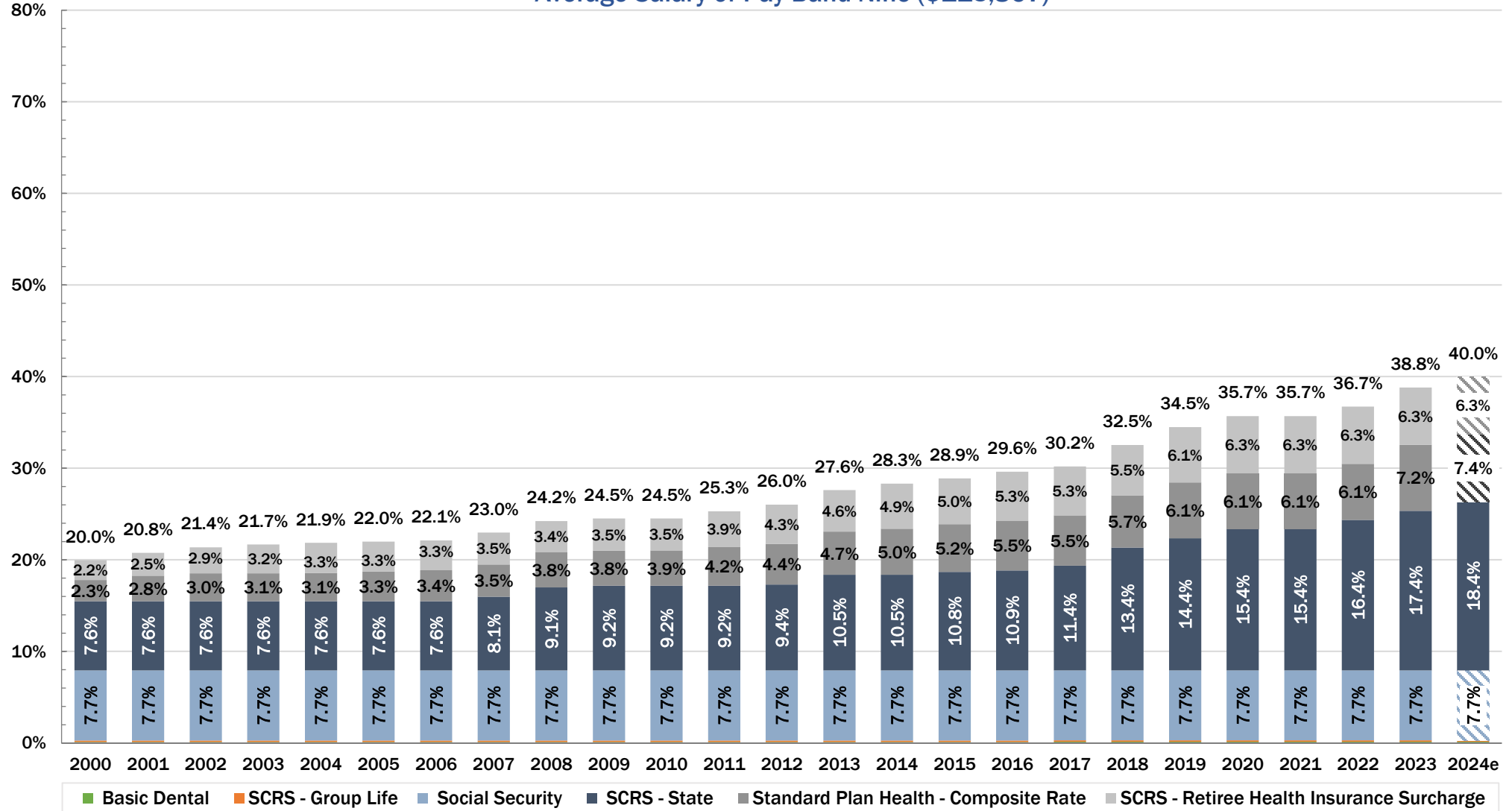




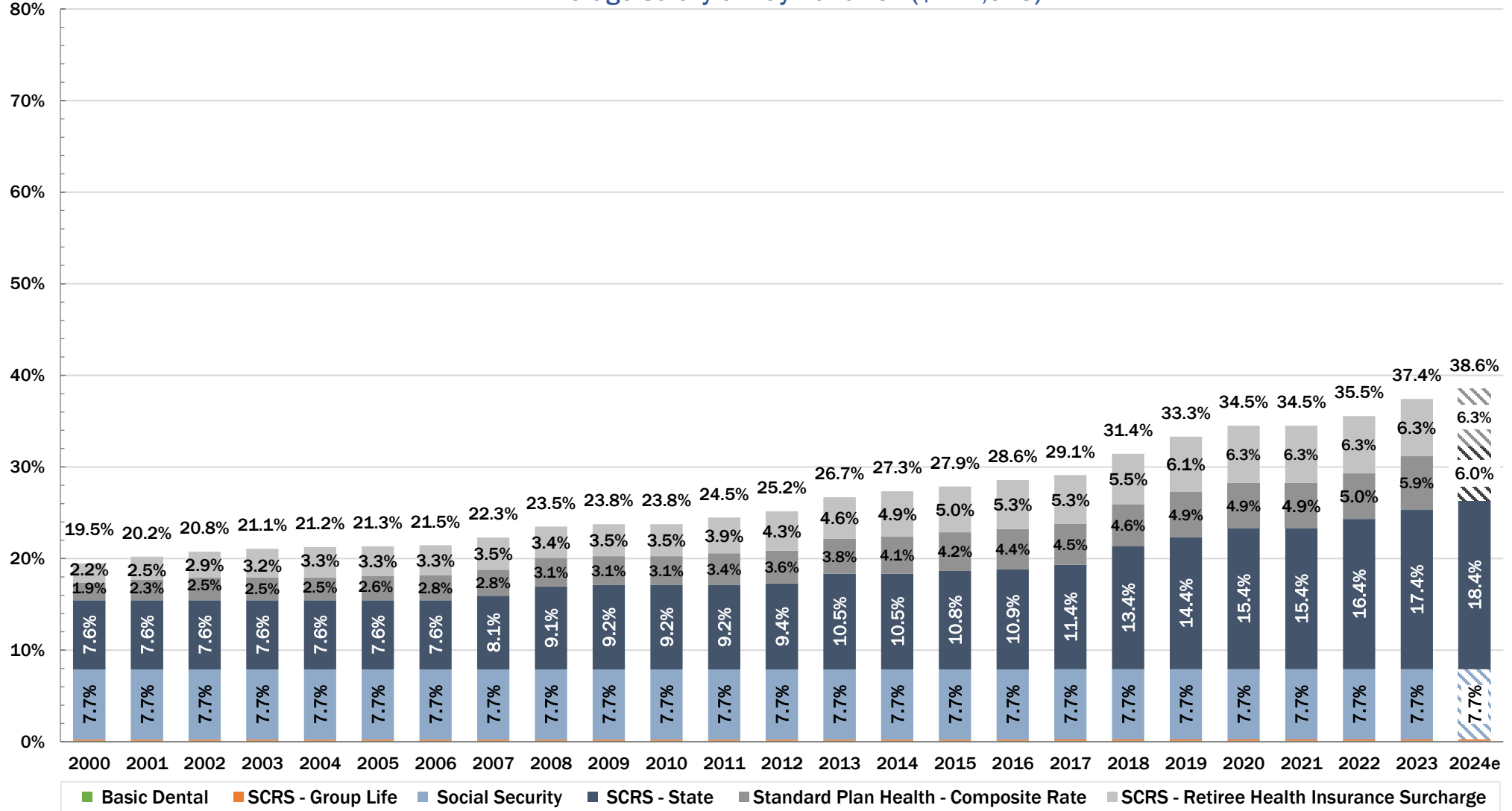
**RETIREMENT SYSTEM, SOCIAL SECURITY, HEALTH AND DENTAL INSURANCE  
EMPLOYER CONTRIBUTION RATES**  
Average Salary of Pay Band Eight (\$95,928)



**RETIREMENT SYSTEM, SOCIAL SECURITY, HEALTH AND DENTAL INSURANCE  
EMPLOYER CONTRIBUTION RATES**  
Average Salary of Pay Band Nine (\$115,867)



**RETIREMENT SYSTEM, SOCIAL SECURITY, HEALTH AND DENTAL INSURANCE  
EMPLOYER CONTRIBUTION RATES**  
Average Salary of Pay Band Ten (\$142,973)



# QUESTIONS/COMMENTS?

## THANK YOU!

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*SOUTH CAROLINA  
REVENUE AND FISCAL AFFAIRS OFFICE*



*Our mission is to provide independent research, analysis, and resources to facilitate informed policy decisions and administration of services.*

