



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

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|------------------------|--|---------------------------------|
| Bill Number: | H. 3106 | Introduced on February 18, 2021 |
| Author: | Bannister | |
| Subject: | Employer and Employee Contribution Rates Under SCRS and PORS | |
| Requestor: | House Ways and Means | |
| RFA Analyst(s): | Miller | |
| Impact Date: | February 19, 2021 | |

Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the Public Employee Benefit Authority (PEBA) due to the additional accounting responsibilities of the bill. These additional accounting responsibilities may require additional programing expenses that can be managed with existing appropriations and allocations.

Revenue and Fiscal Affairs anticipates no financial or actuarial impact on the South Carolina Retirement System or the Police Officers Retirement System since the total amount of employer and employee contributions remitted to the systems will remain the same as under current statutes.

Any increase in employer contribution expenditures by employers in the retirement systems electing to increase their contributions to pay employee contributions is undetermined given the permissive nature of this legislation.

Explanation of Fiscal Impact

Introduced on January 12, 2021

State Expenditure

This bill allows an employer participating in the South Carolina Retirement System or the Police Officers Retirement System to elect to increase its employer contribution rate by a percentage no greater than the employee contribution rate for the fiscal year. This election must be made by July first of the fiscal year and cannot be changed during the year. The employee contribution rate for employees must be reduced by the same percentage that employer contributions were increased.

PEBA indicates that the bill charges the agency with additional accounting responsibilities, which may require additional programing expenses that can be managed with existing appropriations and allocations. Therefore, this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of PEBA. However, PEBA indicates that the effective date of this legislation may not provide sufficient time to modify their existing computer system to implement and properly account for the modified remittance of the employer and employee contributions.

Additionally, Revenue and Fiscal Affairs anticipates no financial or actuarial impact on the retirement systems since the total amount of employer and employee contributions remitted to the retirement systems will remain the same as under current statutes.

Lastly, any increase in employer contributions by employers in the retirement systems electing to increase their contributions to pay employee contributions is undetermined given the permissive nature of this legislation.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director