**A** **BILL**

TO AMEND SECTION 9-1-1085 OF THE 1976 CODE, RELATING TO EMPLOYER AND EMPLOYEE CONTRIBUTION RATES, TO PROVIDE THAT THE DEFINED BENEFIT PLAN IS CLOSED TO NEW EMPLOYEES IMMEDIATELY FOLLOWING AN ACTUARIAL DETERMINATION THAT THE SYSTEM IS FULLY FUNDED; TO AMEND ARTICLE 1, CHAPTER 1, OF TITLE 9 OF THE 1976 CODE, RELATING TO THE SOUTH CAROLINA RETIREMENT SYSTEM GENERALLY, BY ADDING SECTION 9-1-65, TO ESTABLISH AN ANNUAL JOINT LEGISLATIVE COMMITTEE TO REVIEW THE ANNUAL ACTUARIAL VALUATION AND ESTABLISH THE JOINT LEGISLATIVE COMMITTEE’S AUTHORITY TO REVIEW ANY ACTUARIAL INVESTIGATION AND VALUATIONS PREPARED PURSUANT TO SECTIONS 9-1-250 AND 9-1-260; AND TO DEFINE NECESSARY TERMS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 9-1-10(4) of the 1976 Code is amended to by adding an appropriately lettered new subitem to read:

“( ) ‘Average final compensation’ with respect to any class member who has not satisfied the requirements set forth in Section 9-1-1510 for creditable service as of June 30, 2019 means the average annual earnable compensation of a member during the member’s creditable service for which regular contributions as a member were made to the system. Termination pay for unused annual leave at retirement may not be added to the average final compensation.”

SECTION 2. Section 9-1-1085 of the 1976 Code is amended by adding an appropriately lettered subsection to read:

“( ) As of June 30 of the fiscal year immediately following an actuarial determination that the system is fully funded, the system shall be closed to new employees. All new employees shall participate in a defined contribution retirement plan as established by the Public Employee Benefit Authority or the State Optional Retirement Program as established in Chapter 20, Title 9.”

SECTION 3. Article 1, Chapter 1, Title 9 of the 1976 Code is amended by adding:

“Section 9-1-65. The Chairman of the Senate Finance Committee and the Chairman of the House of Representatives Ways and Means Committee shall annually appoint a joint legislative committee to review the annual actuarial valuation. The joint committee has the authority to review any actuarial investigation and valuations prepared pursuant to Sections 9-1-250 and 9-1-260.”

SECTION 4. This act takes effect upon approval by the Governor.

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