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CHAPTER 4.

 SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY

ARTICLE 1.

 GENERAL PROVISIONS

**SECTION 9‑4‑10.** Authority established; board; composition, term, chair, compensation, and meetings; transfers of authority.

 (A) Effective July 1, 2012, there is created the South Carolina Public Employee Benefit Authority. The governing body of the authority is a board of directors consisting of eleven members. The functions of the authority must be performed, exercised, and discharged under the supervision and direction of the board of directors.

 (B)(1) The board is composed of:

 (a) three nonrepresentative members appointed by the Governor;

 (b) two members appointed by the President Pro Tempore of the Senate, one a nonrepresentative member and one a representative member who is either an active or retired member of SCPORS;

 (c) two members appointed by the Chairman of the Senate Finance Committee, one a nonrepresentative member and one a representative member who is a retired member of SCRS;

 (d) two members appointed by the Speaker of the House of Representatives, one a nonrepresentative member and one a representative member who must be a state employee who is an active contributing member of SCRS;

 (e) two members appointed by the Chairman of the House Ways and Means Committee, one a nonrepresentative member and one a representative member who is an active contributing member of SCRS employed by a public school district.

 (2) For purposes of the appointments provided by this section, a nonrepresentative member may not belong to those classes of employees and retirees from whom representative members must be appointed.

 (C)(1) A nonrepresentative member may not be appointed to the board unless the person possesses at least one of the following qualifications:

 (a) at least twelve years of professional experience in the financial management of pensions or insurance plans;

 (b) at least twelve years academic experience and holds a bachelor's or higher degree from a college or university as classified by the Carnegie Foundation;

 (c) at least twelve years of professional experience as a certified public accountant with financial management, pension, or insurance audit expertise;

 (d) at least twelve years as a Certified Financial Planner credentialed by the Certified Financial Planner Board of Standards; or

 (e) at least twelve years membership in the South Carolina Bar and extensive experience in one or more of the following areas of law:

 (i) taxation;

 (ii) insurance;

 (iii) health care;

 (iv) securities;

 (v) corporate;

 (vi) finance; or

 (vii) the Employment Retirement Income Security Act (ERISA).

 (2) A representative member may not be appointed to the board unless the person:

 (a) possesses one of the qualifications set forth in item (1); or

 (b) has at least twelve years of public employment experience and holds a bachelor's degree from a college or university as classified by the Carnegie Foundation.

 (D) Members of the board shall serve for terms of two years and until their successors are appointed and qualify. Vacancies must be filled within sixty days in the manner of original appointment for the unexpired portion of the term. Terms commence on July first of even numbered years. Upon a member's appointment, the appointing official shall certify to the Secretary of State that the appointee meets or exceeds the qualifications set forth in subsections (B) and (C). No person appointed may qualify unless he first certifies that he meets or exceeds the qualifications applicable for their appointment. A member serves at the pleasure of the member's appointing authority.

 (E) The members shall select a nonrepresentative member to serve as chairman and shall select those other officers they determine necessary. Subject to the qualifications for chairman provided in this section, members may set their own policy related to the rotation of the selection of a chairman of the board.

 (F)(1) Each member must receive an annual salary of twelve thousand dollars. This compensation must be paid from approved accounts of general funds and retirement system funds based on the proportionate amount of time the board devotes to its various functions. Members may receive the mileage and subsistence authorized by law for members of state boards, commissions, and committees paid from approved accounts funded by general funds and retirement system funds in the proportion that compensation is paid.

 (2) Notwithstanding any other provision of law, membership on the board does not make a member eligible to participate in a retirement system administered pursuant to this title and does not make a member eligible to participate in the employee insurance program administered pursuant to Article 5, Chapter 11, Title 1. Any compensation paid on account of the member's service on the board is not considered earnable compensation for purposes of any state retirement system.

 (G) Minimally, the board shall meet monthly. If the chairman considers it more effective, the board may meet by teleconferencing or video conferencing. However, if the agenda of the meeting consists of items that are not exempt from disclosure or the meeting may not be closed to the public pursuant to Chapter 4, Title 30, the provisions of Chapter 4, Title 30 apply, and the meeting must be open to the public.

 (H) Effective July 1, 2012, the following offices, divisions, or components of the State Budget and Control Board are transferred to, and incorporated into, an administrative agency of state government to be known as the South Carolina Public Employee Benefit Authority:

 (1) Employee Insurance Program; and

 (2) the Retirement Division.

HISTORY: 2012 Act No. 278, Pt IV, Subpt 1, Section 30.A, eff July 1, 2012.

**SECTION 9‑4‑15.** Reserved.

**SECTION 9‑4‑20.** Reserved.

**SECTION 9‑4‑30.** Retirement division.

 (A)(1) The South Carolina Public Employee Benefit Authority shall operate a retirement division to administer the various retirement systems and retirement programs pursuant to Title 9 and, effective after December 31, 2013, to administer the deferred compensation program pursuant to Chapter 23, Title 8.

 (2) Expenses incurred by the Retirement Division in administering, after December 31, 2013, the deferred compensation plans must be reimbursed to the Retirement Division from funds generated by the deferred compensation plans available to pay for administrative expenses.

 (B) The South Carolina Public Employee Benefits Authority shall provide copies of annual actuarial valuations of all retirement systems requiring such annual valuations to the General Assembly by the second Tuesday in January of every year.

HISTORY: 2012 Act No. 278, Pt IV, Subpt 1, Section 30.A, eff July 1, 2012.

**SECTION 9‑4‑40.** Audit.

 Each year in the general appropriations act, the General Assembly shall appropriate sufficient funds to the Office of the State Inspector General to employ a private audit firm to perform a fiduciary audit on the South Carolina Public Employee Benefit Authority. The audit firm must be selected by the State Inspector General. The report from the previous fiscal year must be completed by January fifteenth. Upon completion, the report must be submitted to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.

HISTORY: 2012 Act No. 278, Pt IV, Subpt 1, Section 30.A, eff July 1, 2012.

**SECTION 9‑4‑45.** Policy determinations.

 (A) Policy determinations made by the South Carolina Public Benefit Authority are subject to approval by the State Budget and Control Board or its successor, evidenced by a majority vote of the board.

 (B) For purposes of this section, policy determination means a determination by law required to be made by the South Carolina Public Benefit Authority in its administration of the Employee Insurance Program relating to coverage changes and premium increases and in its administration of the Retirement Division, actuarial assumptions governing the retirement system and adjustments in employer and employee contributions.

HISTORY: 2012 Act No. 278, Pt IV, Subpt 1, Section 30.A, eff July 1, 2012.

**SECTION 9‑4‑50.** Transaction register of all funds expended.

 (A) The South Carolina Public Employee Benefit Authority shall maintain a transaction register that includes a complete record of all funds expended, from whatever source for whatever purpose. The register must be prominently posted on the authority's Internet website and made available for public viewing and downloading.

 (1)(a) The register must include for each expenditure:

 (i) the transaction amount;

 (ii) the name of the payee;

 (iii) the identification number of the transaction; and

 (iv) a description of the expenditure, including the source of funds, a category title, and an object title for the expenditure.

 (b) The register must include all reimbursements for expenses, but must not include an entry for:

 (i) salary, wages, or other compensation paid to individual employees; and

 (ii) retirement benefits, deferred compensation plan distributions, insurance reimbursements, or other payments paid to individual employees, members, or participants, as applicable, pursuant to programs administered by the board.

 (c) The register must not include a social security number.

 (d) The register must be accompanied by a complete explanation of any codes or acronyms used to identify a payee or an expenditure.

 (e) The register may exclude any information that can be used to identify an individual employee or student.

 (f) This section does not require the posting of any information that is not required to be disclosed under Chapter 4, Title 30.

 (2) The register must be searchable and updated at least once a month. Each monthly register must be maintained on the Internet website for at least three years.

 (B) Any information that is expressly prohibited from public disclosure by federal or state law or regulation must be redacted from any posting required by this section.

 (C) If the authority has a question or issue relating to technical aspects of complying with the requirements of this section or the disclosure of public information under this section, it shall consult with the Office of the Comptroller General, which may provide guidance to the authority.

HISTORY: 2012 Act No. 278, Pt IV, Subpt 1, Section 30.A, eff July 1, 2012.