

REPORT OF THE GENERAL GOVERNMENT, PERSONNEL AND BENEFITS SUBCOMMITTEE

(Anthony, Pitts, Herbkersman, Hayes & Whitmire - Staff Contact: Blythe Littlefield)

SENATE BILL 373

S. 373 -- Senator Setzler: A BILL TO AMEND SECTION 9-1-1620, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE OPTIONAL FORMS OF RETIREMENT ALLOWANCES, SO TO ALLOW A MEMBER TO CHANGE THE FORM OF MONTHLY PAYMENT WITHIN FIVE YEARS OF A CHANGE IN MARITAL STATUS, INSTEAD OF ONE YEAR, AND IN CERTAIN SITUATIONS, TO REQUIRE THE MEMBER TO REIMBURSE THE RETIREMENT SYSTEM OF ANY EXCESS PAYMENT RECEIVED.

Summary of Bill:

This bill amends the South Carolina Retirement System provisions relating to the optional forms of retirement allowances, so to allow a member to change the form of monthly payment within five years of a change in marital status, instead of one year. The legislation also states that the new form of monthly payment is effective on the first day of the month in which the election of the new form of monthly payment is received by the system. The monthly payment must be calculated based upon the ages of the retired member and the member's beneficiary or beneficiaries as of the effective date.

Estimated Fiscal Impact:

This bill would have no expenditure impact to the General Fund, Federal Funds, or Other Funds.

Subcommittee Recommendation:

Favorable



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0373
 Author: Setzler
 Requestor: Senate Finance
 Date: February 10, 2015
 Subject: SC Retirement System
 RFA Analyst(s): Fulmer

Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
State Expenditure		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Local Expenditure	N/A	N/A
Local Revenue	N/A	N/A

Fiscal Impact Summary

This bill would have no expenditure impact to the General Fund, Federal Funds, or Other Funds.

Explanation of Fiscal Impact

State Expenditure

The bill would amend Section 9-1-1620 to allow a member to change the form of monthly payment within five years after a change of marital status. In certain situations, the member may be required to reimburse the retirement system of any excess payment received.

The Public Employee Benefit Authority indicates that this bill would have no expenditure impact to the General Fund, Federal Funds, or Other Funds. Since the conversion factors for determining optional forms of payment are intended to be actuarially cost neutral, there should be no fiscal impact from this bill.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A


 Frank A. Rainwater, Executive Director

South Carolina General Assembly
121st Session, 2015-2016

S. 373

STATUS INFORMATION

General Bill

Sponsors: Senator Setzler

Document Path: I:\council\bills\bbm\9170dg15.docx

Introduced in the Senate on January 28, 2015

Introduced in the House on March 17, 2015

Last Amended on February 19, 2015

Currently residing in the House Committee on **Ways and Means**

Summary: SC Retirement System

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
1/28/2015	Senate	Introduced and read first time (Senate Journal-page 11)
1/28/2015	Senate	Referred to Committee on Finance (Senate Journal-page 11)
2/18/2015	Senate	Committee report: Favorable with amendment Finance (Senate Journal-page 11)
2/19/2015	Senate	Committee Amendment Adopted (Senate Journal-page 14)
3/3/2015	Senate	Read second time (Senate Journal-page 9)
3/3/2015	Senate	Roll call Ayes-38 Nays-1 (Senate Journal-page 9)
3/5/2015	Senate	Read third time and sent to House (Senate Journal-page 28)
3/17/2015	House	Introduced and read first time (House Journal-page 34)
3/17/2015	House	Referred to Committee on Ways and Means (House Journal-page 34)

View the latest [legislative information](#) at the website

VERSIONS OF THIS BILL

[1/28/2015](#)

[2/18/2015](#)

[2/19/2015](#)

1 ~~Indicates Matter Stricken~~

2 Indicates New Matter

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4 COMMITTEE AMENDMENT ADOPTED

5 February 19, 2015

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S. 373

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Introduced by Senator Setzler

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11 S. Printed 2/19/15--S.

12 Read the first time January 28, 2015.

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A BILL

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11 TO AMEND SECTION 9-1-1620, AS AMENDED, CODE OF
12 LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE
13 OPTIONAL FORMS OF RETIREMENT ALLOWANCES, SO TO
14 ALLOW A MEMBER TO CHANGE THE FORM OF MONTHLY
15 PAYMENT WITHIN FIVE YEARS OF A CHANGE IN
16 MARITAL STATUS, INSTEAD OF ONE YEAR, AND IN
17 CERTAIN SITUATIONS, TO REQUIRE THE MEMBER TO
18 REIMBURSE THE RETIREMENT SYSTEM OF ANY EXCESS
19 PAYMENT RECEIVED.

20 Amend Title To Conform

21

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

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25 SECTION 1. Section 9-1-1620(B)(1) of the 1976 Code, as last
26 amended by Act 387 of 2000, is further amended to read:

27

28 “(1) A retired member, within ~~one year~~ five years after a change
29 in marital status, may revoke the form of monthly payment elected
30 and elect a new form of monthly payment, which must be the
31 actuarial equivalent of the maximum retirement allowance payable
32 to the member under law. The new form of monthly payment is
33 effective on the first day of the month in which the election of the
34 new form of monthly payment is elected received by the system and
35 must be calculated based upon the ages of the retired member and
36 the member’s beneficiary or beneficiaries as of that effective date.”

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38 SECTION 2. Section 9-11-150(B)(1) of the 1976 Code, as last
39 amended by Act 387 of 2000, is further amended to read:

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41 “(1) A retired member, within ~~one year~~ five years after a change
42 in marital status, may revoke the form of monthly payment elected

1 and elect a new form of monthly payment, which must be the
2 actuarial equivalent of the maximum retirement allowance payable
3 to the member under law. The new form of monthly payment is
4 effective on the first day of the month in which the election of the
5 new form of monthly payment is elected received by the system and
6 must be calculated based upon the ages of the retired member and
7 the member's beneficiary or beneficiaries as of that effective date."

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9 SECTION 3. This act takes effect upon approval by the Governor
10 and applies to any new form of monthly payment elected thereafter
11 due to a change in marital status.

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