~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

April 10, 2013

**S. 484**

Introduced by Senator Setzler

S. Printed 4/10/13--S.

Read the first time March 6, 2013.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 484) to amend Section 9‑11‑80, as amended, Code of Laws of South Carolina, 1976, relating to disability retirement for members of the Police Officers Retirement System, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Cost of Federal and/or Other Funds (See Below)

**EXPLANATION OF IMPACT:**

The Public Employees Benefit Authority (PEBA) indicates this bill removes the requirement that was scheduled to start on January 1, 2014, mandating that all members under PORS disability based on an application received after December 31, 2013 and under the age of 55, must provide proof that they are eligible to receive Social Security disability within 30 days of their third anniversary of receiving PORS disability benefits or their PORS disability benefits will cease.

PEBA indicates that the removal of this requirement will allow some percentage of PORS disability recipients to continue to receive benefits that would have otherwise been suspended. An estimation provided by actuaries is that the Bill will increase the unfunded actuarial accrued liability (UAAL) of the PORS trust fund by $800,000. PEBA indicates that the fiscal impact due to the increase employer and employee contribution rates by 0.12% of payroll would be approximately $1.277 million. This $1.277 million estimate is comprised of $335,000 in general funds and $942,000 in other funds.

*Approved By:*

Brenda Hart

Office of State Budget

**A** **BILL**

TO AMEND SECTION 9‑11‑80, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DISABILITY RETIREMENT FOR MEMBERS OF THE POLICE OFFICERS RETIREMENT SYSTEM, SO AS TO DELETE THE REQUIREMENT THAT CERTAIN MEMBERS BE ELIGIBLE FOR, AND PROVIDE PROOF OF, SOCIAL SECURITY BENEFITS TO CONTINUE TO RECEIVE A DISABILITY BENEFIT.

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

SECTION 1. Section 9‑11‑80(3) of the 1976 Code, as last amended by Act 278 of 2012, is further amended to read:

“(3)~~(A)~~ Once each year during the first five years following the retirement of a member on a disability retirement allowance, and once in every three‑year period thereafter, the Board may require any disability beneficiary who has not yet attained the age of fifty‑five years to undergo a medical examination, such examination to be made at the place of residence of the beneficiary or other place mutually agreed upon, by the system. If a disability beneficiary who has not yet attained the age of fifty‑five years refuses to submit to any such medical examination, the member’s retirement allowance may be discontinued until the member’s withdrawal of such refusal, and if the refusal continues for one year, all the member’s rights in and to the member’s retirement allowance may be revoked, but upon revocation any unexpended portion of the member’s accumulated contributions to date of retirement shall be returned to the member.

~~(B)~~ ~~To continue to receive a disability retirement allowance, a member who is retired on a disability retirement allowance based upon an application received by the system after December 31, 2013, and who has not yet attained the age of fifty‑five years shall provide proof to the system that the member is qualified for the receipt of Social Security disability benefits. This proof must be submitted to the system within thirty days of the third anniversary of the member’s disability retirement date and within thirty days of each anniversary thereafter. A member’s disability retirement allowance ceases upon a determination by the Social Security Administration that the member is no longer entitled to Social Security disability benefits for any reason. If any disability beneficiary who has not yet attained the age of fifty‑five years refuses to provide proof of disability required by the board, his disability retirement allowance must be discontinued until the member provides such proof. If a member’s refusal to provide proof that the member remains qualified for Social Security disability benefits continues for one year, all of the member’s rights in and to the member’s disability retirement allowance pursuant to this section may be revoked by the board.~~”

SECTION 2. This act takes effect upon approval by the Governor.

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