**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 9‑4‑60, SO AS TO DIRECT THE SOUTH CAROLINA PUBLIC BENEFIT AUTHORITY TO DESIGN, IMPLEMENT, AND MAINTAIN A LONGEVITY PAY PLAN FOR STATE EMPLOYEES AND TO REQUIRE THE GENERAL ASSEMBLY TO FUND THE COSTS OF THE PLAN BY A SPECIFIC APPROPRIATION OF GENERAL FUND REVENUES IN THE ANNUAL GENERAL APPROPRIATIONS ACT.

Whereas, one of the greatest barriers to an effective workforce is constant turnover. Turnover also is costly; and

Whereas, programs rewarding longevity improve workforce recruitment and retention objectives, and programs based on years of service are an integral component in the development of career objectives and job satisfaction; and

Whereas, South Carolina does not have a longevity pay program in place for state employees and there is no reward for long‑term service; and

Whereas, the establishment of a longevity program for state employees is absolutely fundamental to the state’s ability effectively and efficiently to provide the highest quality public service. State employees have and continue to develop special skill sets that are desirable in the public and private sector. The absence of a longevity pay program significantly reduces the state’s ability to retain highly qualified workers and at the same time increases program costs. Now, therefore,

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

SECTION 1. Article 1, Chapter 4, Title 9 of the 1976 Code is amended by adding:

“Section 9‑4‑60. (A) The South Carolina Public Employee Benefit Authority shall design a state employee longevity pay plan for the purpose of reducing turnover in the state’s workforce with particular attention to those categories of employees and employee occupations where turnover generates the greatest continuing additional costs and disruption in the ability of state agencies to carry out their duties. All full-time state employees must be included in the plan, but longevity intervals and amounts may vary based on annual salary and specific employee occupations. Longevity raises must be specific dollar amounts and must be included in the base pay of the eligible employee after any cost of living raise provided to employees in the annual general appropriations act.

(B) The longevity pay plan provided pursuant to subsection (A) of this section must be implemented beginning in fiscal year 2015‑2016, and the estimated cost of the plan for that and succeeding fiscal years must be included in the Governor’s executive budget. The General Assembly, in the annual general appropriations act, shall appropriate from recurring revenues accruing to the general fund of the State the costs of the longevity plan. If general fund appropriations are reduced, or in the absence of full funding of this plan, longevity pay raises are reduced proportionately to reflect available revenues.

(C) Beginning in September 2016, and annually thereafter, the South Carolina Public Employee Benefits Authority shall review the longevity pay plan and make adjustments as it determines appropriate to promote the employee retention purposes of the plan as described in subsection (A) of this section. Changes to the plan may be implemented only at the beginning of a state fiscal year.

(D) The longevity pay plan provided pursuant to this section is an ongoing personnel management tool of the State as an employer, and creates no entitlement and does not give rise to any contract or other right to employees with respect to the operation of the plan currently or as it may be adjusted in the future.”

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

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