**A** **BILL**

TO AMEND SECTION 1‑11‑710, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE STATE HEALTH PLAN, SO AS TO PROVIDE THAT AN ACTIVE OR RETIRED EMPLOYEE MAY REMOVE A DEPENDENT SPOUSE AT ANY TIME AFTER THE PARTIES DIVORCE; AND TO AMEND SECTION 9‑1‑1620, AS AMENDED, RELATING TO ALLOWANCES UNDER THE SOUTH CAROLINA RETIREMENT SYSTEM, SO AS TO PROVIDE A RETIRED MEMBER MAY ALTER THE FORM OF MONTHLY PAYMENTS AT ANY TIME AFTER A CHANGE IN MARITAL STATUS.

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

SECTION 1. Section 1‑11‑710(A) of the 1976 Code, as last amended by Act 278 of 2012, is further amended to read:

“(A) The board shall:

(1) make available to active and retired employees of this State and its public school districts and their eligible dependents group health, dental, life, accidental death and dismemberment, and disability insurance plans and benefits in an equitable manner and of maximum benefit to those covered within the available resources;

(2) approve by August fifteenth of each year a plan of benefits, eligibility, and employer, employee, retiree, and dependent contributions for the next calendar year. The board shall devise a plan for the method and schedule of payment for the employer and employee share of contributions and by July first of the current fiscal year, develop and implement a plan increasing the employer contribution rates of the State Retirement Systems to a level adequate to cover the employer’s share for the current fiscal year’s cost of providing health and dental insurance to retired state and school district employees. The state health and dental plans must include a method for the distribution of the funds appropriated as provided by law which are designated for retiree insurance and also must include a method for allocating to school districts, excluding EIA funding, sufficient general fund monies to offset the additional cost incurred by these entities in their federal and other fund activities as a result of this employer contribution charge. The funds collected through increasing the employer contribution rates for the State Retirement Systems under this section must be deposited in the SCRHI Trust Fund established pursuant to Section 1‑11‑705. The amounts appropriated in this section shall constitute the State’s pro rata contributions to these programs except the State shall pay its pro rata share of health and dental insurance premiums for retired state and public school employees for the current fiscal year;

(3)(a) allow an active or retired employee to remove a dependent spouse from the employee’s group health, dental, life, accidental death and dismemberment, and disability insurance policies at any time after the employee and spouse divorce;

(b) allow an active or retired employee to alter the designated beneficiary of the employee’s group health, dental, life, accidental death and disability insurance at any time after a divorce;

(4) adjust the plan, benefits, or contributions, at any time to insure the fiscal stability of the system;

~~(4)~~(5) set aside in separate continuing accounts in the State Treasury, appropriately identified, all funds, state‑appropriated and other, received for actual health and dental insurance premiums due. Funds credited to these accounts may be used to pay the costs of administering the state health and dental plans and may not be used for purposes of other than providing insurance benefits for employees and retirees. A reserve equal to not less than one and one‑half months’ claims must be maintained in the accounts.”

SECTION 2. Section 9‑1‑1620(B) of the 1976 Code, as last amended by Act 387 of 2000, is further amended to read:

“(B)~~(1)~~ A retired member, ~~within one year~~ at any time after a change in marital status, may revoke the form of monthly payment elected and elect a new form of monthly payment, which must be the actuarial equivalent of the maximum retirement allowance payable to the member under law. The new form of monthly payment is effective on the first day of the month in which the new form of monthly payment is elected.

~~(2)~~ ~~Notwithstanding any other provision of law, a retired member’s form of monthly payment may not be changed more than twice. A reversion to the maximum retirement allowance payable under law upon the death of the beneficiary or beneficiaries as provided in Options B and C of subsection (A) constitutes a change in the form of monthly payment for the purposes of this item.~~”

SECTION 3. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑