



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4673 Amended by the House of Representatives on January 30, 2018
Author: G.M. Smith
Subject: Revocation of Certain Beneficiary Designations
Requestor: Senate Judiciary
RFA Analyst(s): Shuford and Gardner
Impact Date: March 13, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the Public Employee Benefit Authority from paying any death benefits due in accordance with the beneficiary designations made by the members of the employee benefit plans.

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds from the potential increased number of hearings and trials in Family Court as the Judicial Department anticipates that any impact to the General Fund from increased litigation would be managed within current department appropriations.

Explanation of Fiscal Impact

Amended by the House of Representatives on January 30, 2018

State Expenditure

This bill amends the definition of governing instrument in the statutes that control revocations by divorce, annulment, and orders terminating marital property rights to exclude a beneficiary designation made in connection with employee insurance, deferred compensation, and retirement systems administered by the South Carolina Public Employee Benefit Authority (PEBA). Current statutes revoke the disposition or appointment of property or beneficiary designations made by a divorced individual's former spouse in a government instrument. This bill would allow PEBA to pay any death benefits due in accordance with the beneficiary designations made by the members of the employee benefit plans, without those beneficiary designations being subject to automatic revocation pursuant to Section 62-2-507.

Public Employee Benefit Authority. PEBA employee benefit plans account for the payment of benefits in its liabilities and presumes that the benefits will be paid to someone. Pursuant to this bill, PEBA will pay the benefits in accordance with the beneficiary designations made by the members of the plans. Therefore, this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the PEBA employee benefit programs.

Judicial Department. The proposed legislation would exclude State Employee Insurance Plans, South Carolina Deferred Compensation accounts, and South Carolina Retirement System plans from the definition of governing instruments and thus exempt the designations found in those plans from automatic revocation provisions. This change may result in some increased hearings and trials in Family Court, but the department anticipates that any impact to the General Fund from increased litigation will be managed within current appropriations. Therefore, this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director