~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

March 14, 2018

**S. 854**

Introduced by Senators Sheheen, Scott and Nicholson

S. Printed 3/14/18--S.

Read the first time January 9, 2018.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 854) to amend Sections 9‑1‑1540, 9‑9‑65, and 9‑11‑80, all as amended, Code of Laws of South Carolina, 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**

**Explanation of Fiscal Impact**

**Introduced on January 9, 2018**

**State Expenditure**

This bill allows members of the South Carolina Retirement System, the General Assembly Retirement System, and the Police Officers Retirement System that become disabled as a result of an employment related injury to apply for disability retirement benefits within one year of the member’s date of retirement. Current statutes require a retiree to apply for disability retirement benefits within ninety days of the last day the member was employed by a covered employer in the retirement system. Actuarial consultants of the South Carolina Public Employee Benefits Authority advise that the expansion of the application deadline to apply for disability retirement benefits from ninety days to one year will not have an expenditure or revenue impact on the three retirement systems as the change will not materially increase the number of retirees that receive retirement benefits.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTIONS 9‑1‑1540, 9‑9‑65, AND 9‑11‑80, ALL AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DISABILITY RETIREMENT FOR MEMBERS OF THE SOUTH CAROLINA RETIREMENT SYSTEM, THE RETIREMENT SYSTEM FOR MEMBERS OF THE GENERAL ASSEMBLY, AND THE POLICE OFFICERS RETIREMENT SYSTEM, RESPECTIVELY, SO AS TO PROVIDE THAT A MEMBER IS CONSIDERED TO BE IN SERVICE ON THE DATE THE APPLICATION FOR DISABILITY RETIREMENT IS FILED IF THE LAST DAY THE MEMBER WAS EMPLOYED IN THE SYSTEM OCCURRED NOT MORE THAN ONE YEAR BEFORE THE DATE OF FILING.

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

SECTION 1. Section 9‑1‑1540(B)(1) of the 1976 Code, as last amended by Act 278 of 2012, is further amended to read:

“(1) Upon the application of a member in service or of the member’s employer received by the system after December 31, 2013, a member in service who has the earned service required for the member’s class pursuant to Section 9‑1‑1510, or who is disabled as a result of an injury arising out of and in the course of the performance of the member’s duties regardless of length of membership, may be retired by the board if the member is determined to be disabled pursuant to subsection (B)(2) of this section. For purposes of this section, a member is considered to be in service on the date the application is filed if the last day the member was employed by a covered employer in the system occurred not more than ~~ninety days~~ one year before the date of filing and, if the member has retired on a service retirement allowance, the member’s date of retirement occurred not more than ~~ninety days~~ one year before the date of filing.”

SECTION 2. Section 9‑9‑65(1) of the 1976 Code, as last amended by Act 162 of 2010, is further amended to read:

“(1) Upon the application of a member in service or of the State, any member in service on or after July 1, 1977, who has five or more years of credited service or any contributing member who is disabled as a result of an injury arising out of and in the course of the performance of his duties regardless of length of membership on or after July 1, 1985, may be retired by the board not less than thirty days nor more than ninety days next following the date of filing the application on a disability retirement allowance if the system, after a medical examination of the member, shall certify that the member is mentally or physically incapacitated for further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired. For purposes of this section, a member is considered to be in service on the date the application is filed if the member is not retired and the last day the member held office as a member of the General Assembly occurred not more than ~~ninety days prior to~~ one year before the date of filing.”

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

“(1) On the application of a member in service or the member’s employer, a member who has the years of earned service required for the member’s class pursuant to Section 9‑11‑60(1) or any contributing member who is disabled as a result of an injury arising out of and in the course of the performance of the member’s duties regardless of length of membership, may be retired by the retirement board not less than thirty days and not more than nine months next following the date of filing the application on a disability retirement allowance if the system, after a medical examination of the member, certifies that the member is mentally or physically incapacitated for the further performance of duty, that the incapacity is likely to be permanent, and that the member should be retired. For purposes of this section, a member is considered to be in service on the date the application is filed if the member is not retired and the last day the member was employed by a covered employer in the system occurred not more than ~~ninety days~~ one year before the date of filing.

The South Carolina Retirement System may contract with the Department of Vocational Rehabilitation to evaluate the medical evidence submitted with the disability application relative to the job being performed and make recommendations to the system. The system may approve a disability retirement subject to the member participating in vocational rehabilitation with the Department of Vocational Rehabilitation. Upon determination by the department that a member retired on disability is able to reenter the job market and work is available, the retirement system may adjust the benefit paid by the system in accordance with Sections 9‑1‑1580, 9‑1‑1590, 9‑9‑60, and 9‑11‑90.”

SECTION 4. This act takes effect upon approval by the Governor and applies to members who retire after December 31, 2016. A member whose one year deadline has expired or will expire in less than ninety days from the effective date of this act has ninety days from the Governor’s approval of this act to file an application for disability retirement.

‑‑‑‑XX‑‑‑‑