**South Carolina General Assembly**

123rd Session, 2019-2020

**S. 1102**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Cromer

Document Path: l:\council\bills\rt\17688sa20.docx

Introduced in the Senate on February 12, 2020

Currently residing in the Senate Committee on **Finance**

Summary: Income tax credit

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/12/2020 Senate Introduced and read first time ([Senate Journal‑page 5](file:///h:\sj\20200212.docx))

2/12/2020 Senate Referred to Committee on **Finance** ([Senate Journal‑page 5](file:///h:\sj\20200212.docx))

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=1102&session=123&summary=B) at the website

**VERSIONS OF THIS BILL**

[2/12/2020](file:///p:\pprever\2019-20\1102_20200212.docx)

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3810 SO AS TO PROVIDE FOR AN INCOME TAX CREDIT FOR AN EMPLOYER WHO ESTABLISHES CERTAIN GROUP DISABILITY INCOME PROTECTION PLANS AND TO PROVIDE THAT AN EMPLOYER MAY OFFER TO AUTOMATICALLY ENROLL ELIGIBLE EMPLOYEES IN THE PLAN.

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

SECTION 1. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3810. (A) As used in this section:

(1) ‘Employer’ means any person, partnership, for profit or nonprofit corporation, limited liability corporation, the State and its political subdivisions and their agents that employ one or more employees. As used in this definition, ‘agent’ means any former supervisor or the employer’s designee.

(2) ‘Employee’ means any person employed by an employer.

(3) ‘Group disability income protection plan’ means a qualifying group short‑term disability plan or a qualifying group long‑term disability plan instituted by an employer to provide income benefits to an employee unable to work for an extended period of time as a result of illness or accident.

(4) ‘Qualifying short‑term disability plan’ means an employer‑sponsored disability income protection plan that replaces income of at least fifty percent of predisability earnings before any applicable offsets each week, offers benefits for at least six months, and has an elimination period of no more than thirty days.

(5) ‘Qualifying long‑term disability plan’ means an employer‑sponsored disability income protection plan that replaces at least fifty percent of predisability earnings before any applicable offsets, offers benefits for at least twenty‑four months, and has an elimination period of no more than one hundred eighty‑five days.

(B)(1) There is allowed a tax credit against income taxes imposed pursuant to this chapter for an employer in this State, who establishes a group disability income protection plan for employees after January 1, 2021, or reopens an existing plan for new enrollees, in an amount of one hundred dollars for each employee newly enrolled in the group disability income plan.

(2) For purposes of calculating an employer’s tax credit under this section, only employees enrolled for the entire tax year and employees newly enrolled after becoming eligible and enrolled through the end of the tax year are considered enrolled.

(3) An employer may receive a credit against income tax liability for no more than three years for each qualifying employee and must claim the credit for a newly enrolled employee in the first year the employee is enrolled.

(C)(1) An employer may offer to automatically enroll eligible employees in a group disability income protection plan, where the employee pays some portion of the premium.

(2) An enrollment of such policy must contain disclosure to eligible employees of the portion of premiums payable by the employee under the employer‑sponsored plan, the method by which the employee may opt out of coverage, and the date by which the employee may opt out of coverage.

(3) An employee may not be enrolled automatically unless the employee provides the information described in item (2) at least seven days before the initial payroll deduction of employee‑paid premium. The information provided must include a clear and obvious statement of the employee’s right to opt out of coverage, the process by which the employee may exercise the right to opt out of coverage, and the deadline by which to opt out of coverage.”

SECTION 2. This act takes effect after income tax year 2019.

‑‑‑‑XX‑‑‑‑