**South Carolina General Assembly**

124th Session, 2021-2022

**A62, R76, S658**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Bennett

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Introduced in the Senate on March 11, 2021

Introduced in the House on April 13, 2021

Passed by the General Assembly on May 12, 2021

Governor's Action: May 17, 2021, Signed

Summary: Retirement systems secondary beneficiaries

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 3/11/2021 Senate Introduced and read first time ([Senate Journal‑page 3](file:///h%3A%5Csj%5C20210311.docx))

 3/11/2021 Senate Referred to Committee on **Finance** ([Senate Journal‑page 3](file:///h%3A%5Csj%5C20210311.docx))

 3/31/2021 Senate Committee report: Favorable **Finance** ([Senate Journal‑page 11](file:///h%3A%5Csj%5C20210331.docx))

 4/1/2021 Scrivener's error corrected

 4/7/2021 Senate Read second time ([Senate Journal‑page 57](file:///h%3A%5Csj%5C20210407.docx))

 4/7/2021 Senate Roll call Ayes‑43 Nays‑0 ([Senate Journal‑page 57](file:///h%3A%5Csj%5C20210407.docx))

 4/8/2021 Senate Read third time and sent to House ([Senate Journal‑page 41](file:///h%3A%5Csj%5C20210408.docx))

 4/13/2021 House Introduced and read first time ([House Journal‑page 11](file:///h%3A%5Chj%5C20210413.docx))

 4/13/2021 House Referred to Committee on **Ways and Means** ([House Journal‑page 11](file:///h%3A%5Chj%5C20210413.docx))

 5/4/2021 House Committee report: Favorable **Ways and Means** ([House Journal‑page 76](file:///h%3A%5Chj%5C20210504.docx))

 5/6/2021 House Debate adjourned until Tues., 5‑11‑21 ([House Journal‑page 19](file:///h%3A%5Chj%5C20210506.docx))

 5/11/2021 House Requests for debate‑Rep(s).  King, Gilliard, Ott, Pendarvis, Brawley, Wetmore ([House Journal‑page 21](file:///h%3A%5Chj%5C20210511.docx))

 5/11/2021 House Read second time ([House Journal‑page 70](file:///h%3A%5Chj%5C20210511.docx))

 5/11/2021 House Roll call Yeas‑97 Nays‑9 ([House Journal‑page 73](file:///h%3A%5Chj%5C20210511.docx))

 5/12/2021 House Read third time and enrolled ([House Journal‑page 41](file:///h%3A%5Chj%5C20210512.docx))

 5/13/2021 Ratified R 76

 5/17/2021 Signed By Governor

 6/1/2021 Effective date See Act for Effective Date

 6/1/2021 Act No.  62

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**VERSIONS OF THIS BILL**

[3/11/2021](file:///p%3A%5Cpprever%5C2021-22%5C658_20210311.docx)

[3/31/2021](file:///p%3A%5Cpprever%5C2021-22%5C658_20210331.docx)

[4/1/2021](file:///p%3A%5Cpprever%5C2021-22%5C658_20210401.docx)

[5/4/2021](file:///p%3A%5Cpprever%5C2021-22%5C658_20210504.docx)

(A62, R76, S658)

**AN ACT TO AMEND SECTION 1‑11‑710, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE BOARD OF DIRECTORS OF THE SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY MAKING INSURANCE AVAILABLE TO ACTIVE AND RETIRED EMPLOYEES, SO AS TO PROVIDE THAT THE PUBLIC EMPLOYEE BENEFIT AUTHORITY MAY ESTABLISH RULES FOR ELIGIBILITY AND ENROLLMENT FOR FULLY INSURED INSURANCE PRODUCTS FOR WHICH IT IS THE PLAN SPONSOR AND TO PROVIDE THAT MEDICAL EVIDENCE OF INSURABILITY SHALL NOT BE REQUIRED SOONER THAN THIRTY DAYS FROM THE DATE A PERSON IS FIRST ELIGIBLE TO ENROLL IN A FULLY INSURED INSURANCE PRODUCT; TO AMEND SECTION 9‑1‑1650, AS AMENDED, RELATING TO AMOUNTS PAID UPON THE TERMINATION OF EMPLOYMENT UNDER THE SOUTH CAROLINA RETIREMENT SYSTEM, SO AS TO PROVIDE THAT A MEMBER WHO IS NOT RETIRED MAY NAME CONTINGENT BENEFICIARIES IN THE SAME MANNER AS PRIMARY BENEFICIARIES, TO PROVIDE THAT A CONTINGENT BENEFICIARY DOES NOT HAVE CERTAIN RIGHTS UNLESS ALL PRIMARY BENEFICIARIES HAVE PREDECEASED THE MEMBER AND THE MEMBER’S DEATH OCCURS BEFORE RETIREMENT, AND TO PROVIDE THAT A MEMBER MAY NOT NAME A CONTINGENT BENEFICIARY FOR DEATH BENEFITS UNDER A PRERETIREMENT DEATH BENEFIT PROGRAM; TO AMEND SECTION 9‑8‑110, RELATING TO PAYMENTS ON THE DEATH OF A MEMBER OR BENEFICIARY UNDER THE RETIREMENT SYSTEM FOR JUDGES AND SOLICITORS, SO AS TO PROVIDE THAT A MEMBER WHO IS NOT RETIRED MAY NAME SECONDARY BENEFICIARIES IN THE SAME MANNER AS PRIMARY BENEFICIARIES, TO PROVIDE THAT A SECONDARY BENEFICIARY DOES NOT HAVE CERTAIN RIGHTS UNLESS ALL PRIMARY BENEFICIARIES HAVE PREDECEASED THE MEMBER AND THE MEMBER’S DEATH OCCURS BEFORE RETIREMENT, AND TO PROVIDE THAT A MEMBER MAY NOT NAME A SECONDARY BENEFICIARY FOR DEATH BENEFITS UNDER A PRERETIREMENT DEATH BENEFIT PROGRAM; TO AMEND SECTION 9‑9‑100, AS AMENDED, RELATING TO PAYMENTS ON THE DEATH OF A MEMBER OR BENEFICIARY UNDER THE RETIREMENT SYSTEM FOR MEMBERS OF THE GENERAL ASSEMBLY, SO AS TO PROVIDE THAT A MEMBER WHO IS NOT RETIRED MAY NAME CONTINGENT BENEFICIARIES IN THE SAME MANNER AS PRIMARY BENEFICIARIES, TO PROVIDE THAT A CONTINGENT BENEFICIARY DOES NOT HAVE CERTAIN RIGHTS UNLESS ALL PRIMARY BENEFICIARIES HAVE PREDECEASED THE MEMBER AND THE MEMBER’S DEATH OCCURS BEFORE RETIREMENT, AND TO PROVIDE THAT A MEMBER MAY NOT NAME A CONTINGENT BENEFICIARY FOR DEATH BENEFITS UNDER A PRERETIREMENT DEATH BENEFIT PROGRAM; TO AMEND SECTION 9‑11‑110, AS AMENDED, RELATING TO THE LUMP SUM PAID IN THE EVENT OF A DEATH UNDER THE POLICE OFFICERS RETIREMENT SYSTEM, SO AS TO PROVIDE THAT A MEMBER WHO IS NOT RETIRED MAY NAME CONTINGENT BENEFICIARIES IN THE SAME MANNER AS PRIMARY BENEFICIARIES, TO PROVIDE THAT A CONTINGENT BENEFICIARY DOES NOT HAVE CERTAIN RIGHTS UNLESS ALL PRIMARY BENEFICIARIES HAVE PREDECEASED THE MEMBER AND THE MEMBER’S DEATH OCCURS BEFORE RETIREMENT, AND TO PROVIDE THAT A MEMBER MAY NOT NAME A CONTINGENT BENEFICIARY FOR DEATH BENEFITS UNDER A PRERETIREMENT DEATH BENEFIT PROGRAM; AND TO REPEAL CHAPTER 2, TITLE 9 RELATING TO THE RETIREMENT AND PRERETIREMENT ADVISORY PANEL.**

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

**PEBA duties**

SECTION 1. Section 1‑11‑710 of the 1976 Code is amended by adding an appropriately lettered subsection to read:

 “( ) Notwithstanding the provisions of Section 38‑71‑730(3), for all fully insured insurance products where the South Carolina Public Employee Benefit Authority (PEBA) is the plan sponsor, PEBA may establish rules for eligibility and enrollment, including the timeframes for submitting enrollment elections and required supporting documentation. In no event may medical evidence of insurability be required sooner than thirty days from the date a person is first eligible to enroll in a fully insured insurance product.”

**Beneficiaries, SCRS**

SECTION 2. Section 9‑1‑1650 of the 1976 Code, as last amended by Act 149 of 2018, is further amended to read:

 “Section 9‑1‑1650. (A) If a member ceases to be a teacher or employee except by death or retirement, the member must be paid within six months after the member’s demand for payment, but not less than ninety days after ceasing to be a teacher or employee, the sum of the member’s contributions and the accumulated regular interest on the contributions. If the member has five or more years of earned service or eight or more years of such service for a Class Three member, and before the time the member’s membership would otherwise terminate, elects to leave these contributions in the system, the member, unless these contributions are paid to him as provided by this section before the attainment of age sixty, remains a member of the system and is entitled to receive a deferred retirement allowance beginning at age sixty computed as a service retirement allowance in accordance with Section 9‑1‑1550(A) or (B) for Class One and Class Two members and Section 9‑1‑1550(C) for Class Three members. The employee annuity must be the actuarial equivalent at age sixty of the member’s contributions with the interest credits on the contributions, if any, as allowed by the board. If a member dies before retirement, the amount of the member’s accumulated contributions must be paid to the member’s estate or to the person the member nominated by written designation filed with the board.

 (B) Upon the death of a member who did not select a survivor option or who selected a survivor option and the member’s designated beneficiary predeceased the member, a lump sum amount must be paid to the member’s designated beneficiary or the member’s estate if total member contributions and accrued interest at the member’s retirement exceed the sum of the retirement allowances paid to the member. Upon the death of a designated beneficiary selected under a survivor option, a lump sum amount must be paid to the beneficiary’s estate if total member contributions and accrued interest at the member’s retirement exceed the sum of the retirement allowances paid to the member and the member’s beneficiary. The lump sum payment must be the total member contributions and accrued interest at retirement less the sum of the retirement allowances paid to the member or in the case of a survivor option, the total member contributions and accrued interest at retirement less the sum of the retirement allowances paid to the member and the member’s designated beneficiary. This paragraph does not govern lump sum distributions payable on account of members retiring under former Option 1 of Section 9‑1‑1620 or on account of members retiring before July 1, 1990, under former Option 4 of Section 9‑1‑1620.

 (C) A member who is not retired making the nomination provided under this section also may name contingent beneficiaries in the same manner that primary beneficiaries are named. A contingent beneficiary has no rights under this chapter unless all primary beneficiaries nominated by the member have predeceased the member and the member’s death occurs before retirement. In this instance, a contingent beneficiary is considered the member’s beneficiary for purposes of this section and Section 9‑1‑1660, if applicable. A member may not name a contingent beneficiary with respect to death benefits provided under Section 9‑1‑1770.”

**Beneficiaries, judges and solicitors**

SECTION 3. Section 9‑8‑110(1) of the 1976 Code is amended to read:

 “(1) Except as provided in subsections (2) and (3) of this section, upon the death of any member of the system, a lump sum amount must be paid to the persons the member nominated by written designation, filed with the board, otherwise to his estate. This amount must be equal to the amount of the member’s accumulated contributions. A member who is not retired making the nomination provided under this section also may name secondary beneficiaries in the same manner that primary beneficiaries are named. A secondary beneficiary has no rights under this chapter unless all primary beneficiaries nominated by the member predecease the member and the member’s death occurs before retirement. In this instance, a secondary beneficiary is considered the member’s beneficiary for purposes of subsections (1), (2), and (3) of this section. A member may not name a secondary beneficiary with respect to death benefits provided under subsections (5) and (7) of this section.”

**Beneficiaries, GARS**

SECTION 4. Section 9‑9‑100(1) of the 1976 Code is amended to read:

 “(1) Upon the death of a member of the system, a lump sum amount must be paid to the person the member nominated by written designation, filed with the board, otherwise to the member’s estate. This lump sum amount must be equal to the amount of the member’s accumulated contributions. A member who is not retired making the nomination provided under this item also may name contingent beneficiaries in the same manner that primary beneficiaries are named. A contingent beneficiary has no rights under this chapter unless all primary beneficiaries nominated by the member have predeceased the member and the member’s death occurs before retirement. In this instance, a contingent beneficiary is considered the member’s beneficiary for purposes of this item and item (3) of this section, if applicable. A member may not name a contingent beneficiary with respect to death benefits provided under subsections (4) and (5) of this section.”

**Beneficiaries, PORS**

SECTION 5. Section 9‑11‑110(3) of the 1976 Code is amended to read:

 “(3) A member who is not retired making the nomination provided under subsection (1) of this section also may name contingent beneficiaries in the same manner that primary beneficiaries are named. A contingent beneficiary has no rights under this chapter unless all primary beneficiaries nominated by the member have predeceased the member and the member’s death occurs before retirement. In this instance, a contingent beneficiary is considered the member’s beneficiary for purposes of subsection (1) of this section and Section 9‑11‑130, if applicable. A member may not name a contingent beneficiary with respect to death benefits provided under Section 9‑11‑120.”

**Repeal**

SECTION 6. A. Chapter 2, Title 9 of the 1976 Code is repealed.

B. This SECTION takes effect on July 1, 2021.

**Time effective**

SECTION 7. Except as otherwise provided, this act takes effect upon approval by the Governor.

Ratified the 13th day of May, 2021.

Approved the 17th day of May, 2021.

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