



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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<b>Bill Number:</b>	H. 4548	Introduced on January 9, 2024
<b>Author:</b>	Oremus	
<b>Subject:</b>	Earnings Limitation	
<b>Requestor:</b>	House Ways and Means	
<b>RFA Analyst(s):</b>	Tipton	
<b>Impact Date:</b>	March 28, 2024	

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### **Fiscal Impact Summary**

This bill removes the earnings limitation of \$10,000 for retired school bus drivers who are members of the South Carolina Retirement System (SCRS) who return to a job covered by the SCRS or another system under the Public Employee Benefit Authority (PEBA) after a thirty-day period without affecting their retirement allowance. Currently, a retired school bus driver and member of the SCRS who retires under the system and returns to a covered job after a thirty-day period may earn up to \$10,000 before his monthly retirement allowance is impacted.

This bill will have a minimal impact on the SCRS. The Department of Education (SCDE) anticipates that approximately 200 school bus drivers that are retired or plan to retire this year will return to work under this bill after the required thirty-day period. For reference, there were 5,108 school bus drivers employed by the state in FY 2022-23. According to the actuarial analysis provided by PEBA, 200 working retirees may increase annual retirement disbursements by up to \$2,000,000, which is approximately 0.02 percent of covered payroll. While it is possible that some current and future retirees, absent this bill, would choose to return to work in lieu of receiving their retirement allowance, or work part-time below the earnings limit, this analysis assumes that most future retirees that return to work due to this bill would have otherwise retired according to the normal eligibility requirements resulting in the full disbursement of their retirement funds. In addition, retirees that return to work under this bill will continue to contribute to the SCRS as required by law.

### **Explanation of Fiscal Impact**

#### **Introduced on January 9, 2024**

#### **State Expenditure**

This bill removes the earnings limitation of \$10,000 for retired school bus driver members of the SCRS who return to a job covered by the SCRS or another system under PEBA after a thirty-day period without affecting the monthly retirement allowance. Currently, a retired school bus driver and member of the SCRS who retires under the system and returns to a covered job after a thirty-day period may earn up to \$10,000 before his monthly retirement allowance is impacted.

Based on data provided by the Department of Education (SCDE), there were 5,108 bus drivers employed by the state in FY 2022-23. The agency indicates that approximately 125 bus drivers

were planning to retire by the end of the year and may do so under this bill, vested in the SCRS, and may return to work while receiving their full retirement benefits thirty days after retirement. SCDE further anticipates approximately 75 currently retired school bus drivers receiving a SCRS retirement allowance may return to work under the bill. In total, the department anticipates that 200 retirees receiving a full retirement allowance may return to work as bus drivers absent the earnings limitation. PEBA tasked actuarial and benefit consultants with determining the impact of this bill on the SCRS. According to the actuaries, the annual increase in the disbursement of funds from the SCRS for the 200 working retirees will be between \$1,000,000 and \$2,000,000 per year. This distribution is approximately 0.01 to 0.02 percent of the current SCRS covered payroll. Therefore, this bill will have a minimal impact on the SCRS. While it is possible that some current and future retirees, absent this bill, would choose to return to work in lieu of receiving their retirement allowance, or work part-time below the earnings limit, this analysis assumes that most future retirees that return to work due to this bill would have otherwise retired according to the normal eligibility requirements resulting in the full disbursement of their retirement funds. In addition, retirees that return to work under this bill will continue to contribute to the SCRS as required by law.

**State Revenue**

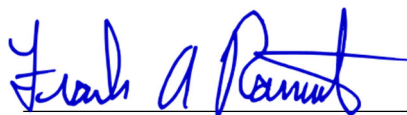
N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director