SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 4576 Amended by the House Ways and Means General Government Legislative Subcommittee on March 31, 2026
Subject:	Special Purpose Districts Retirement
Requestor:	House Ways and Means
RFA Analyst(s):	Tipton
Impact Date:	April 9, 2026

Fiscal Impact Summary

This bill as amended changes the definition of an employer for the state Optional Retirement Program (ORP) to include Special Purpose Districts (SPDs) or commissions of public works that have elected to participate in the ORP. The bill specifies that SPDs or commissions of public works that participate in the South Carolina Retirement System (SCRS) may also become participating employers in the ORP by applying to the board of the Public Employee Benefit Authority (PEBA). The application must be filed at least six months prior to the requested effective date of participation, which must be July 1, 2027, or any subsequent July first. The bill further changes the definition of an employee eligible to participate in the ORP to include employees hired by SPDs or commissions of public works after the employer's effective date of participation in the ORP.

This bill as amended will have no impact on PEBA or the state retirement system, as the agency indicates that providing the ORP benefit to employees of SPDs that have elected to participate in the program under the requirements of the bill will have a minimal effect on the retirement system. The agency further notes that implementing the amended bill will be managed with existing resources.

This bill as amended is not expected to have an impact on SPDs or commissions of public works in the state, as the employer contribution rate for the ORP is the same as the SCRS at 18.56 percent in FY 2025-26, and the ORP benefits would only be available to current SCRS participant SPDs or commissions of public works that elect to participate in the ORP under the bill.

Explanation of Fiscal Impact

Introduced on January 13, 2026
State Expenditure
This bill as amended changes the definition of an employer for the state ORP to include SPDs or commissions of public works that have elected to participate in the ORP. The bill specifies that SPDs or commissions of public works that participate in the SCRS may also become participating employers in the ORP by applying to the board of PEBA. The application must be filed at least six months prior to the requested effective date of participation, which must be July

1, 2027, or any subsequent July first. The bill further changes the definition of an employee eligible to participate in the ORP to include employees hired by SPDs or commissions of public works after the employer's effective date of participation in the ORP.

PEBA indicates that providing the ORP benefit to employees of SPDs or commissions of public works who have elected to participate in the program under the requirements of the bill will have a minimal effect on the retirement system. The agency further notes that implementing the amended bill will be managed with existing resources. Therefore, this bill as amended will have no impact on PEBA or the state retirement system.

State Revenue
N/A

Local Expenditure
This bill allows SPDs and commission of public works to participate in the OPR, if they are participants of the SCRS and meet the requirements of this bill.

This bill is not expected to have an impact on local SPDs or commissions of public works in the state, as the employer contribution rate for the ORP is the same as SCRS at 18.56 percent in FY 2025-26. Further, the ORP benefit would only be available to current SCRS participant SPDs or commissions of public works that elect to participate in the ORP under the requirements of the bill.

Local Revenue
N/A

Frank A. Rainwater, Executive Director