



# 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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**Bill Number:** H. 4577 Introduced on January 13, 2026  
**Subject:** Master-in-Equity Retirement  
**Requestor:** House Ways and Means  
**RFA Analyst(s):** Tipton  
**Impact Date:** January 28, 2026

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### Fiscal Impact Summary

This bill provides that after December 31, 2026, any full-time master-in-equity shall participate in the South Carolina Police Officers Retirement System (PORS). Currently, all full-time Masters-in-Equity are members of the South Carolina Retirement System (SCRS). The bill specifies that from July 1, 2025, to January 1, 2026, a master-in-equity who elects to transfer credited service from the SCRS to PORS may do so upon payments as provided in this bill.

This bill will have no expenditure impact on the Public Employee Benefit Authority (PEBA) or the retirement programs, as the agency indicates that adding full-time masters-in-equity to PORS will have a minimal effect on the system. PEBA notes that up to 23 masters-in-equity will shift from SCRS to PORS. The agency further indicates that implementing the changes in the bill will be managed with existing resources.

Revenue and Fiscal Affairs (RFA) surveyed all counties in the state to determine the local impact of this bill and received responses from Charleston, Dorchester, Florence, Sumter, Calhoun, and Clarendon Counties. Each responding county anticipates an increase in local expenses due to the increase in employer contributions for masters-in-equity. The increase for each county will depend upon the number of masters-in-equity and their current salaries.

### Explanation of Fiscal Impact

#### Introduced on January 13, 2026

##### State Expenditure

This bill provides that after December 31, 2026, any full-time master-in-equity shall participate in PORS. Full-time masters-in equity are currently members of SCRS. The bill specifies that from July 1, 2026, to January 1, 2027, a full-time master-in-equity who elects to transfer credited service received under the SCRS to PORS may do so upon payment of the accumulated employer and employee contributions and interest in SCRS plus 5 percent of their annual salary in effect as of June 30, 2026, for each year of service prorated for periods of less than a year. After January 1, 2027, a master-in-equity may elect to transfer credited service received under SCRS to the PORS as provided in Section 9-11-40(9).

This bill will have no expenditure impact on the Public Employee Benefit Authority (PEBA) or the retirement programs, as the agency indicates that adding full-time masters-in-equity to PORS

will have a minimal effect on the system. PEBA notes that up to 23 masters-in-equity will shift from SCRS to PORS. The agency further indicates that implementing the changes in the bill will be managed with existing resources.

**State Revenue**

N/A

**Local Expenditure**

This bill provides that after December 31, 2026, any full-time master-in-equity shall participate in PORS. Full-time masters-in equity are currently members of SCRS.

In FY 2026-27, the employer contribution rate for PORS will be 21.24 percent, while the contribution rate for SCRS will be 18.56 percent. County governments provide the employer contribution to the state retirement system on behalf of the masters-in-equity. RFA surveyed all counties in the state and received responses from Charleston, Dorchester, Florence, Sumter, Calhoun, and Clarendon Counties on the potential impact of the bill. Charleston, Florence, Dorchester, Sumter, and Calhoun Counties estimated the cost of the increased employer contribution rate shown in the following table.

| <b>Additional Employer Contribution Expenses in FY 2026-27</b> |         |
|--|---------|
| Charleston County  | \$5,831 |
| Florence County  | \$5,000 |
| Dorchester County  | \$4,758 |
| Sumter County  | \$2,940 |
| Calhoun County   | \$600   |

Clarendon County indicates that the cost for the full-time master-in-equity position in the county would increase by the same percentage increase as the employer contribution rate. Therefore, this bill is expected to increase local expenditures for county governments by between \$600 and \$5,900 per year beginning in FY 2026-27 and will vary depending on the number of masters-in-equity serving in the county and their salaries.

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director