



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

WWW.RFA.SC.GOV • (803)734-3793

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.

Bill Number: S. 0933 Amended by Senate Finance Special Subcommittee on March 31, 2026
Subject: Legislative Salary
Requestor: Senate Finance
RFA Analyst(s): Miller
Impact Date: April 16, 2026

Fiscal Impact Summary

This bill increases the compensation for members of the General Assembly to \$15,000 and the in-district legislative service allowance to \$32,500, for a total of \$47,500. This amount will be subject to an inflationary adjustment on a biennial basis after elections for the House of Representatives, not to exceed 5 percent. The biennial adjustment will be calculated by Revenue and Fiscal Affairs (RFA), published on its website, and the adjusted amount will be transmitted to the Senate and House prior to the second Tuesday in January in the appropriate year.

This bill will have no expenditure impact for RFA as the agency can manage the additional responsibility of calculating the biennial inflationary salary increase within existing resources.

This bill increases members' salaries from \$10,400 to \$15,000 and in-district service allowance from \$12,000 to \$32,500, resulting in an increase in each member's total compensation of \$25,100. There are 170 members in the General Assembly. Therefore, this bill will result in an annual increase in total expenses of approximately \$4,267,000, comprised of \$3,112,400 for the 124 House members and \$1,154,600 for the 46 Senate members.

The Public Employee Benefit Authority (PEBA) provided an actuarial analysis performed by GRS Consulting to determine the impact of the increased compensation level to the General Assembly Retirement System (GARS), the South Carolina Retirement System (SCRS), and the Optional Retirement Program (ORP) as each will be impacted by the increased salaries of members. Section 9-9-10(13) defines earnable compensation for the purposes of GARS as 40 times the daily rate of remuneration plus \$12,000. Therefore, this bill is increasing the earnable compensation for GARS purposes from \$22,400, comprised of the current salary of \$10,400 plus \$12,000, to \$27,000, comprised of the increased compensation of \$15,000 plus \$12,000. However, both SCRS and ORP will recognize the members' entire proposed compensation of \$47,500. Overall, if the changes are funded based on the five-year amortization schedule, the increase in the actuarial liability including \$8,558,000 for GARS and \$2,525,000 for SCRS and ORP would be \$11,083,000. Alternatively, if the increases in liability are funded immediately, the total increase in the cost including \$31,494,000 for GARS and \$2,525,000 for SCRS would be \$34,019,000.

Explanation of Fiscal Impact

Amended by Senate Finance Special Subcommittee on March 31, 2026

State Expenditure

This bill increases the compensation for members of the General Assembly to \$15,000 and in-district legislative service allowance to \$32,500, for a total of \$47,500. This amount will be subject to an inflationary adjustment on a biennial basis after elections for the House of Representatives, not to exceed 5 percent. The biennial adjustment will be calculated by RFA, published on its website, and the adjusted amount will be transmitted to the Senate and House prior to the second Tuesday in January in the appropriate year.

RFA can manage the additional responsibility of calculating the biennial inflationary salary increase within existing resources. Therefore, this bill will have no expenditure impact for RFA.

Based on information provided by PEBA, members currently receive earnable compensation of \$22,400, comprised of \$10,400 daily remuneration for 40 days and \$12,000 for in-district expense allowance. This bill increases members' salaries to \$15,000 and the in-district service allowance to \$32,500, for a total of \$47,500, resulting in an increase in each member's total compensation of \$25,100. There are 170 members in the General Assembly. Therefore, this bill will result in an annual increase in total expenses of approximately \$4,267,000, comprised of \$3,112,400 for the 124 House members and \$1,154,600 for the 46 Senate members.

For information, in-district payments, made pursuant Proviso 91.13 in the FY 2025-26 Appropriations Act, were permanently enjoined as the South Carolina Supreme Court found the proviso to be unconstitutional.¹ However, S. 779 of 2026 specifies that all members of the 126th South Carolina General Assembly receive a legislative allowance of \$1,000 per month, retroactive to July 1, 2025.

PEBA provided an actuarial analysis performed by GRS Consulting to determine the impact of the increased compensation level to GARS, SCRS, and ORP as each will be impacted by the increased salaries of members. Section 9-9-10(13) defines earnable compensation for the purposes of GARS as 40 times the daily rate of remuneration plus \$12,000. Therefore, this bill is increasing the earnable compensation for GARS purposes from \$22,400, comprised of the current salary of \$10,400 plus \$12,000, to \$27,000, comprised of the increased compensation of \$15,000 plus \$12,000. The calculations and analysis in the actuarial report are based on the member and financial data as of July 1, 2025, provided to GRS by PEBA. While the proposed legislation is not effective until the signing of the Governor, the actuarial analysis assumes the effective date of the salary increase is July 1, 2025.

As of July 1, 2025, there were 35 active members in GARS. Additionally, there were 40 inactive or special contributors, and 336 retirees and beneficiaries in GARS. Since the retirement benefits for GARS members are based on the current salary, there would be an increase in the benefits that are being paid to the participants in GARS. Further, PEBA's Board's current funding policy

¹ Climer v. Loftis, 447 S.C. 25, 923 S.E.2d 645 (2025).

specifies that each year's new unfunded liability is financed over a five-year period. Additionally, the actuarial analysis anticipates a growth rate of 2.25 percent for annual salary increases for General Assembly members. Based on these assumptions, the State's contribution for FY 2026-27 will increase by \$8,558,000, from \$5,737,000 to \$14,295,000, to fund the change based on a five-year amortization schedule. The funded ratio would decline from 84.1 percent to 57.8 percent. However, given the increased liability, the report notes that the State may alternatively consider immediately funding the entire increase in actuarial liability due to the proposed salary, increased with one-year of interest which totals \$31,494,000. Making the larger contribution immediately will maintain the financial condition of GARS and result in lower contributions in future years.

Additionally, there are 92 members in the SCRS and ORP programs. Both of these programs will recognize the members' entire proposed compensation of \$47,500. The salary increase in the bill will increase the liability of SCRS by approximately \$2,525,000. The actuarial reports note that, while this is a relatively small impact compared to the total liability for SCRS, it should be taken into consideration when making this magnitude of a salary increase.

Overall, if the changes are funded based on the five-year amortization schedule, the total increase in actuarial liability including \$8,558,000 for GARS and \$2,525,000 for SCRS and ORP would be \$11,083,000. Alternatively, if the increases in liability are funded immediately, the total increase in the cost including \$31,494,000 for GARS and \$2,525,000 for SCRS would be \$34,019,000.

State Revenue

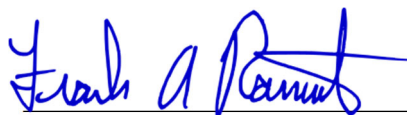
N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director