**South Carolina General Assembly**

122nd Session, 2017-2018

**S. 1040**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Davis and Rice

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Introduced in the Senate on February 22, 2018

Currently residing in the Senate Committee on **Finance**

Summary: Retirement system

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/22/2018 Senate Introduced and read first time ([Senate Journal‑page 5](file:///h:\sj\20180222.docx))

2/22/2018 Senate Referred to Committee on **Finance** ([Senate Journal‑page 5](file:///h:\sj\20180222.docx))

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**VERSIONS OF THIS BILL**

[2/22/2018](file:///p:\pprever\2017-18\1040_20180222.docx)

**A** **BILL**

TO AMEND SECTION 9‑1‑1085, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO EMPLOYER AND EMPLOYEE CONTRIBUTION RATES, SO AS TO PROVIDE THAT, BEGINNING JULY 1, 2019, ALL NEW EMPLOYEES SHALL PARTICIPATE IN A DEFINED CONTRIBUTION PLAN, AND TO REQUIRE THE PARTICIPATING EMPLOYERS OF THE SYSTEM TO APPROPRIATE CERTAIN FUNDS.

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

SECTION 1. Section 9‑1‑1085 of the 1976 Code is amended by adding an appropriately lettered subsection to read:

“( )(1) Notwithstanding any other provisions of law, beginning July 1, 2019, all new employees shall participate in a defined contribution retirement plan as established by the Public Employee Benefit Authority (PEBA), and the system must be closed to new members who are hired after June 30, 2019, and do not have a current account in the system. Participating employers in the system shall remit additional contributions to the system over a twenty‑year period in order to pay the net present value of the increase in employer contributions that would be required if the plan is closed to new members effective July 1, 2019. The amount of these payments is determined by the system’s actuary based upon the annual actuarial valuation of the system as of July 1, 2018, and the first payment must be remitted to the system by July 31, 2019. Each employer’s remittance is allocated based upon that employer’s proportionate share of the total compensation for the plan calculated from employer contributions reported in the Schedule of Employer Allocations in the audit report for Governmental Accounting Standards Board (GASB) 68 for the fiscal year ending June 30, 2018.

(2) The PEBA board shall oversee the twenty‑year installment payments, and an interest rate set by the system’s actuary must be charged over the life of the installment period. The actuarial cost must be fixed, and the participant employers are not subject to increases or subsequent adjustments once the first installment payment is made.”

SECTION 2. This act takes effect upon approval by the Governor.

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