

June 2016 legislative update

The South Carolina Public Employee Benefit Authority (PEBA) manages the state's employee insurance programs and retirement systems. PEBA staff monitor legislation that may impact the programs and services the agency provides.

This 2016 legislative update includes a summary of legislation related to insurance and retirement benefits that was enacted into law during the 2016 session of the South Carolina General Assembly.

Some of the following changes were made as part of individual pieces of legislation, and others were made as provisos within the Appropriations Act (annual budget bill). Provisos are in effect for the budget year only (July 1, 2016, through June 30, 2017). Provisos can be recurring, which means they are included in the budget bill each year, or new. Detail for new provisos is included in this update. A list of PEBA-related recurring provisos is also included on Page 2 of this update.

Primary benefits changes

Senate Bill 381 – Act 202

Effective June 3, 2016, public employees who terminate employment within one year of retirement eligibility have five business days after their termination date to purchase any service credit they would otherwise have been able to purchase before the termination.

House Bill 5270 – Act 277

Effective June 15, 2016, membership dues for members of the Society of Former Agents of the State Law Enforcement Division can be deducted from the benefit payment former law enforcement officers receive from their PEBA-administered retirement plan.

Proviso related to retirement for FY17

Appropriations Act, Proviso 106.2

Provides funding in the current fiscal year for South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS)

employer contribution rates increases for SCRS and PORS employers. Funds shall be allocated to state agencies and school districts by the Department of Administration, Executive Budget Office.

Recurring PEBA-related provisos for FY17

Appropriations Act, Proviso 108.1

Authorizes participation in state health and dental plans for certain state agency board members and commissioners and for magistrates in participating counties

Appropriations Act, Proviso 108.2

Provides for the Employee Adoption Assistance Program to provide grants to eligible employees to assist them with the direct costs of adoption.

Appropriations Act, Proviso 108.3

Authorizes PEBA to include a tobacco user surcharge for the state health plans.

Appropriations Act, Proviso 108.4

Provides that no funds appropriated for employer contributions to the State Health Insurance Plan may be expended to reimburse the expenses of an abortion and provides for limited exceptions.

Appropriations Act, Proviso 108.5

Authorizes PEBA to offer a group TRICARE Supplement policy or policies to its TRICARE-eligible subscribers.

Appropriations Act, Proviso 108.6 (with updates)

This proviso authorizes an employer premium increase of 0.8 percent for the 2017 State Health Plan (January 1 through December 31, 2017). There are no premium or copayment increases for subscribers. The proviso also authorizes PEBA to adjust the plan, benefits, or contributions of the State Health Plan during Plan Year 2017 to ensure the fiscal stability of the Plan.

Appropriations Act, Proviso 108.7

Excludes the amount of the appropriation for the National Guard Pension Fund from the calculation of any across-the-board cut mandated by the State Fiscal Accountability Authority or the General Assembly.

Appropriations Act, Proviso 108.8

An active State Optional Retirement Program (State ORP) participant who has an inactive South Carolina Retirement System (SCRS) account as a result of previous public service may transfer the contributions in his inactive SCRS account to his State ORP account.

Appropriations Act, Proviso 108.9

All pharmacy publications or lists must include independent retail pharmacies. Abridged pharmacy lists are prohibited.

Appropriations Act, Proviso 108.10

Effective January 1, 2017, covered contraceptives will be offered at no cost to eligible State Health Plan primary members and their spouses.