

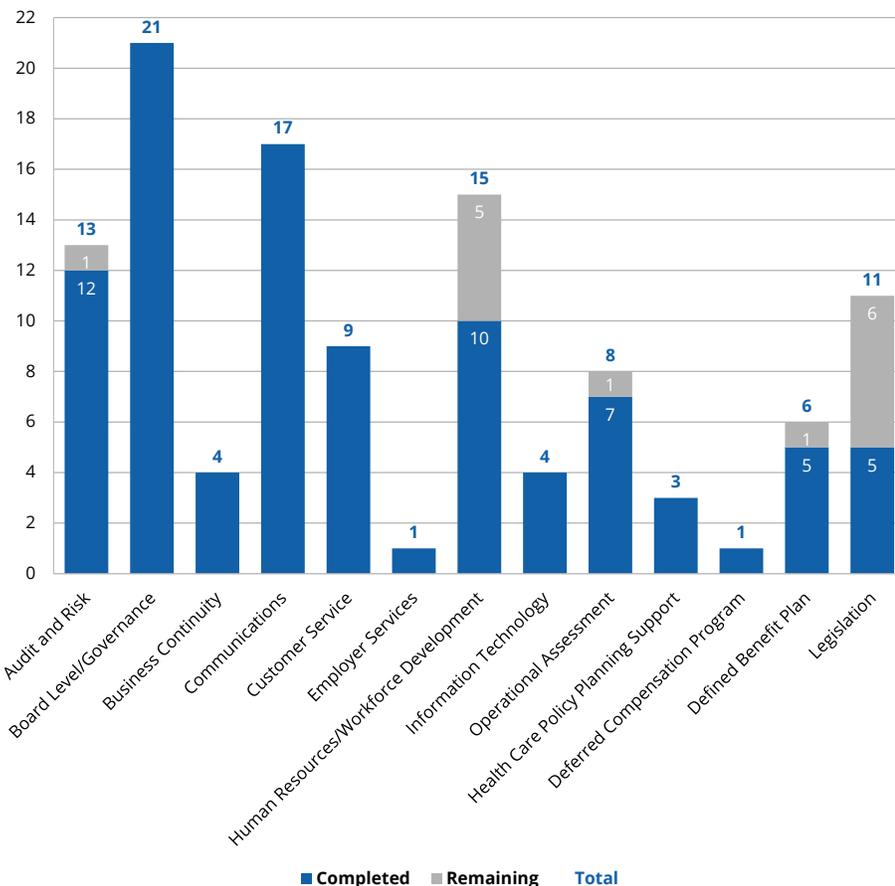
ISSUE BRIEF

SEPTEMBER 2018

Recommendations by category

The Final Report, available at www.peba.sc.gov, identified 113 recommendations for improvement and was issued on January 16, 2015. Of the recommendations presented, 102 can be addressed by PEBA directly. Legislative changes by the General Assembly are needed for 11 of the recommendations.

As of September 1, 2018, PEBA has completed 92 percent of the recommendations in its purview. Five of the 11 recommendations needing legislative changes have been enacted.



Tasks completed

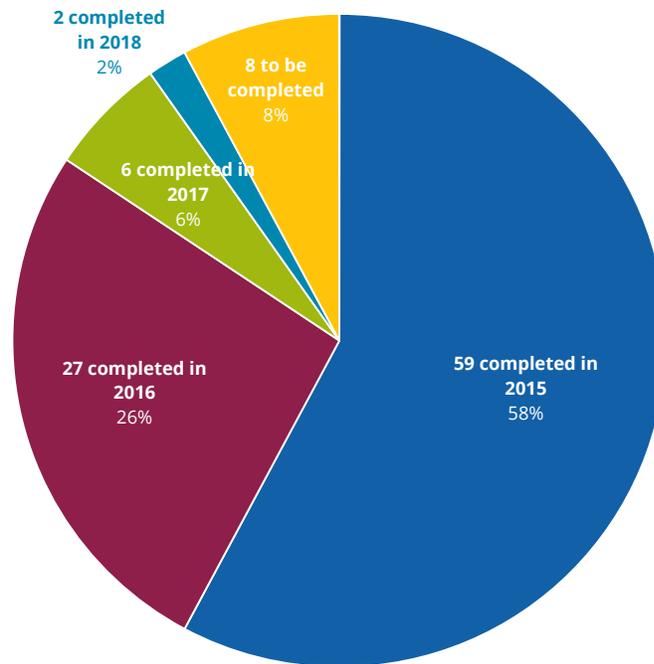
- Developed and staffed risk management program;
- Updated the Board of Directors' governance documents to incorporate recommendations made during the fiduciary audit;
- Completed an actuarial audit of the defined benefit plans;
- Implemented a comprehensive IT security plan and expanded IT security resources;
- Began process of procuring a new custom off-the-shelf (COTS) IT system, which includes completing an assessment of existing IT systems, hiring a client services vendor and data conversion vendor, and issuing a request for qualifications for the COTS IT system;
- Developed and tested a business continuity plan;
- Created an Employer Services unit to better serve the needs of our employers and host on-going Employer Advisory Group meetings;
- Developed and implemented a compensation policy;

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Tasks completed, cont.

- Created a position for and hired a training director;
- Implemented a formal new employee orientation program;
- Developed and implemented a workforce plan;
- Enhanced PEBA's ability to communicate with members via email;
- Launched a consolidated agency website; and
- Procured and deployed a new Customer Contact Center call management system.

Recommendations in PEBA's purview



Legislation addresses recommendations

Enacted in 2017

The Retirement System Funding and Administration Act of 2017, addressed four recommendations.

- Simplifies and clarified the fiduciary governance for the retirement systems and insurance programs to reduce conflicts and overlapping fiduciary authority;
- Updated the PEBA Board of Directors' appointment process to include staggered terms, and imposed a term limit of two four-year terms;
- Changed the statutory meeting requirement for the PEBA Board from monthly to quarterly; and
- Included a provision in future legislation to replace references to the Budget and Control Board with the State

Fiscal Accountability Authority.

The pension legislation also took several important steps to increase funding to the retirement systems, improving the financial condition of the plan more quickly and incorporating a cushion for some future adverse investment experience. The legislation:

- Decreased the assumed rate of return effective July 1, 2017;
- Changes employee and employer contribution rates effective July 1, 2017; and
- Reduced the funding period.

Enacted in 2018

House bill 4869, addressed one recommendation. The bill removed a notarization requirement to facilitate electronic transactions of certain beneficiary designations for the South Carolina Retirement Systems.

Adult well visits covered beginning January 1, 2019

Beginning January 1, 2019, adult well visits will be covered as a contractual service for the State Health Plan Standard Plan subject to copayments, deductibles and coinsurance.

The benefit will be available to all non-Medicare primary adults age 19 and older who are covered by the Standard Plan. Members can take advantage of this benefit at an eligible network provider. The Plan will only cover one visit in covered years based on the following schedule:

- Ages 19-39, one visit every three years;
- Ages 40-49, one visit every two years; and
- Ages 50 and up, one visit per year.