



Meeting Agenda

**| Health Care Policy Committee | Finance, Administration, Audit and Compliance Committee
| Retirement Policy Committee | Board of Directors**

Wednesday, March 6, 2024 | 202 Arbor Lake Drive., Columbia, SC 29223 | 1st Floor Conference Room

Board of Directors | 2:30 p.m.

- I. Call to Order
- II. Approval of Meeting Minutes- December 6, 2023
- III. Retirement Systems Investment Performance Update
- IV. Committee Reports
 - i. Health Care Policy Committee
 - a) State Health Plan Amendment
 - ii. Finance, Administration, Audit and Compliance Committee
 - iii. Retirement Policy Committee
- V. Old Business
 - i. Director's Report
 - ii. RoundTable Discussion
- VI. Adjournment

Notice of public meeting

This notice is given to meet the requirements of the S.C. Freedom of Information Act and the Americans with Disabilities Act. Furthermore, this facility is accessible to individuals with disabilities, and special accommodations will be provided if requested in advance.

**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
BOARD MEETING**

Meeting Date: March 6, 2024

1. Subject: Retirement Systems Investment Performance Report

2. Summary: Mr. Mike Hitchcock and Mr. Geoff Berg will present investment performance as of December 31, 2023.

3. What is the Board asked to do? Receive as information

4. Supporting Documents:

(a) Attached:

**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
BOARD MEETING**

Meeting Date: March 6, 2024

1. Subject: Amendment to the definition of “Employee” for the State Insurance Benefits Program

2. Summary: Since its inception in the early 1970s, the State Health Plan has provided that an employee of a participating employer must be employed in a “full-time” position—i.e., working at least 30 hours per week—in order to participate in the insurance benefits offered to the state’s public employees. Based upon that requirement, as a general rule, members of governing boards of participating employers are not eligible to participate in the state insurance benefits program because they are not “full-time” employees working over 30 hours per week. However, when legislation was adopted to allow counties and municipalities to participate in the insurance benefits program in 1988 and 1994, respectively, the Budget and Control Board determined that the legislation allowed members of their legislative bodies—i.e., county and municipal councils—to participate in the insurance program, regardless of their hours worked, if they would otherwise be eligible to participate as employees in the state’s insurance and retirement plans.

Over the years, some counties and municipalities have expressed to PEBA the financial difficulties they face in providing state insurance benefits to the members of their governing bodies. Others have expressed that the availability of the state insurance benefits program is a valuable benefit to their councilmembers. In recognition of the unique financial situations faced by local governments throughout the State, and their varied needs in attracting and retaining both qualified employees and elected officials, PEBA staff recommends that the definition of “Employee” for the purposes of eligibility to participate in the state insurance benefits program be amended to allow councils of participating counties and municipalities to exercise a one-time, irrevocable option to exclude their councilmembers from the definition of “Employee.”

To ensure proper application and to protect against adverse selection, this option must be exercised on the required PEBA form and must be made at the time a county or municipality elects to participate in the state insurance benefits program, with the exception that currently participating counties and municipalities may exercise this option no later than July 1, 2024.

3. What is the Board asked to do? Amend the definition of “Employee” for the purposes of eligibility to participate in state insurance benefits program, effective immediately, to allow the councils of participating counties and municipalities to exercise a one-time, irrevocable option to exclude their councilmembers from the definition of “Employee.”

4. Supporting Documents:

Amended Plan Definitions

State Health Plan and State Dental Plan Amended Definitions

State Health Plan:

2.33 Employee

A person employed by an Employer on a Full-Time basis, and who receives compensation from a department, agency, board, commission, or institution of the State, including clerical and administrative Employees of the General Assembly and judges in the State courts. Retirees who return to work with an Employer are considered Employees for purposes of eligibility under the Plan.

For purposes of this Plan, the term shall include other Employees that the General Assembly has made eligible for coverage by law, including Employees of a public school district, county, municipality, or other Employer that has qualified for and is participating in coverage under the Plan. The members of the South Carolina General Assembly and elected members of the councils of participating counties or municipalities, whose council members are eligible to participate in the South Carolina Retirement Systems, and Part-Time Teachers are also Employees for purposes of the Plan. Councils of participating counties and municipalities may exercise a one-time, irrevocable option to exclude their councilmembers from the definition of Employee by timely filing such election in a manner approved by PEBA.

State Dental Plan:

2.21 Employee

A person employed by an Employer on a Full-Time basis, and who receives compensation from a department, agency, board, commission or institution of the State, including clerical and administrative Employees of the General Assembly, and judges in the State courts. Retirees who return to work with an Employer are considered Employees for purposes of eligibility under the Plan.

If an Employer elects to obtain other dental insurance coverage for its persons employed on a nonpermanent Full-Time basis, such persons do not constitute Employees under this Paragraph. For purposes of this Plan, the term shall include other Employees that the General Assembly has made eligible for coverage by law, including Employees of a public school district, county, municipality, or other Employer that has qualified for, and is participating in, coverage under the Plan. The members of the South Carolina General Assembly and elected members of the councils of participating counties or municipalities, whose council members participate in the South Carolina Retirement Systems, and Part-Time Teachers, are also Employees for purposes of the Plan. Councils of participating counties and municipalities may exercise a one-time, irrevocable option to exclude their councilmembers from the definition of Employee by timely filing such election in a manner approved by PEBA.