**South Carolina General Assembly**

125th Session, 2023-2024

**H. 5019**

**STATUS INFORMATION**

General Bill

Sponsors: Rep. W. Jones

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Introduced in the House on February 1, 2024

Currently residing in the House Committee on **Ways and Means**

Summary: Small Business Retirement Savings Plan and Trust Act

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 2/1/2024 House Introduced and read first time (House Journal‑page 12)

 2/1/2024 House Referred to Committee on **Ways and Means** (House Journal‑page 12)

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**VERSIONS OF THIS BILL**

[02/01/2024](https://www.scstatehouse.gov/sess125_2023-2024/prever/5019_20240201.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING ARTICLE 19 TO CHAPTER 1, TITLE 9 SO AS TO ENACT THE “SOUTH CAROLINA SMALL BUSINESS RETIREMENT SAVINGS PLAN AND TRUST FUND ACT” TO ESTABLISH RETIREMENT SAVINGS PLANS AND TRUST FUNDS FOR SMALL BUSINESSES IN SOUTH CAROLINA.

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

SECTION 1. This act may be cited as the “South Carolina Small Business Retirement Savings Plan and Trust Act”.

SECTION 2. Chapter 1, Title 9 of the S.C. Code is amended by adding:

Article 19

Small Business Retirement Savings Plan and Trust Fund

 Section 9‑1‑2300. The purpose of this article is to establish the “South Carolina Small Business Retirement Savings Plan and Trust Fund”, a retirement savings plan and trust for small businesses in South Carolina, thereby promoting retirement savings and financial security for employees and reducing the financial burden on the state’s social safety net programs.

 Section 9‑1‑2310. As used in this article:

 (1) “Employer” means a small business with less than ten million dollars in sales that has existed for a minimum of three years.

 (2) “Employee” means an individual who works for an employer and is eighteen years of age or older.

 (3) “Fund” means the South Carolina Small Business Retirement Savings Plan and Trust Fund.

 (4) “Retirement savings plan” means an individual retirement account (IRA).

 Section 9‑1‑2320. (A) Employers with less than one million dollars in sales shall pay an annual participation fee of five hundred dollars to the fund.

 (B) Employers with sales between one million dollars and five million dollars shall pay an annual participation fee of one thousand dollars to the fund.

 (C) Employers with sales between five million dollars and ten million dollars shall pay an annual participation fee of one thousand five hundred dollars to the fund.

 Section 9‑1‑2330. (A) There is created the “South Carolina Small Business Retirement Savings Plan and Trust Fund” for the purpose of providing a retirement savings plan for employees of small businesses.

 (B) The fund must be administered by the South Carolina State Treasurer’s Office. This fund is separate and distinct from the general fund of the State and all other funds. The fund shall consist of appropriations and donations, contributions, bequests, or other gifts. Earnings and interest on this fund must be credited to it and any balance in this fund at the end of the fiscal year carries forward in the fund in the succeeding fiscal year.

 Section 9‑1‑2340. The fund must be governed by a board consisting of seven members. The Chairman of the Senate Finance Committee shall select three members, the Chairman of the House Ways and Means Committee shall select three members, and the Governor shall select one member to serve as the chairman of the governing board.

 Section 9‑1‑2350. The initial one thousand dollars invested by the employee must be placed in a savings account that the employee can access at will. This account must be replenished before investments in the IRA will begin again.

 Section 9‑1‑2360. The Treasurer’s Office shall submit investment options and strategies to the board for approval on an annual basis. The board shall review and approve the investment options and strategies before they are implemented.

 Section 9‑1‑2370. The Treasurer’s Office shall invest the assets of the fund in a manner consistent with the prudent investor rule. The investment earnings on the assets of the fund must be credited to the account of each participant.

 Section 9‑1‑2380. The Treasurer’s Office shall administer the fund in accordance with this article. The Treasurer's Office may contract with a private entity to provide administrative services.

 Section 9‑1‑2390. The Treasurer’s Office annually shall report to the General Assembly on the performance of the fund. The report must include information on participation rates, investment returns, and any other matters considered to be relevant by the Treasurer’s Office.

 Section 9‑1‑2400. The fund must be subject to annual audits by the State Auditor. The audits must examine the financial statements, investment practices, and administrative practices of the fund.

 Section 9‑1‑2410. The fund established under this article must be portable and belong to the employee. An employee who terminates employment with a participating employer may rollover his account balance to a qualified retirement plan or IRA.

SECTION 3. This act takes effect upon approval by the Governor.

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