

## Amendment: CT 2

Representative Bannister proposes the following amendment:

### Public Employee Benefit Authority - Section 108

New:

**108.op.** *(PEBA: Optional Payment of Employee Contributions by Employer) No later than July 1, 2021, an employer in the South Carolina Retirement System or the Police Officers Retirement System may elect to pay all or a portion of the employee contribution set out in Sections 9-1-1085 and 9-11-225, respectively, of the 1976 Code with respect to its employees during the fiscal year. In lieu of the deductions from compensation required by Sections 9-1-1020, 9-1-1160, and 9-11-210, as applicable, an employer electing to pay employee contributions under this provision hereby elects to pick up all or a portion of the employee contributions required by Sections 9-1-1085 and 9-11-225, as applicable, for the fiscal year without a reduction or offset from its employees' compensation. Employee contributions picked up without such reduction or offset from the employee's compensation shall be treated as employer contributions in determining federal tax treatment under Section 414(h)(2) of the United States Internal Revenue Code, but shall be credited as employee contributions for the purposes of the South Carolina Retirement System or the Police Officers Retirement System. An employer making the election provided by this provision shall be deemed to have taken formal action to provide that the contributions on behalf of its employees, although designated as employee contributions, shall be paid by the employer in lieu of employee contributions. The employer shall pay these employee contributions from the same source of funds which is used in paying earnings to the employee. The employee, however, must not be given any option of choosing to receive the contributed amount of the pick ups directly instead of having them paid by the employer to the South Carolina Retirement System or the Police Officers Retirement System. An employer's election to pick up contributions without a reduction or offset from its employees' compensation pursuant to this proviso may not be changed during the fiscal year. Employee contributions picked up by an employer pursuant to this provision without a reduction or offset from the member's compensation are: 1) not earnable compensation for the purposes of the South Carolina Retirement System or the Police Officers Retirement System; and 2) shall be deposited in the employee's South Carolina Retirement System or Police Officers Retirement System individual accumulated contribution account described in Sections 9-1-10(1), 9-11-10(2) and (6), and 9-11-260(2), as applicable, of the 1976 Code.*

**PROVISO SUBCOMMITTEE AMENDMENT**