~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

May 19, 2016

**S. 381**

Introduced by Senators Shealy, Bright, Turner, Johnson, Young, Jackson, Grooms, Sabb, Thurmond, Massey, Allen, Sheheen, Davis, Hembree, L. Martin, Bryant, Peeler, Alexander, Lourie, Cromer, Setzler and Scott

S. Printed 5/19/16--H.

Read the first time March 24, 2015.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (S. 381) to amend Section 8‑11‑620(A)(1) of the 1976 Code, relating to leave and lump‑sum payments upon termination of employment, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

W. BRIAN WHITE for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

The bill, as amended, would have no expenditure impact to the general fund, federal funds, and other funds.

**Explanation of Fiscal Impact**

**Explanation of Amendment (March 17, 2015) - By Senate Finance Committee**

**State Expenditure**

This bill would amend Section 8-11-620 to provide that any public employee who is terminated within one year of retirement eligibility will have five business days after termination to purchase the remaining service time in order to attain retirement eligibility. The amended bill further clarifies that this bill includes active members of the South Carolina Retirement System and South Carolina Police Officers Retirement System.

The Public Employee Benefits Authority indicates that this bill, as amended, would have no expenditure impact to the general fund, federal funds, and other funds since members are required to purchase service time at actuarial cost.

**Explantion of Bill filed January 28, 2015**

This bill would amend Section 8-11-620 to provide that any public employee who is terminated within one year of retirement eligibility will have five days after termination to purchase the remaining service time in order to attain retirement eligibility.

The public Employee Benefits Authority indicates that thus bill would have no expenditure impact to the general fund, federal funds, and other funds since members are required to purchase service time at actuarial cost.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 8‑11‑620(A)(1) OF THE 1976 CODE, RELATING TO LEAVE AND LUMP‑SUM PAYMENTS UPON TERMINATION OF EMPLOYMENT, TO PROVIDE THAT ANY PUBLIC EMPLOYEE WHO IS TERMINATED WITHIN ONE YEAR OF FULL RETIREMENT SHALL HAVE FIVE DAYS AFTER TERMINATION TO PURCHASE THE REMAINING TIME.

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

SECTION 1. Section 8‑11‑620(A)(1) of the 1976 Code is amended to read:

“Section 8‑11‑620. (A)(1) Upon termination from state employment, an employee may take both annual leave and a lump‑sum payment for unused leave, but this combination may not exceed forty‑five days in a calendar year except as provided in Section 8‑11‑610. If an employee dies, the employee’s legal representative is entitled to a lump‑sum payment for the employee’s unused leave, not to exceed forty‑five working days, except as provided in Section 8‑11‑610. An active member of the South Carolina Retirement System or South Carolina Police Officers Retirement System who is terminated within one year of retirement eligibility shall have five business days after the date of termination to purchase any service credit that the member is otherwise eligible to purchase as provided in Section 9‑1‑1140 or Section 9‑11‑50 in order to attain retirement eligibility.”

SECTION 2. Section 9‑1‑1140 of the 1976 Code, as last amended by Act 278 of 2012, is further amended by adding a subsection at the end to read:

“(O) An active member who is terminated within one year of retirement eligibility shall have five business days after the date of termination to purchase any service credit that the member is otherwise eligible to purchase under this section.”

SECTION 3. Section 9‑11‑50 of the 1976 Code, as last amended by Act 278 of 2012, is further amended by adding a subsection at the end to read:

“(O) An active member who is terminated within one year of retirement eligibility shall have five business days after the date of termination to purchase any service credit that the member is otherwise eligible to purchase under this section.”

SECTION 4. This act takes effect upon approval by the Governor.

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