



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

**Bill Number:** H. 3787 Introduced on February 2, 2021  
**Author:** G. M. Smith  
**Subject:** Retirement System, Judges and Solicitors  
**Requestor:** House Ways and Means  
**RFA Analyst(s):** Miller  
**Impact Date:** February 23, 2021

**Fiscal Impact Summary**

This bill will result in an increase of \$106,000 in General Fund expenditures beginning in FY 2021-22 for the Attorney General’s Office for the increase in employer contribution to the judges and solicitor’s retirement system.

Additionally, the one-time cost to offset the unfunded liability resulting from this bill is estimated to be approximately \$1,070,000. The actuarial report recommends that the General Assembly fund this increase due to the relatively low funded ratio of the system.

**Explanation of Fiscal Impact**

**Introduced on February 2, 2021**

**State Expenditure**

This bill adds the Attorney General to the retirement system for judges and solicitors (JSRS). Currently, the Attorney General is a member of the South Carolina Retirement System (SCRS) as established under §9-1-20. This bill would move the Attorney General from the State Retirement System to the retirement system for judges and solicitors. According to an actuarial analysis and additional information provided from PEBA the AG’s retirement employee and employer contributions will be based on a solicitor’s salary and the contribution rates will increase as well. The following estimates are based on the assumption of 28 years of service credited.

		<b>Current SCRS</b>	<b>H. 3787 JSRS</b>	<b>Impact</b>
Salary	a	\$92,000	\$192,000	N/A
Employer Contribution Rate	b	16.56%	62.94%	
Employer Contribution	c (a x b)	\$15,000	\$121,000	\$106,000
Member Contribution Rate	d	9%	10%	
Member Contribution	e (a x d)	\$8,000	\$19,000	\$11,000.00

*(continued on next page)*

		<b>Current SCRS</b>	<b>H. 3787 JSRS</b>	<b>Impact</b>
Benefit Multiplier	f	50.96%	81.98%	
Annual Retirement Benefit	g (a x f)	\$47,000	\$157,000	\$110,000

This bill will result in an increase in General Fund expenditures of \$106,000, annually beginning in FY 2021-22 for the Attorney General’s Office to cover the difference in the employer contribution to the different retirement funds. Additionally, The Attorney General will also have to increase employee contributions by \$11,000. However, this will have no expenditure impact on the agency. This will also result in an increase of retirement benefits for the AG of \$110,000, which will be managed by the JSRS through the employer and employee contributions.

Further, based on the actuarial report provided by PEBA, this bill will result in an increase in the unfunded liability of \$1,070,000. The actuarial report recommends that the General Assembly fund this increase in unfunded liability due to the relatively low funded ratio of 42.5 percent. If the General Assembly chooses to fund this increase, this bill will result in an additional one-time expenditure increase of \$1,070,000 in FY 2021-22.

**State Revenue**

N/A

**Local Expenditure**

N/A

**Local Revenue**

N/A

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Frank A. Rainwater, Executive Director