



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: S. 0067 Introduced on January 14, 2025
Subject: Attorney General Retirement
Requestor: Senate Finance
RFA Analyst(s): Welsh
Impact Date: April 7, 2025

Fiscal Impact Summary

This bill defines the Attorney General (AG) as a solicitor of the state and specifies that the AG may elect to become a member of the Judges and Solicitors Retirement System (JSRS) on July 1, 2024. Additionally, for purposes of calculating a retirement or other benefits, the salary used is the higher of the salary provided by law for the AG or a circuit solicitor.

This bill will result in an increase in recurring expenses for the Attorney General's Office by approximately \$98,000 for the increase in employer contribution to JSRS if the AG elects to join JSRS. Additionally, the Attorney General's Office will be responsible for an additional \$98,000 to cover the retroactive employer contribution, resulting in a total increase in expense of \$196,000 in FY 2025-26 and \$98,000 each year thereafter. The Attorney General's Office anticipates requesting an additional General Fund appropriation to cover this expense. Additionally, the actuarial report provided by the Public Employment Benefit Authority (PEBA) indicates the one-time expense to offset the unfunded liability resulting from this bill is estimated to be approximately \$1,270,000 in FY 2025-26. Also, the funded ratio of the system of 48.7 percent that will decrease to 48.6 percent if the change is not funded.

Explanation of Fiscal Impact

Introduced on January 14, 2025

State Expenditure

This bill defines the AG as a solicitor of the state and specifies that the AG may elect to become a member of JSRS on July 1, 2024. Additionally, for purposes of calculating retirement or other benefits, the AG's salary is the higher of the salary provided by law for the AG or a circuit solicitor. Currently, the AG is a member of the SC Retirement System (SCRS) as established under Section 9-1-20. This bill allows the AG to transition from SCRS to JSRS. For purposes of this analysis, the actuarial report provided by PEBA anticipates the AG will choose to become a member of JSRS and transfer prior years of service to JSRS. Section 9-8-50(B) allows members in JSRS who have earned service in SCRS, the Police Officers Retirement System (PORS), or the General Assembly Retirement System (GARS) to transfer that service to JSRS by making a payment to JSRS equal to the current required member contribution for each year of serviced transferred. Currently the member contribution requirement is 10 percent of pay for each year of service. However, the increase in the value of the member's benefit, or actuarial cost, in JSRS is

three to five times greater than the member’s contribution requirement to transfer service from the other system.

The calculations to determine the AG’s retirement benefits under this bill are based on a solicitor’s salary, which is \$217,575, rather than the AG’s salary of \$208,000. The following estimates are based on the assumption of 28 years of service credited and may vary depending on actual service.

Comparison of Retirement Benefits for the AG					
SCRS Salary Base \$208,000		JSRS Salary Base \$217,575		Increase	
Employee Contribution	Employer Contribution	Employee Contribution	Employer Contribution	Employee Increase	Employer Increase
9.00%	18.56%	10.00%	62.94%	1.00%	44.38%
\$19,000	\$39,000	\$22,000	\$137,000	\$3,000	\$98,000

This bill will result in an increase in recurring expenses for the Attorney General’s Office by approximately \$98,000 for the increase in employer contribution to JSRS if the AG elects to join JSRS. Additionally, the Attorney General’s Office will be responsible for an additional \$98,000 to cover the retroactive employer contribution, resulting in a total increase in expense of \$196,000 in FY 2025-26 and \$98,000 each year thereafter. The Attorney General’s Office anticipates requesting an additional General Fund appropriation to cover this increase in expenses.

Additionally, the AG will also have to increase annual employee contributions by \$3,000. However, this will have no expenditure impact on the agency. The change will result in an increase of annual retirement benefits for the AG of \$72,000.

Further, based on the actuarial report provided by PEBA, this bill will result in an increase in the unfunded liability of \$1,270,000. According to the actuarial report provided by PEBA, the funded ratio of 48.7 percent that will decrease to 48.6 percent due to this bill. If the General Assembly chooses to fund the increase, this bill will result in an additional one-time expenditure increase of \$1,270,000 in FY 2025-26.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Frank A. Rainwater, Executive Director