

Bloomberg Businessweek**News****SC officers to again pay more for pensions in 2014**

By Seanna Adcox on May 09, 2013

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COLUMBIA, S.C. (AP) — South Carolina's law enforcement officers and firefighters will again be required to put a higher percentage of their salaries toward their retirement benefits than other public workers.

The Budget and Control Board approved recommendations Wednesday that require more than 26,000 officers and firefighters statewide to put 8.41 percent of their paychecks toward their pensions starting in July 2014. That's up from 7.84 percent they'll begin paying this July.

By comparison, teachers and employees of state and local governments will pay 7.5 percent in July and 8 percent a year later.

A law signed a year ago required nearly all public workers to pay more, as part of changes meant to keep the state's pension systems solvent for decades to come. It called for a 1.5 percentage-point increase over three years, with the first increase to 7 percent starting last July.

But consultants warned that the law's scheduled increases aren't enough to sustain the Police Officers Retirement System, which is separate from the main retirement system, as their benefits differ.

"We have to do that to keep the system viable," said House Ways and Means Chairman Brian White, a member of the five-person budget board. "Otherwise, we get in trouble."

The board adopted recommendations from the Public Employee Benefit Authority, which the reform law created. Its duties include periodic evaluations.

The approval also requires state law enforcement agencies as well as local police and fire departments to contribute more. Those taxpayer-funded contributions will increase from 12.84 percent starting in July to 13.41 percent a year later.

Comptroller General Richard Eckstrom said the changes didn't go far enough.

"We're seeing these plans grow weaker and weaker," said Eckstrom, the state's top accountant and member of the Budget and Control Board.

First responders aren't the only group with their own pension plan.

The National Guard, judges and prosecutors, and current legislators also have separate systems. The reform law closed the legislative system, forcing newly elected legislators to participate in the main employee plan.

The rate paid by the state's 144 judges and prosecutors is set by law at 10 percent of their salaries. That won't change under Wednesday's votes, but taxpayers will pay more, with the employer rate increasing from 47.33 percent in July to 47.97 percent in July 2014.

Eckstrom said the disparities between the plans are unfair.

"It's not good public policy to have Cadillac plans and pick-up-truck plans," he said, adding he wished he was a judge.

The state's 12,000 National Guard service members don't contribute toward their pensions. The votes on Wednesday mean taxpayers will contribute slightly more toward their retirement, as well as legislators'.

If the pension law hadn't passed last year, taxpayers were expected to have to pony up an additional \$147 million in 2013-14 for public pensions. The threat of that looming bill helped secure final passage of the reform proposal on the last day of the regular legislative session.

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