

*South Carolina Firefighters Association
February 7, 2021*

FY21-22 Executive Budget: The Governor's Executive Budget

- Eliminates all state income taxes on the retirement pay of career military veterans and first responders, as well as retired state and federal law enforcement officers, firefighters and peace officers.
- Recommends adding a proviso to retain experienced Law Enforcement Officers and First Responders by exempting the earnings limitation imposed pursuant Section 9-11- 90 of the 1976 Code for retired members of the Police Officers Retirement System who retired before December 31, 2020 and return to covered employment to enhance the state's efforts to provide quality public safety. The return-to-work proviso is located in Section 108 of the Governor's Budget. *At this point in the budget process, the House Ways and Means Committee is where provisos are being discussed. The proviso in the Governor's Budget and several stand-alone bills relating to returning to work under covered employment have been offered. PEBA is responsible for providing guidance and expertise regarding impacts of all. Conversations are ongoing regarding this initiative. Stand-alone legislation includes:*

S. 328 — Deletes the earnings limitation relating to the amount of compensation that may be earned upon returning to covered employment under the Police Officers Retirement System.

S. 361 — Relates to the amount of compensation that may be earned upon returning to covered employment under the South Carolina Retirement System and the Police Officers Retirement System, respectively.

H. 3557 — Revises the earning limitation upon return to covered employment in the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS). Increases the amount that may be earned without affecting the monthly retirement allowance from \$10,000 to \$65,000 for covered employment in the SCRS and PORS.

Current Return to Work Limitations - This rule, which can have a large impact on your income, does not limit the amount you can earn from covered employment. Instead, it limits your retirement benefit once your earnings from covered employment exceed the \$10,000 limit. There are exceptions to the earnings limitation:

- Members who retired before January 2, 2013, regardless of age at retirement.
- SCRS members who retired on or after January 2, 2013, but were age 62 or older on their date of retirement.
- PORS members who retired on or after January 2, 2013, but were age 57 or older on their date of retirement.
- Teachers who meet a critical needs exception. The S.C. Department of Education must annually certify that a member is working in a critical needs area, either academic or geographic.
- Class One law enforcement officers who retired under PORS prior to January 1, 2018, and are employed as critical needs school resource officers. PEBA must be notified of the officer's exemption, and this exemption is contingent on continued approval in each year's budget.
- Members who receive compensation for service as an elected official, service as an appointee of the Governor with confirmation by the South Carolina Senate or service by appointment or election by the General Assembly.

Unless you meet an exception to the limitation, you will receive your retirement benefit until you earn \$10,000 from employment in a covered position during a calendar year. Once you reach this amount, your monthly retirement benefit stops for the rest of the year. The limit resets the following calendar year. The limit remains in effect for as long as you have covered employment.

- Recommends adding a proviso directing the Department of Labor, Licensing and Regulation to distribute funds to the South Carolina Firefighter Assistance Support Team (FAST) to reimburse firefighters and emergency medical technicians who incur mental injury as a result of a critical incident during the scope of employment. \$250,000 is recommended. *The Department of Labor, Licensing and Regulation requested recurring funds for the PTSD initiative from the Ways and Means Transportation and Regulatory Budget Subcommittee which is comprised of Rep. Shannon Erickson (Ch.), Rep. Craig Gagnon and Rep. Mark Willis. During the Subcommittee meeting on January 27, 2021, the PTSD proviso was adopted. Ways and Means continues to consider budget requests.*
- Recommends \$850,000 in one-time funding to purchase equipment for the Emergency Response Task Force. These funds will be used to purchase equipment and supplies from current state-approved contractors. Emergency Response Task Force responds to natural and man-made disasters by providing search and rescue, medical support, damage assessment and assistance in the coordination of relief. SC-TF1 is a search and rescue team that provides a coordinated response to disasters, particularly in urban environments. Emphasizing location and extraction of victims trapped in largely populated areas, the SC-TF1 is capable of responding to state and national disasters, including floods, hurricanes, earthquakes, widespread tornadoes and man-made technology and terrorist events. In order to succeed in its stated mission, SC-TF1 should have needed equipment and supplies that are ready for deployment at a moment's notice. The Emergency Response Task Force Division recently completed a comprehensive inventory of all of its equipment. Through this inventory process, it has identified equipment that needs replacement or updating, as well as equipment that is missing to better fulfill the capabilities of the task force. This equipment includes swift water and flood rescue equipment, medical equipment, wide area search and rescue equipment and equipment that will support the incident support team functions of the task force. If this equipment or supplies are not funded, SC-TF1's ability to respond during an emergency situation could be diminished resulting in harm to the public. *The Ways and Means Transportation and Regulatory Budget Subcommittee is placing a priority on the funding request for the Emergency Response Task Force.*

Firefighter Cancer Health Care Benefit Plan – Section 23-9-197

The Firefighter Cancer Health Care Benefit Plan signed into law 9/28/20 by Governor McMaster is a supplemental insurance policy available to volunteer and career firefighters. The law states that upon a diagnosis of cancer, a firefighter is entitled to benefits, if a firefighter is a resident of South Carolina and has been in a South Carolina Fire Department for at least five continuous years and within ten years of last date of active service. Upon medical diagnosis, a firefighter is reimbursed up to \$12,000 annually for any out-of-pocket medical expenses to include but not limited to; deductibles, copayments, or coinsurances costs incurred. An additional benefit of \$20,000 is provided upon a diagnosis as defined and not to exceed one benefit payment per calendar year. In the case of death, as a result of the cancer or circumstances, a \$75,000 death benefit is provided.

The funding component located in the Cancer Benefit bill was removed from the bill due to uncertain revenues associated with the pandemic. The fire service requested funding for the Cancer Benefit Plan be reinstated. This proposed language requires 75 percent of the one percent fire insurance premium tax to be directed to Other Funds revenue of the Division of Fire and Life Safety. This results in a shift of \$3,784,000 of the tax revenue from the General Fund to Other Funds. Therefore, this proposal will decrease General Fund revenue by \$3,784,000 and increase Other Funds revenue of LLR by \$3,784,000 in FY 2021-22.

- *Emily Farr, Director of LLR and Chief Charlie King, Executive Director of the SC State Firefighters' Association requested funding for the Firefighter Cancer Health Care Benefit Plan. The Ways and Means*

Transportation and Regulatory Budget Subcommittee heard the request and agreed to add a line in the LLR budget as a place holder to begin the discussion of funding for the Cancer Benefit Plan. Ways and Means continues to consider budget requests.

Senate Bills Regarding Matters Associated with the Fire Service in South Carolina

Senate Weekly Meetings

[S. 94](#) — (PTSD) Provides that a limitation on stress, mental injuries, and mental illness for Workers' Compensation claims does not apply to a first responder diagnosed with post-traumatic stress disorder.

[S. 149](#) — Provides that current volunteer firefighters are eligible for ad valorem tax exemption on property they own.

[S. 176](#) — Establishes the "South Carolina Shared-Risk Defined Benefit Plan".

[S. 194](#) — Allows a South Carolina income tax deduction of all military retirement income and first responder retirement income.

[S. 196](#) — Revises the definition of the term "fireworks prohibited zone" to include any public beach or public beach access designated and posted by a local governing body.

[S. 234](#) — Provides that an employer, under the South Carolina Retirement System and the Police Officers Retirement System respectively, may elect to pay all or a portion of required employee contributions during a fiscal year up to certain limits.

[S. 282](#) — Provides that a limitation on stress, mental injuries, and mental illness for workers' compensation claims does not apply to a first responder diagnosed with post-traumatic stress disorder.

[S.327](#) – Provides that each semester all public schools including charter schools whose instruction is not primarily delivered online, shall conduct one fire drill, one active shooter/intruder drill and one severe weather/earthquake drill. This changes current law which allows for *at least two* of these drills per year.

[S. 328](#) — Deletes the earnings limitation relating to the amount of compensation that may be earned upon returning to covered employment under the Police Officers Retirement System.

[S. 345](#) — Directs the Department of Labor, Licensing and Regulation to promulgate certain emergency regulations to establish a mandatory, temporary standard for employers to control, prevent, and mitigate the spread of COVID-19 to and among employees and employers.

[S. 361](#) — Relates to the amount of compensation that may be earned upon returning to covered employment under the South Carolina Retirement System and the Police Officers Retirement System, respectively.

[S. 401](#) — Allows the governing body of a county to suspend the limitation for millage increases for the purpose of supporting a fire protection district.

[S. 402](#) — Provides that a limitation on stress, mental injuries, and mental illness for Workers' Compensation claims does not apply to a first responder diagnosed with post-traumatic stress disorder.

[S. 460](#) — Revises the duties of resident fire marshals, and who may exercise these duties. Deletes antiquated language and provides for technical changes.

House Bills Regarding Matters Associated with the Fire Service in South Carolina

House of Representatives Weekly Meetings

[H. 3032](#) — Increases the amount that may be earned without affecting the monthly retirement allowance from \$10,000 to \$50,000 for covered employees in the South Carolina Retirement System and the South Carolina Police Officers Retirement System, respectively.

[H. 3038](#) — Provides that it is unlawful for a law enforcement officer or paramedic to inject ketamine into a criminal suspect as a means to incapacitate him.

[H. 3106](#) — Provides that an employer, up to certain limits, may elect to pay all or a portion of required employee contributions during a fiscal year under the South Carolina Retirement System and the Police Officers Retirement System, respectively.

[H. 3134](#) — Provides that if a participating employer in the South Carolina Retirement System or the Police Officers Retirement System, respectively, engages a certain member of the system to perform services, then the participant employer shall pay to the system the employer contribution that would be required if the member received the compensation as an active contributing member of the system.

[H. 3165](#) — Creates the "Fallen First Responder Survivor Advocate" position within the Department of Administration.

[H. 3192](#) — Establishes a presumption that a first responder, health care provider, or correctional officer contracting COVID-19 is entitled to Workers' Compensation benefits as an occupational disease.

[H. 3252](#) — Simplifies the definition of fire departments and the projects on which grant funds may be expended in the VSAFE program.

[H. 3292](#) — Adds that assault and battery of a high and aggravated nature occurs when a person injures a federal, state, or local law enforcement officer or corrections officer, a firefighter, or an emergency medical services (EMS) worker in the discharge of or because of their official duties.

[H. 3329](#) — (Joint Resolution) Provides for an exemption for close-contact service providers who were required to close by executive order of the Governor due to the COVID-19 pandemic from license renewal fee requirements and continuing education requirements until one year after they are allowed to return to work by the Governor has lapsed.

[H. 3349](#) — Allows a South Carolina income tax deduction of all military retirement income and first responder retirement income.

[H. 3557](#) — Revises the earning limitation upon return to covered employment in the South Carolina Retirement System (SCRS) and Police Officers Retirement System (PORS). Increases the amount that may be earned without affecting the monthly retirement allowance from \$10,000 to \$65,000 for covered employment in the SCRS and PORS.

[H. 3380](#) — Provides a deduction for any income attributable to a person who served as a volunteer first responder during the tax year.

[H. 3466](#) — Provides procedures through which a fire department that assumes the cost of training a firefighter may be reimbursed for these costs by other fire departments that subsequently hire the firefighter within a certain period of time.

[H. 3491](#) — Enacts the "Citizen and Taxpayer Protection Act". This bill includes enhanced penalties for assault on first responder.

[H. 3541](#) — Provides that the regulation of fires by the state forester does not apply to fires used for the preparation of food or fires used in appropriate enclosures.

[H. 3791](#) — Enacts the Police and Communities Trust (PACT) legislation. This bill includes many components for law enforcement; and provides an exemption to current law allowing that the millage rate limitation may be suspended and the millage rate may be increased to purchase equipment and make expenditures to improve response by law enforcement, fire rescue, and emergency medical services. Expenditures may include salaries and benefits.