



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4673 Signed by Governor on May 18, 2018
Author: G.M. Smith
Subject: Revocation of Certain Beneficiary Designations
Requestor: House of Representatives
RFA Analyst(s): Shuford and Gardner
Impact Date: June 26, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the Public Employee Benefit Authority from paying any death benefits due in accordance with the beneficiary designations made by the members of the employee benefit plans.

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the Judicial Department from the potential increased number of hearings and trials in Family Court as the department anticipates that any impact to the General Fund from increased litigation would be managed within current appropriations.

This bill will have no expenditure impact on local political subdivisions from paying any death benefits due in accordance with the beneficiary designations made by the members of the employee benefit plans.

Explanation of Fiscal Impact

Signed by Governor on May 18, 2018

State Expenditure

This bill amends the definition of governing instrument in the statutes that control revocations by divorce, annulment, and orders terminating marital property rights to exclude a beneficiary designation made in connection with a governmental employee benefit plan administered by the South Carolina Public Employee Benefit Authority (PEBA) or a local political subdivision of the State. Prior to this bill, statutes automatically revoked the disposition or appointment of property or beneficiary designations in a government instrument.

This bill will allow PEBA and governmental employee benefit plans of political subdivisions of the State to pay any death benefits due in accordance with the beneficiary designations made by the members of the employee benefit plans. These beneficiary designations will not be subject to automatic revocation pursuant to Section 62-2-507.

Public Employee Benefit Authority. PEBA employee benefit plans account for the payment of benefits in its liabilities and presumes that the benefits will be paid to someone. Pursuant to this bill, PEBA will pay the benefits in accordance with the beneficiary designations made by the members of the plans. Therefore, this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the PEBA employee benefit programs.

Judicial Department. The bill excludes State and local government employee benefit plans from the definition of governing instruments and thus exempts the designations found in those plans from automatic revocation provisions. This change may result in some increased hearings and trials in Family Court, but the department anticipates that any impact to General Fund expenditures of the department from increased litigation will be managed within current appropriations. Therefore, this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds of the department.

State Revenue

N/A

Local Expenditure

Political subdivisions of the State will pay benefits in accordance with the beneficiary designations made by the members of the employee benefit plans. Since these plans account for the payment of benefits in its liabilities and presumes that the benefits will be paid to someone, this bill will have no expenditure impact on local political subdivisions.

Local Revenue

N/A



Frank A. Rainwater, Executive Director