PEBA
SC Retirement Systems and State Health Plan

South Carolina Public Employee Benefit Authority
Serving those who serve South Carolina

Meeting Agenda

Health Care Policy Committee |Finance, Administration, Audit and Compliance Committee|Retirement Policy Committee| Board of Directors

Wednesday, August 5, 2026 | 202 Arbor Lake Dr., Columbia, SC 29223| 1st Floor Conference Room

Finance, Administration, Audit and Compliance Committee | 11:30 a.m.

I. Call to order
II. Approval of meeting minutes – June 3, 2026
III. Election of Vice Chairman
IV. FY 2028 agency administrative budget review and approval
V. Internal Audit reports
  i. Internal Audit Plan update
  ii. Internal Audit report for MyBenefits Program Controls
  iii. Internal Audit report for Member Access Program Controls
VI. Old business/Director's report
VII. Adjournment

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
Finance, Administration, Audit and Compliance Committee

Meeting Date: August 5, 2026

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1. **Subject**: Election of FAAC Committee Vice-Chairman

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2. **Summary*:*** According to the PEBA Board Bylaws: At the first committee meeting after the Chairman's appointment of the standing committee members and chairmen each even-numbered year, each standing committee shall elect a vice-chairman to preside over the committee and oversee committee business in the absence of the committee chairman

3. **What is the Committee asked to do**?

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4. **Supporting Documents:**

   (a) Attached: Elect a FAAC Committee Vice-Chairman

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
Finance, Administration, Audit and Compliance Committee

Meeting Date: August 5, 2026

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1. **Subject**: FY 2028 PEBA Agency Administrative Budget Request

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2. **Summary:** The FY 2028 PEBA Agency Budget includes additional budget authorization of $10 million recurring funds for PEBA's IT modernization project, peba:connect. This authorization was approved in FY 2018- FY 2026. The funds remain in the FY 2027 and 2028 request.

3. **What is the Board asked to do**? Approve the FY 2028 Agency Budget as requested

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4. **Supporting Documents:**

   (a) Attached: Fiscal Year 2028 Budget Request

PEBA
SC Retirement Systems and State Health Plan

Fiscal year 2028 budget request

Board of Directors

August 5, 2026

Serving those who serve South Carolina

Operating budget trends

	Authorized budget					
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027 request	FY 2028 request
Trust Funds						
Personal services	$16,558,789	$17,221,140.56	$18,349,540	$18,349,540	$18,283,187	$18,283,187
Other operating	$8,025,601	$7,363,249.44	$5,991,411	$5,991,411	$9,059,440	$9,059,440
Adoption assistance	$300,000	$300,000	$300,000	$300,000	$300,000	$300,000
Employer contributions	$7,145,701	$7,145,701	$7,389,140	$11,389,140	$8,387,464	$8,387,464
New IT system project	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000	$10,000,000
Subtotal	**$42,030,091**	**$42,030,091**	**$42,030,091**	**$46,030,091**	**$46,030,091**	**$46,030,091**
General Funds	$112,368,739	$112,368,739	$112,368,739	$112,368,739	$112,368,739	$112,368,739
Total	**$154,398,830**	**$154,398,830**	**$154,398,830**	**$158,398,830**	**$158,398,830**	**$158,398,830**

FY 2028 statewide employer contributions

	FY 2027 request	FY 2028 request
Statewide employer contributions		
Ret Supp - State Employee	$233,258	$233,258
Ret-Supp - Public School Employee	$199,855	$199,855
Ret - Police Insurance & Annuity Fund	$960	$960
Ret Supp - Police Officer	$17,506	$17,506
Pension - Ret National Guard[1]	$5,289,727	$5,289,727
OPEB Trust Fund Pymt	$2,375,300	$2,375,300
Subtotal	**$8,116,606**	**$8,116,606**
SCRS Trust Fund	$88,230,143	$88,230,143
PORS Trust Fund	$13,121,990	$13,121,990
JSRS Trust Fund	$2,900,000	$2,900,000
Subtotal	**$104,252,133**	**$104,252,133**
Total pass through funds	**$112,368,739**	**$112,368,739**

[1]The actual amount for fiscal year 2028 will be determined by the annual valuations, which will be available in January 2026.

History of approved budget authorizations

- PEBA operations are funded by Trust Funds (insurance and retirement), not General Funds.
- Approved authorization for FY 2013 and FY 2014 totaled $31,330,091.
- Additional $700,000 was added in FY 2015 for fiduciary audit and remained as part of the approved authorizations for FY 2016 through FY 2025; total authorization was $32,030,091 for operations.
- Other than fiduciary audit addition, there have been no increases in approved authorization for operations from FY 2012 through the budget request for FY 2025.
- Additional $4,000,000 was added in FY 2026 for increases in employer contributions that have occurred over time.
- Additional budget authorization of $10 million of recurring funds for PEBA's IT modernization project, PEBA:Connect, was approved in FY 2018 through FY 2026. The funds remain in the FY 2027 and FY 2028 requests.

General Funds appropriation

- PEBA's General Fund appropriations are pass through appropriations only. They are not used for PEBA's operating expenses.
- General Funds for statewide employer contributions were added for FY 2016, with termination of the Budget and Control Board and as part of Act 121 of the 2014 restructuring.
- Pass through funds for the SCRS Trust Fund and PORS Trust Fund equal to 1% of the employer contribution increase were added as recurring funds in FY 2018.
- Pass through funds for the JSRS Trust Fund equal to $2.9 million were added as recurring funds in FY 2020 to provide additional stabilization to the JSRS plan.

History of approved budget authorizations

- The Investment Commission invests retirement systems assets to help fund the system over time; the State Treasurer’s Office invests the insurance assets.
- PEBA does not set aside a budget in a separate account for deferred maintenance.
- To maximize investment income, money is left in Trust Funds until needed for operational expenses.
- The Investment Commission is also funded by the Retirement Trust Funds.

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