Agency Name:	Public Employee Benefit Authority		
Agency Code:	F500	Section:	108

Fiscal Year FY 2027-2028
Agency Budget Plan

FORM A - BUDGET PLAN SUMMARY

		For FY 2027-2028, my agency is (mark "X"):
OPERATING REQUESTS *(FORM B1)*		Requesting General Fund Appropriations.
		Requesting Federal/Other Authorization.
	X	Not requesting any changes.

		For FY 2027-2028, my agency is (mark "X"):
NON-RECURRING REQUESTS *(FORM B2)*		Requesting Non-Recurring Appropriations.
		Requesting Non-Recurring Federal/Other Authorization.
	X	Not requesting any changes.

		For FY 2027-2028, my agency is (mark "X"):
CAPITAL REQUESTS *(FORM C)*		Requesting funding for Capital Projects.
	X	Not requesting any changes.

		For FY 2027-2028, my agency is (mark "X"):
PROVISOS *(FORM D)*		Requesting a new proviso and/or substantive changes to existing provisos.
		Only requesting technical proviso changes (such as date references).
	X	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	Name	***Phone***	***Email***
PRIMARY CONTACT:	John Pannell	(803) 737-4675	jpannell@peba.sc.gov
SECONDARY CONTACT:	Travis Turner	(803) 734-0574	tturner@peba.sc.gov

I have reviewed and approved the enclosed FY 2027-2028 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	Agency Director	***Board or Commission Chair***
SIGN/DATE:	Peggy G. Boykin	Joe W. Pearce, Jr.
TYPE/PRINT NAME:	Peggy G. Boykin	Joe W. Pearce, Jr.

This form must be signed by the agency head – not a delegate.

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FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
AMOUNT	$3,371,062 *What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*
ASSOCIATED FTE REDUCTIONS	N/A. No agency FTEs are funded with General Funds. *How many FTEs would be reduced in association with this General Fund reduction?*
PROGRAM / ACTIVITY IMPACT	PEBA's General Fund appropriations are statewide items and governed by statutes. PEBA does not control the amount of these appropriations and must pay out all funds that are received. However, based on actual amounts for FY26, PEBA believes that if necessary, reductions might be realized for Retirement SupplementState Employees (FY26 appropriation of $233,258, actual payments of $77,468), Retirement SupplementPublic School Employees (FY26 appropriation of $199,855, actual payments of $67,330), and Retirement SupplementPolice Officers (FY26 appropriation of $17,506, actual payments of $5,004). However, based on FY26 actual payments, it may be difficult to achieve a full 3% reduction over these categories. The other categories comprising most of the General Fund Appropriation (SCRS Trust Fund, PORS Trust Fund, Nation Guard Pensions, and OPEB Trust cannot be reduced per statute. *What programs or activities are supported by the General Funds identified?*
SUMMARY	PEBA does not control the level of these General Fund appropriations and must distribute all funds collected.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS

PEBA does not control the level of these General Fund appropriations and must distribute all funds collected.

What measures does the agency plan to implement to reduce its costs and operating expenses by more than $50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

Agency Name:	Public Employee Benefit Authority		
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FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE

Cost avoidance for the State Health Plan through cost containment initiatives and plan design changes

Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS

PEBA continually evaluates and implements State Health Plan design changes to maximize potential cost savings for members and their employers.

What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST

Mark "X" for all that apply:	
	Repeal or revision of regulations.
	Reduction of agency fees or fines to businesses or citizens.
	Greater efficiency in agency services or reduction in compliance burden.
X	Other

METHOD OF CALCULATION

Estimated costs are determined using cost projections with current plan provisions versus cost projections for provisions proposed for the next plan year.

Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES

Not applicable.

Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION

Not applicable.

Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

SUMMARY

The South Carolina Public Employee Benefit Authority works continually with its vendors to identify ways to avoid additional costs to the State Health Plan. Ever increasing health care costs challenge budgets everywhere, but the State Health Plan remains a comprehensive and affordable option for South Carolina's public employers and employees, as well as taxpayers.

This focus on cost avoidance serves the Plan, and our state's taxpayers, well. The Plan compares quite favorably overall with national health plan cost trends.

National trend estimates in comparison to State Health Plan trend

	2021	2022	2023	2024	2025	5 year average (2021-2025)
State Health Plan	7.3%	1.1%	8.0%	4.1%	7.9%	5.7%
Benchmark	8.6%	6.9%	8.4%	8.4%	8.6%	8.2%

Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?