PEBA
SC Retirement Systems and State Health Plan

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September 4, 2026

By email only to qhawkins@scsenate.gov

G. Quentin Hawkins
Budget Director and Chief of Staff
South Carolina Senate Finance Committee

Dear Mr. Hawkins:

Director Boykin is in receipt of your letter dated September 2, 2026, in which you inquire as to the effect of the deletion of Proviso 108.1 upon the eligibility of certain part-time magistrates to participate in the State Health Plan. Given the legal questions posed in your letter, Director Boykin has asked me to assist with providing a response.

By way of background, since its creation by the General Assembly in 1972, the State Health Plan has provided that an employee of a participating employer must be employed in a "full-time" position in order to participate in the Plan. For the purposes of that requirement, full-time employment is considered employment in a position that requires an average of 30 hours or more of work per week. At times over the life of the Plan, the General Assembly has enacted certain exceptions to that 30-hour per week eligibility requirement. For example, pursuant to Section 59-25-45 of the Code of Laws, permanent part-time teachers who work fewer than 30 hours a week, but at least 15 hours per week, are allowed to participate in the State Health Plan, although they are required to pay increased premium costs. Similarly, in a long-standing budget proviso, most recently found at Proviso 108.1, the General Assembly had authorized South Carolina Lottery Commissioners and South Carolina Transportation Infrastructure Bank Board members to participate in the State Health Plan, upon paying both the employee and employer shares of the required premiums for their coverage. Beginning with the 2015-2016 budget, that proviso was expanded to also allow part-time magistrates in participating counties to enroll in the State Health Plan, again upon paying the full premium cost for their coverage.[1]

As you know, Proviso 108.1 was not carried over into the appropriations act for the 2026-27 fiscal year, beginning on July 1, 2026. Consequently, any Lottery Commissioners, Transportation Infrastructure Bank Board members, or part-time magistrates who were eligible for coverage under the State Health Plan solely as a result of the provisions of Proviso 108.1 are no longer eligible to participate in the Plan. Because, at the time the budget was enacted, premium billing for September was already in process,[2] coverage for individuals affected by the deletion of the proviso will continue until October 1, 2026.

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[1] Magistrates who serve in counties that do not participate in the State Health Plan are not eligible for coverage under the State Health Plan, but their eligibility for any insurance coverage would depend on the terms of the insurance plans offered by the county. Similarly, if a participating county elects to withdraw from the State Health Plan, the county's magistrates would no longer be eligible for State Health Plan coverage, but would be covered, if eligible, by the new insurance plan offered by the county.
[2] Premiums for the State Health Plan are paid for the month ahead, not in arrears.

Although regular coverage for these affected individuals will terminate on October 1, 2026, the individuals have the option to continue their coverage under the State Health Plan for up to 18 months under COBRA. By electing continuation coverage under COBRA, these individuals will continue their participation in the State Health Plan, and will not reset any of their deductibles, out-of-pocket maximums, or other limits for the current year. Because Proviso 108.1 required the eligible individuals to pay both the employee and employer portions of the required premiums for State Health Plan coverage, the premium cost to the affected individuals to elect COBRA coverage is an increase of two percent in the total premium. For example, under 2026 rates, single coverage for a part-time magistrate would cost $649.16 per month, while the corresponding COBRA rate to continue that single coverage would be $662.14 per month, an increase of approximately $13 per month. For full-family coverage, the monthly premiums would increase from $1,824.36 under the proviso to $1,860.84 under COBRA, an increase of about $36 per month. As noted above, these affected individuals would be eligible to continue this coverage under COBRA for a period of 18 months. It is important to note that the individuals will need to make a timely election to pick up COBRA coverage within 60 days of the date their coverage would otherwise end.

With regard to the specific questions posed in your letter, you are correct that, for the purposes of eligibility to participate in the State Health Plan, the applicable full-time threshold is the 30 hours per week required by the Plan. Even if a magistrate is classified as “part-time” for other purposes under state law, if the magistrate actually works at least 30 hours per week, the magistrate would be considered full-time for the purposes of the State Health Plan and would remain eligible to participate in the Plan, notwithstanding the deletion of Proviso 108.1, so long their county continues to participate in the Plan. A magistrate serving in a participating county who works more than 30 hours per week is independently eligible for State Health Plan coverage and does not need former Proviso 108.1 for their eligibility.[3]

Lastly, it is our understanding, like yours, that state law imposes certain obligations upon a county to maintain a magistrate’s compensation level during his or her term of office. See, e.g., Op. S.C. Att’y Gen., 2013 WL 6699938 (Dec. 10, 2013) (to Lisa R. Claxton, Spartanburg County Attorney). However, it is important to emphasize that these county compensation obligations would not operate to mandate or change the eligibility requirements, coverage levels, or other terms of the State Health Plan. Rather, as made clear in the above-referenced Attorney General’s opinion, it would generally fall to the discretion of the county to determine how to meet those obligations in light of any changes to their insurance offerings.

[3] It should also be noted that a participating employer does have the option to make a one-time, irrevocable election to extend eligibility for State Health Plan coverage to all employees that work more than 20 hours per week. However, this election would apply to all eligible employees, and not just magistrates, and would be permanent for the county’s period of participation.

We hope all of this information is helpful. Please do not hesitate to contact me or Peggy if you have any follow-up questions or concerns.

Sincerely,

Justin Werner
Chief Legal Officer