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VIEWPOINT

The biggest pension loser

By Hannah Hill
 for TheNerve.org

The State published a story with the headline "SC pension deal will hit cities, counties, schools hard." It's referring to the astronomical increase in employer contributions to the state pension fund. The bill, now signed into law, increases the employer contribution by 70 percent over the next six years.

State agencies aren't the only employers in the state pension system. Local governments, school districts, and even some private organizations and non-profits are part of the system and will have to cough up the dough to cover the mandated employer-contribution increase.

That will be difficult for many of them, so lawmakers agreed to cover up to half of the first year's increase for all non-state agency employers. However, the House budget sent the bailout directly to the pension system, and the Senate sent it to the local government fund.

The difference? Some local governments would get more than others, depending on which plan you're looking at. Lawmakers have evidently decided to go with the House plan and send the money straight to the pension system, according to *The State's* story, which adds "That deal was reached after weeks of negotiations between S.C. House and Senate budget writers."

Here's what everyone is missing: In the tug-of-war between state government and local

government, cities and counties and school districts, it's the taxpayer that gets the shaft every single time.

It doesn't matter whether the money goes to the local government fund or the pension fund. It doesn't matter if state government covers the whole increase for local governments or not.

Because either way, the S.C. taxpayer is the one footing the bill. The real tension in this state is never between government entities.

It's between tax spenders and tax payers.

Let's say the state government decides to cover the entire mandated increase. Know who funds state government?

You do.

Let's say that, as will likely be the case, local governments are on their own after this year and have to cover the rest of the increase themselves. Know who funds local government?

You do.

Know who the S.C. pension deal actually hits — and hits hard?

That's right — it's you.

Hannah Hill is a policy analyst at the South Carolina Policy Council, The Nerve's parent organization.