




South Carolina Department of Insurance

HENRY McMASTER
Governor

RAYMOND G. FARMER
Director

BULLETIN NUMBER 2017-05

TO: All Insurers and Producers Licensed to Transact Workers' Compensation Insurance Business in the State of South Carolina

FROM: Raymond G. Farmer
Director of Insurance 

SUBJECT: Recent Workers' Compensation Insurance Legislative Changes
2017 S.C. Act No. 24 (Act No. 24) and 2017 S.C. Act No.38 (Act No. 38)

DATE: July 6, 2017

I. PURPOSE

The purpose of this bulletin is to notify insurers transacting workers' compensation insurance business in this state of recent legislative changes. Copies of 2017 S.C. Acts No. 24 and No. 38, summarized below, are attached to this bulletin.

II. 2017 LEGISLATIVE CHANGES

A. Act No. 24 (R. 43, H. 3441)

Effective May 9, 2017, Act No. 24 adds Section 42-9-450 to the South Carolina Code of Laws to permit the payment of compensation by means of a check or electronic payment system such as electronic funds transfer (EFT), direct deposit, debit card, etc., in accordance with the policies, procedures and regulations of the South Carolina Workers' Compensation Commission. The Commission has proposed changes to S.C. Code Ann. Regs. 67-1602 which will provide the framework for how parties can go about using electronic payment systems; however, those changes will not go into effect until at least January 2018. Accordingly, on June 20, 2017, the Commission issued an [Administrative Order](#) adopting policies and procedures regarding the payment of compensation pursuant to the amended Section 42-9-450.

B. Act No. 38 (R. 61, H. 3879)

Effective May 10, 2017, the maximum burial expense payable to the designated beneficiary of a worker who dies as a result of a work-related injury has been increased. Section 42-9-290(A) of the South Carolina Code of Laws has been amended to increase the cap on the burial expense benefit from \$2,500 to \$12,000.

III. QUESTIONS

The South Carolina Department of Insurance does not anticipate any significant impact on workers' compensation insurance as a result of either legislative change. However, each insurer should assess the impact to their own book of business to prepare for any necessary changes. Questions regarding benefits should be directed to the Office of the Executive Director of the South Carolina Workers' Compensation Commission at (803) 737-7544 or kballentine@wcc.sc.gov.

Bulletins are the method by which the Director of Insurance formally communicates with persons and entities regulated by the Department. Bulletins are Departmental interpretations of South Carolina insurance laws and regulations and provide guidance on the Department's enforcement approach. Bulletins do not provide legal advice. Readers should consult applicable statutes and regulations or contact an attorney for legal advice or for additional information on the impact of that legislation on their specific situation.

South Carolina General Assembly
122nd Session, 2017-2018

A24, R43, H3441

STATUS INFORMATION

General Bill

Sponsors: Rep. Gagnon

Document Path: I:\council\bills\agm\19055wab17.docx

Introduced in the House on January 12, 2017

Introduced in the Senate on January 31, 2017

Last Amended on January 26, 2017

Passed by the General Assembly on May 3, 2017

Governor's Action: May 9, 2017, Signed

Summary: Workers' Compensation

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
1/12/2017	House	Introduced and read first time (House Journal-page 18)
1/12/2017	House	Referred to Committee on Judiciary (House Journal-page 18)
1/17/2017	House	Recalled from Committee on Judiciary (House Journal-page 422)
1/17/2017	House	Referred to Committee on Labor, Commerce and Industry (House Journal-page 422)
1/25/2017	House	Committee report: Favorable with amendment Labor, Commerce and Industry (House Journal-page 2)
1/26/2017		Scrivener's error corrected
1/26/2017	House	Amended (House Journal-page 13)
1/26/2017	House	Read second time (House Journal-page 13)
1/26/2017	House	Roll call Yeas-90 Nays-0 (House Journal-page 14)
1/26/2017	House	Unanimous consent for third reading on next legislative day (House Journal-page 15)
1/27/2017	House	Read third time and sent to Senate (House Journal-page 2)
1/31/2017	Senate	Introduced and read first time (Senate Journal-page 21)
1/31/2017	Senate	Referred to Committee on Judiciary (Senate Journal-page 21)
3/30/2017	Senate	Referred to Subcommittee: Young (ch), Sabb, Talley
4/26/2017	Senate	Committee report: Favorable Judiciary (Senate Journal-page 9)
4/27/2017		Scrivener's error corrected
5/2/2017	Senate	Read second time (Senate Journal-page 26)
5/2/2017	Senate	Roll call Ayes-36 Nays-0 (Senate Journal-page 26)
5/3/2017	Senate	Read third time and enrolled (Senate Journal-page 25)
5/4/2017		Ratified R 43
5/9/2017		Signed By Governor
5/12/2017		Effective date 5/9/17
5/15/2017		Act No. 24

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VERSIONS OF THIS BILL

[1/12/2017](#)
[1/25/2017](#)
[1/26/2017](#)
[1/26/2017-A](#)
[4/26/2017](#)
[4/27/2017](#)

(A24, R43, H3441)

AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 42-9-450 SO AS TO PROVIDE WORKERS' COMPENSATION PAYMENTS BY EMPLOYERS' REPRESENTATIVES MUST BE MADE BY CHECKS OR ELECTRONIC PAYMENT SYSTEMS.

Be it enacted by the General Assembly of the State of South Carolina:

Employer's representatives to pay by check or electronic payment systems

SECTION 1. Chapter 9, Title 42 of the 1976 Code is amended by adding:

“Section 42-9-450. An employer's representative shall make payment of compensation by means of check or electronic payment system including, but not limited to, an electronic funds transfer, a direct deposit, debit card, or similar payment system if such payments are made in accordance with the policies, procedures, or regulations as provided by the commission.”

Time effective

SECTION 2. This act takes effect upon approval by the Governor.

Ratified the 4th day of May, 2017.

Approved the 9th day of May, 2017.

South Carolina General Assembly
122nd Session, 2017-2018

A38, R61, H3879

STATUS INFORMATION

General Bill

Sponsors: Reps. Davis, Yow, Thayer, Anderson and Gilliard

Document Path: I:\council\bills\agm\19128wab17.docx

Introduced in the House on March 2, 2017

Introduced in the Senate on March 22, 2017

Last Amended on May 2, 2017

Passed by the General Assembly on May 4, 2017

Governor's Action: May 10, 2017, Signed

Summary: Workers' Compensation burial expenses

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
3/2/2017	House	Introduced and read first time (House Journal-page 7)
3/2/2017	House	Referred to Committee on Labor, Commerce and Industry (House Journal-page 7)
3/7/2017	House	Member(s) request name added as sponsor: Anderson
3/13/2017	House	Committee report: Favorable with amendment Labor, Commerce and Industry (House Journal-page 2)
3/21/2017	House	Member(s) request name added as sponsor: Gilliard
3/21/2017	House	Amended (House Journal-page 133)
3/21/2017	House	Read second time (House Journal-page 133)
3/21/2017	House	Roll call Yeas-108 Nays-0 (House Journal-page 133)
3/22/2017	House	Read third time and sent to Senate (House Journal-page 18)
3/22/2017	Senate	Introduced and read first time (Senate Journal-page 5)
3/22/2017	Senate	Referred to Committee on Judiciary (Senate Journal-page 5)
3/30/2017	Senate	Referred to Subcommittee: Young (ch), Sabb, Talley
4/26/2017	Senate	Committee report: Favorable with amendment Judiciary (Senate Journal-page 10)
5/2/2017	Senate	Committee Amendment Adopted (Senate Journal-page 27)
5/2/2017	Senate	Read second time (Senate Journal-page 27)
5/2/2017	Senate	Roll call Ayes-36 Nays-0 (Senate Journal-page 27)
5/3/2017	Senate	Read third time and returned to House with amendments (Senate Journal-page 17)
5/4/2017	House	Concurred in Senate amendment and enrolled (House Journal-page 52)
5/4/2017	House	Roll call Yeas-82 Nays-16 (House Journal-page 53)
5/9/2017		Ratified R 61
5/10/2017		Signed By Governor
5/17/2017		Effective date 05/10/17
5/18/2017		Act No. 38

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VERSIONS OF THIS BILL

[3/2/2017](#)

[3/13/2017](#)

[3/21/2017](#)

[4/26/2017](#)

[5/2/2017](#)

(A38, R61, H3879)

AN ACT TO AMEND SECTION 42-9-290, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE MAXIMUM AMOUNT OF BURIAL EXPENSES PAYABLE UNDER WORKERS' COMPENSATION LAWS FOR ACCIDENTAL DEATH, SO AS TO INCREASE THE MAXIMUM PAYABLE AMOUNT TO TWELVE THOUSAND DOLLARS.

Be it enacted by the General Assembly of the State of South Carolina:

Maximum amount increased

SECTION 1. Section 42-9-290 of the 1976 Code is amended to read:

“Section 42-9-290. (A) If death results proximately from an accident and within two years of the accident or while total disability still continues and within six years after the accident, the employer shall pay or cause to be paid, subject, however, to the provisions of the other sections of this title, in one of the methods provided in this chapter, to the dependents of the employee wholly dependent upon his earnings for support at the time of the accident, a weekly payment equal to sixty-six and two-thirds percent of his average weekly wages, but not less than seventy-five dollars a week so long as this amount does not exceed his average weekly wages; if this amount does exceed his average weekly wages, the amount payable may not be less than his average weekly wages nor more than the average weekly wage in this State for the preceding fiscal year, for a period of five hundred weeks from the date of the injury, and burial expenses up to but not exceeding twelve thousand dollars. If the employee leaves dependents, only partly dependent upon his earnings for support at the time of the injury, the weekly compensation to be paid must equal the same proportion of the weekly payments for the benefit of persons wholly dependent as the amount contributed by the employee to such partial dependence bears to the annual earnings of the deceased at the time of his injury. When weekly payments have been made to an injured employee before his death, the compensation to dependents begins from the date of the last of such payments but does not continue more than five hundred weeks from the date of the injury. Compensation under this title to aliens not residents (or about to become nonresidents) of the United States or Canada is the same in amount as provided for residents, except that dependents in any foreign country are limited to a surviving spouse and child or children or, if there be no surviving spouse or child, to a

surviving father or mother whom the employee has supported, either wholly or in part, for a period of three years before the date of the injury, and except that the commission may, at its option, or upon the application of the insurance carrier, commute all future installments of compensation to be paid to such aliens by paying or causing to be paid to them one-half of the commuted amount of future installments of compensation as determined by the commission.

(B) The provisions of this section may not be construed to prohibit lump-sum payments to surviving spouses. Provisions for lump-sum settlement may be retroactive.

(C) Any death benefits to which a child through the age of eighteen years of an employee is entitled under this section vest with the child at the date of death of the employee and continue to be paid to the beneficiary subject to the five-hundred-week limitation regardless of his age.

(D) If at the date of death of the employee, the employee has a child nineteen years of age or older enrolled as a full-time student in an accredited educational institution, the child is entitled to death benefits in the same manner as though he were under nineteen and shall receive benefits, subject to the five-hundred-week limitation, until the age of twenty-three. However, if a student's enrollment ends, except for normal breaks and vacations in accordance with schedules of the school, the child no longer is considered a dependent. When all the deceased employee's children are no longer dependent, the remainder of that portion of the award must be paid to a surviving spouse or other full dependent, or if there be none, the remainder of that portion of the award must be paid in the same manner as provided in this section for cases where the employee is survived by no full dependents.

(E) Any dependent child mentally or physically incapable of self-support must be paid benefits for the full five-hundred-week period regardless of age.

(F) In cases where benefits are payable to a surviving spouse and dependent children, the surviving spouse shall receive not less than one-half of the benefits paid if there are two or more children."

Time effective

SECTION 2. This act takes effect upon approval by the Governor.

Ratified the 9th day of May, 2017.

Approved the 10th day of May, 2017.
