

1972 WL 25241 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

March 15, 1972

*1 The Honorable Harris P. Smith
Senator
Pickens County
Box 68
Easley, South Carolina 29640

Dear Harris:

Since receiving your letter of February 25 concerning the purchase of general insurance plans for public employees by public agencies, I have searched this Office, but I do not find any opinion precisely in point. At one time, I wrote to the City Attorney for the City of Columbia concerning the purchase of an insurance annuity for the City Manager as an inducement to his remaining in the employ of the City, but I am unable to locate the memorandum written at that time, and the City Attorney is now deceased. It is my recollection that I expressed the view to him that this type of contract could not be purchased.

Whether the public funds can be used for the purchase of insurance for public employees is a doubtful issue, sufficiently so to prompt me to feel that it should not be undertaken without legislative authority. This presents the constitutional issue of whether public funds are being thus utilized for private purposes or whether the procurement of insurance is a fringe benefit, such as retirement, which is merely an emolument which the State is authorized to pay to its employees.

I will look further but I do not believe that we will uncover any opinion upon the precise issue.

Cordially,

Daniel R. McLeod
Attorney General

1972 WL 25241 (S.C.A.G.)

End of Document

© 2021 Thomson Reuters. No claim to original U.S. Government Works.